

NORTH CAROLINA

20
20 **SMALL**
BUSINESS
HANDBOOK

LOOKING TO THE FUTURE

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Small Business Handbook is produced by Old North State Magazines LLC, 1230 West Morehead Street, Suite 308, Charlotte, NC 28208. Telephone 704-523-6987. Fax 704-523-4211. Editorial content provided by the SBTDC. The SBTDC is funded in part through a cooperative agreement with the US Small Business Administration. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA. All rights reserved. The contents of this publication may not be reproduced by any means, in whole or in part, without prior written consent of Old North State Magazines LLC and the SBTDC.

NORTH CAROLINA
2020 SMALL
2020 BUSINESS
HANDBOOK

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Front cover: The team at Gardner Law, PLLC

What’s your *measure of success*
in today’s new business landscape?

Making smart business decisions has never been more important than in the new normal of COVID-19. Since 1984, the Small Business & Technology Development Center (SBTDC) has helped more than 135,000 North Carolina entrepreneurs make their businesses better.

In addition to assistance with finance, marketing, and management, the SBTDC can help with COVID-19 recovery strategies and plans, including:

- Cash flow projections
- Securing SBA and other financing
- Stabilizing operations
- Exploring new market opportunities
- Safely welcoming back customers
- Digital marketing

Small Business & Technology Development Center
A business and technology extension program of the UNC System
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2020 STATE OF SMALL BUSINESS

Dear readers,

We are pleased to partner with *Business North Carolina* on the *2020 North Carolina Small Business Handbook*. Needless to say, this year's edition is being released in a far different environment than in the prior year.

Last year, our message included a reference to concerns at a national level and locally about a downturn in the overall economy due to slowing economic growth. Little did we know that those concerns would prove right — but due to the COVID-19 crisis instead.

And, yes, we've had a significant business slowdown due to government required closures of many types of small (and large) businesses from bars and restaurants, to gyms, movie theaters and salons. Business starts slowed as well, but there remained a fairly strong sense of resiliency among many existing firms.

We've also had unparalleled small business access to federal loans guaranteed by the U.S. Small Business Administration. To further support economic stabilization, Congress passed the CARES Act. This provided funding to states, and to a variety of other public resources that are committed to support small business recovery. The SBTDC, for instance has been provided with added CARES Act funding to increase staff focused specifically on helping small to mid-sized firms in their efforts to more efficiently navigate their way through the COVID crisis. As a result, the volume of small businesses served has expanded significantly. As important many small firms are finding unique ways to better attract and serve customers.

Amidst all of the anxiety around COVID, we appear to be nearing the availability later this year or early next of one or more prudently tested vaccines to combat the COVID virus. This will likely lead to a reopening of our economy and the return to work of significant numbers of currently sidelined workers.

This will be an opportune time for business owners to reset their strategies and focus. To help them with this, there are resources available across the state.

These include:

The **N.C. Community College System's Small Business Center Network** includes offices at each of the 58 community college campuses across the state. They provide a broad, grassroots presence through which to provide educational programs and business advice to startups and micro businesses.

The **Small Business & Technology Development Center (SBTDC)** is a statewide business advisory service of the University of North Carolina System. It has offices hosted by the 16 university campuses through which SBTDC professional staff provides in-depth business counseling to small to midsize companies in all 100 counties. This ranges from broad general business advice to specialized expertise in securing debt and equity capital, expanding into international markets, accessing government contracts, and creating new strategies and organizational capacities for growth.

The expertise and support of these two leading state resources for small businesses are readily accessible. Their services are free and confidential. Modest fees may be charged for training programs and in some cases for in-depth specialized services. Further information about these and other resources in North Carolina are included in this Small Business Handbook.

Call on us if we can help you make your business better.



Scott Daugherty

State Director,
Small Business and
Technology Development Center

SMALL BUSINESS RESOURCES

The **N.C. Small Business Center Network**, operated through the N.C. Community College System, is the largest state-supported small business assistance program, serving more than 70,000 North Carolinians each year. The 61 centers located at community colleges throughout the state are aligned with the state's eight Prosperity Zones. Potential or current business owners can take advantage of high-quality, readily accessible assistance that includes resource and referral information for a variety of business needs; free confidential one-on-one business counseling services; and high-impact seminars and classes available.

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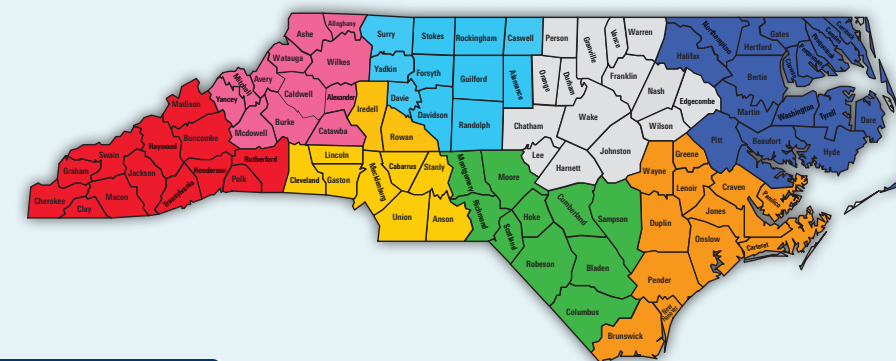


NCSBC.NET

The **Small Business and Technology Development Center** is a business and technology extension program of the UNC System, operated in partnership with the U.S. Small Business Administration. Since 1984, the SBTDC's experienced counselors have helped more than 135,000 small and midsize business owners make better decisions, become more competitive and improve the economy of North Carolina. National studies show that SBTDC client companies increase revenue and create jobs at significantly greater rates than the average North Carolina business.



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Visit SBTDC.ORG



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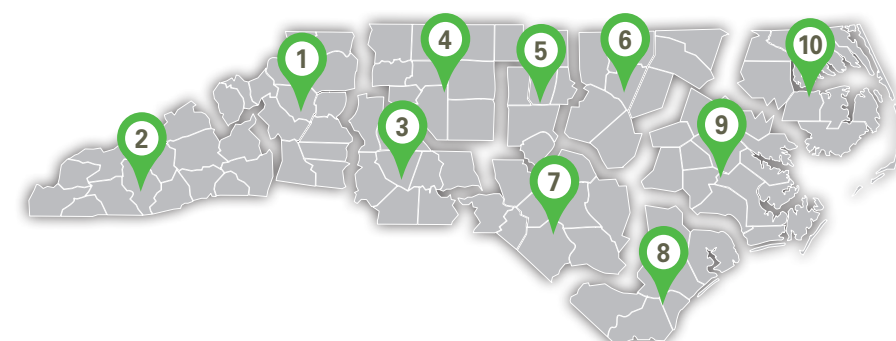
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828-251-6025 (Asheville)

3 SBTDC at UNC Charlotte
704-687-0440 (Charlotte)

4 SBTDC at Winston-Salem State University, N.C. A&T State University
336-750-2030 (Winston-Salem)
336-256-9300 (Greensboro)

5 SBTDC at UNC Chapel Hill, N.C. Central University
919-962-0389 (Chapel Hill)
919-530-7386 (Durham)

6 SBTDC at N.C. State University
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7 SBTDC at Fayetteville State University, UNC Pembroke
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910-775-4000 (Pembroke)

8 SBTDC at UNC Wilmington
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9 SBTDC at East Carolina University
252-737-1385 (Greenville)

10 SBTDC at Elizabeth City State University
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CASE STUDY: MARKETING



Will and Tiffany Glass' simple goal was to find a snack their son could eat that didn't mess with his food allergies. "Tye was allergic to everything. Peanuts, shellfish, soy, certain fruits," Will Glass says. "There were a lot of things he couldn't eat." But his friends could, and that's hard for an 8-year-old. A kid can only consume so much microwavable popcorn before it gets old.

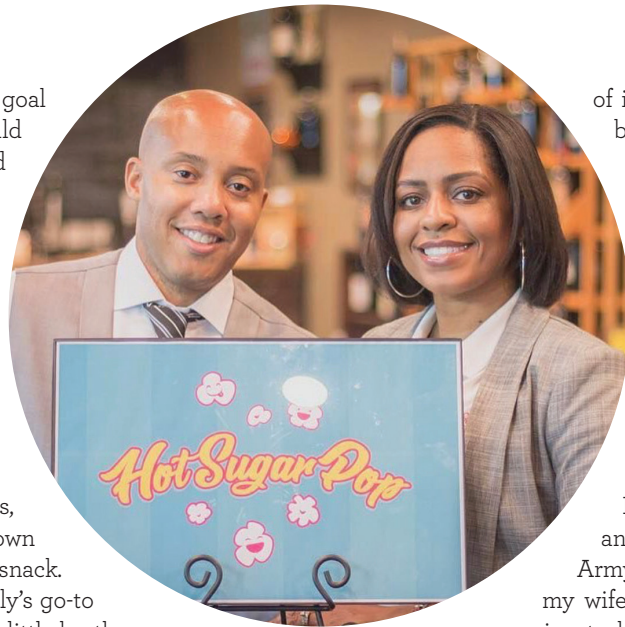
The Glasses had an idea. They bought popcorn kernels, corn oil and sea salt to make their own safe, nonallergenic Tye-approved snack. The result became the whole family's go-to craving, with Tye's sister, Zuri, and little brother, Simon, joining the enthusiasm.

So did co-workers, neighbors and extended family. The Glasses soon transformed their kitchen into a home-based, rapidly growing popcorn business. In 2018 they gave it a name: HotSugarPop. The family opened a store in Fayetteville's Cross Creek Mall on Black Friday last year, and plans are underway to open a manufacturing facility in Spring Lake this fall, with online orders rushing in.

HotSugarPop's product is far from traditional movie theater popcorn. Flavor offerings include Raspberry Lemonade, Kandy Lime Pie, Cookies & Crème, and the family's social media manager's favorite, Bang Bang (think Fruity Pebbles).

Social media, Will says, is the key to marketing success. "I tell people when they ask, the two main things we invested in was a good website (hotsugarpop.com) and a good social media manager," Will says. "Everything revolves around social media. Our Instagram, Facebook and Twitter get the word out, especially now when a lot of people are buying everything online. That's the way they come across our website: through social media."

Pernilia Xavier is CEO of ad agency iMarketXtreme. She met the Glasses at a military veterans' spouse expo and asked Glass how long he'd had his popcorn business. She hadn't heard



of it. "I went on to explain to him my business and my marketing skills," she says. "Luckily, it was brought to my attention that he didn't have time to manage his social media accounts. Within three days, we signed a contract agreement for me to start working on their social media."

Will has a culinary arts degree from Charlotte's Johnson & Wales University and was a food service officer in the military. He was deployed to Kuwait in 2016 and returned in late 2017. Tiffany is an Army nurse. "The whole time I was gone, my wife kept telling me how people were coming to her asking for popcorn, so I began to research the name of the company, and we'd experiment with certain bags and how the product would last," he says. "She was always at the clinic, so it kind of spread that she made this, and while I was gone, the demand was increasing. We realized quickly we couldn't buy everything from Walmart, so we had to source the quality ingredient components."

Components like glycerin, propylene glycol, triacetin ... things you don't notice while crunching a handful of Unicorn, Lemon Cake or Butter Toffee popcorn.

"[Tiffany] would have a flavor and add color to it and think of a way of developing products," Will says. "The Cheddar [Smoke Bomb Cheddar, Spicy Cheddar, White Cheddar, White Cheddar Ranch] I developed, but the chocolate-coated ones were developed by Tiffany. We'd go to farmers markets and if it was popular, we'd add it to the product line."

The company name, he says, "just came to me while I was attending a focus group in New Orleans. It just popped into my head."

The Glasses and Xavier have monthly meetings to explore marketing concepts for new flavors, future deals and collaborations.

"I manage HotSugarPop's Instagram, Facebook, Facebook Ads, email marketing, YouTube, TikTok, Twitter and soon-to-be Pinterest. I communicate with the owners daily," Xavier says.



"I closely monitor engagements, likes, comments, direct messages and reviews to ensure we are responsive and continue to have a strong online presence."

Marketing is all about testing, adjusting and discovering what really works. Local customers and online followers appreciate timely updates, organic content and being part of HotSugarPop's growth."

Because the Cross Creek store has an outside entrance, it didn't close when COVID-19 became a factor. Online orders continue, and flavors keep evolving. A store employee created Sunset Boulevard, "because it looks like the sky at sunset," Will says. "And with what was happening recently with [nationwide] protests, I thought United We Pop [the popcorn was red, white and blue] would be a good name. Not every idea that we do works, but the ones that do, we give it a name and go from there."

The website offers popcorn for sale in logo-scripted tins, in 1/2 gallon, 1 gallon, 2 gallon and 3 1/2 gallon sizes, along with party favors for weddings, baby showers and parties.

Even with its success, 2020's events led to the company obtaining a \$9,000 Paycheck Protection Program loan. "The [N.C. Small Business and Technology Development Center] helped

us understand the process and what the loan can be used for," Will says, "and our banker [at PNC Bank] has offered a lot of support from the beginning ... and got our loan processed."

Will plans to retire from the military this fall and run the store full time. The business is growing faster than expected.

"When it began, we were actually trying to find a rental kitchen," he says. "We were doing like 30 orders a day, and we'd be up all night trying to hand-pop these orders on our stove. The only way we found to get a rental kitchen was in Chapel Hill, and we'd bring it back to the house and pull orders from the shelf." He eventually met a local food-service businessman who rented the Glasses kitchen space. "We kept increasing production because of the demand, and all last year, 2019, we made about \$80,000, but there have been times this year when we've made that much in a month."

"Business is moving rapidly," Xavier says.

So much so that the company plans to obtain warehouse space this fall.

Will also hopes to add candy apples, cupcakes and ice cream to the company repertoire: Stuff to digest along with some popped Apple Spice, Birthday Cake, Blueberry Cheesecake or Dill Pickle popcorn. But read the Dill Pickle popcorn label if sunflower oil is on the allergy list.

KEEP MARKETING

According to a Harvard study after the 2008-09 recession,

Companies that survived - or even thrived - during times of crisis were the ones that kept investing in effective marketing and market research.

SOCIAL MEDIA SPENDING UP

Social media spending grew from 13.3% of marketing budgets in February to almost one-quarter (23.2%) of total marketing budgets in June.

source: Marketing Charts



MARKETING

DURING COVID-19

- Reassess your marketing strategy
- Communicate regularly with customers
- Develop a post-pandemic marketing message
- Identify key customers and consider a "niche focus"
- Strengthen digital communications & online presence
- Focus on social media
- Measure the success of each promotional campaign or activity
- Make SEO improvements - improve rankings, traffic, click-throughs
- Use technology to expand services - e-commerce, video, payment apps, etc.

MARKET RESEARCH RESOURCES

Good business decisions are supported by good data.

Two excellent resources are:

NC LIVE Free through public and college libraries, business resources include Reference USA, Simply Analytics, and ABI First Research. Identify competitors, potential customers, and more. Create lists and maps of the results. nclive.org

U.S. CENSUS QUICK FACTS Provides comprehensive demographics for all states and counties, and for cities and towns with a population of 5,000 or more.

uscensus.gov/quickfacts

DIGITAL MARKETING GUIDE

The SBTDC's Digital Marketing Guide is designed to help businesses get started with digital marketing. Topics include branding and messaging, websites, email marketing, social media, and crafting a digital marketing plan. It also includes worksheets and other tools to help businesses through the process. Available at:

<http://www.sbtcdc.org/pdf/digitalmarketingguide.pdf>

CASE STUDY: FINANCE



Technology by SENSORY ANALYTICS

Sensory Analytics, a Greensboro company that sells software technology for coating thickness and film weight process control in more than 40 countries, depends on an array of numbers, big and small, to succeed.

The company's SpecMetrix technology, used in coatings applications for industries such as automotive, aviation and metal packaging, can measure thickness down to 0.2 microns. (A micron is a millionth of a meter. By comparison, a human hair can measure 50 microns.)

The company operates in 10,000 square feet of manufacturing space, plus office and warehouse areas, in a site acquired in September 2019.

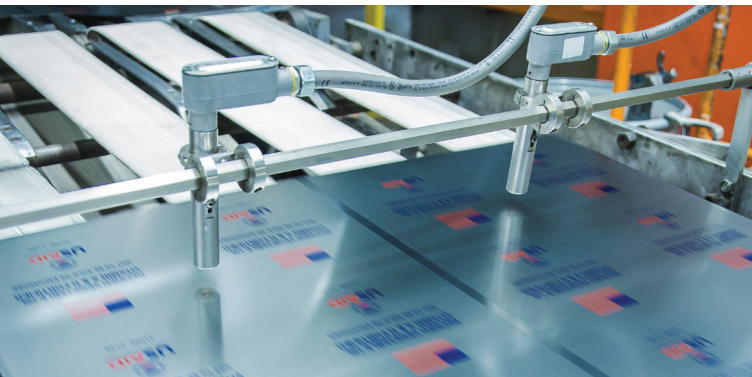
The company, which started in 2005 and gets about 60% of revenue from international clients, recently received its first European Union patent for SpecMetrix systems.

But 2020 and COVID-19 put Sensory Analytics' financial success in a different numbers column.

"As an essential business that supports global food, nutraceutical and beverage manufacturers that were open during lockdown due to their critical global supply chain role, Sensory has been fortunate to remain open consistently during this pandemic," says Greg Frisby, Sensory's global industry manager.

"Like most companies, Sensory experienced customers that delayed visits to site, postponed orders, and various supply issues that resulted in required cost-cutting until receiving the PPP loan," he adds.

With travel limitations and regional restrictions, Sensory expanded its digital capabilities for customers unable to visit in person.



SpecMetrix Fixed Probe System. Metal packaging is the biggest industry of Sensory Analytics and the plants remained open as essential businesses to the food and beverage supply chain during COVID-19.



Litalisa, a global leader in packaging solutions and lithography technology based in Spain, was the first company to receive the SpecMetrix Certified Facility Award. Pictured: Toni Garcia (LTR Gestion Gravica/SpecMetrix Sales Representative - Spain), Juan Inchausti (Litalisa CEO), Greg Frisby (Global Industry Manager)

Videoconferencing, virtual meetings and webinars also kept the company moving. "The company has been relying on its strong international sales and support partners to help customers and drive new business overseas while headquarters has focused more on growing domestic business opportunities," he says. A driving goal is to boost Sensory's global recognition as an innovative leader in optical technology.

The N.C. Small Business Technology and Development Center and U.S. Small Business Administration stepped in during July to help. SBA Administrator Jovita Carranza visited the business July 10 after Sensory Analytics received a \$529,000 Payroll Protection Program loan to fill its payroll gap and rehire furloughed employees. The company also received an Economic Injury Disaster Loan of \$150,000 for coronavirus recovery efforts.

"The SBTDC is supported by the SBA and has been an amazing resource that's helped Sensory Analytics grow from its beginning into a more assured and successful future," says Global Sales Support Manager Vivian Poteat. "Sensory has been aided by many of SBTDC's services, programs and counseling that have helped support the company's continued international growth."

Sensory Analytics receives an average of \$10,000 a year to help cover export expenses through the Economic Development Partnership of North Carolina. The grants have enabled Sensory to exhibit at international trade shows and translate product materials and their website into Spanish, French, German, Portuguese and Chinese, says marketing specialist Devon Edmonson. "Having a presence at global trade shows and being able to offer marketing and technical materials in regional languages has proven to be essential for continued growth and market success."

The company also participates in the Gold Key Program, a matchmaking service to locate overseas distributors and busi-

ness representatives, to help international sales and support partner networks in Asia. It resulted in a new sales representative in South Korea, Edmonson says.

The SBTDC also has helped pair Sensory Analytics with French and Italian interns to work on documentation translations and market research.

Sensory Analytics employs about 50 people, after doubling its workforce in 2017-18 and adding technical and support positions this year. Hiring was halted prior to receiving the PPP loan.

Sensory originally supplied industrial measurement tools using different types of sensors, but changed its core to producing more specialized exclusive measurement technologies under the SpecMetrix brand, Frisby says. To help complete the SpecMetrix systems launch, the company secured more than \$3 million from angel investment funds including Inception Micro Angel Fund and other investor groups across the Carolinas. The SBTDC introduced Sensory to some of those investors.

The new building gives the company plenty of room to grow. Frisby says. He projects a strong fourth quarter as more manufacturers boost capital expenditures that have been on hold earlier in the year. Sensory "is working with all customers to ensure that SpecMetrix system purchases are part of year-end and 2021 customer budgets."



A 2019-2020 STEP grant paid for the SpecMetrix booth at an international show. Pictured: Vivian Poteat (Global Sales Support Manager) and Humberto Ledo (TekBrazil Sales Manager/SpecMetrix Sales Representative - Brazil)

FINANCE



CHECKLIST

FOR MANAGING IN TIMES OF FINANCIAL DIFFICULTY

CASH MANAGEMENT



- Prepare regular cash flow forecasts
- Focus on receivables collection
- Prioritize who to pay first
- Ask vendors for longer payment terms or partial payment
- Talk to lenders about renegotiating existing loan terms
- Sell unproductive assets

COSTS & PRICING



- Review personnel requirements
- Reduce unnecessary expenses that don't contribute to revenue generation
- Review pricing and value - don't cut prices in panic mode
- Consider renting unused space to other businesses

INVENTORY CONTROL

- Review inventory levels regularly
- Get rid of slow moving or obsolete inventory
- Negotiate deals with suppliers when possible



CORONAVIRUS FUNDING OPTIONS

U.S. Small Business Administration: www.sba.gov

N.C. COVID-19 Rapid Recovery Loan Program:

carolinasmallbusiness.org/initiatives/nc-covid-19-rapid-recovery-loan/

Local city and country grant programs

CASE STUDY: HUMAN RESOURCES



The boy was 14 when he left El Salvador alone, trying to escape the street gang that threatened to kill him. His parents, already in the United States, were sending the boy’s grand-mother money to care for him while they worked to make a better place to raise him. The gang threatened the boy: Join up or die.

He went to the police.

“They said they could not help him. He needed to come to the United States,” says Gigi Gardner, founder of immigration law firm Gardner Law, PLLC in Raleigh.

Money was exchanged to help the boy reach the U.S. border, where he turned himself in to a Border Patrol officer. He was released to the custody of his parents in North Carolina.

“His parents had come here to make living,” Gardner says. “He filed for asylum, and it was a very hard case. We filed in Arlington first, and got referred to the immigration court and had to go to Charlotte to have his hearing, and we won.”

The now-grown boy graduated from an N.C. high school and has an entry-level job. He hopes to attend community college, then pursue a bachelor’s degree.

“He’s the sweetest kid you ever met in your life,” Gardner says. “He’s got a phenomenal future.”

Gardner’s passion for helping the Hispanic and Latino populations began in her hometown of Clayton, where her father is a retired state highway patrol officer and her mother owned a hair salon for 40 years and has rental property. “With my dad, I got to see a lot through that lens of the justice system,” she says. “And when I was in elementary school, I wanted to be a judge. I wanted to be able to hear both sides and be the one who decided the fairness and what was right and what was wrong.”

She became fluent in Spanish to help the Spanish-speaking people of her town and state. She participated in a study program in Spain and worked as an English as a second language teacher in Mexico City and San Jose, Costa Rica, before earning a bachelor’s degree in psychology with a minor in Spanish from UNC Chapel Hill. Gardner worked for two law firms, gaining experience before setting up shop on her own.

She started Gardner Law in 2013 with \$1,000, a laptop, a cellphone and a vow to extend the same fairness she imagined as a child to her clients and employees.

Her career choice was cemented in college when Gardner met a restaurant employee from Mexico who told her that a change in laws required him to have a Social Security number to get a driver’s license. “He called me and said, ‘Gigi, what if I get deported? They could pick me up and arrest me and deport me. What’s going to happen to my life here?’ He had a house, a car and a job. I said he had to have due process and a hearing. And sure enough, he’s in the process of becoming a permanent



resident. That’s when I knew I wanted to do immigration law.”

Gardner’s five employees at her offices in a Regus work-space on Raleigh’s Fayetteville Street went through a thorough, in-depth hiring process of not only proving their qualifications for the work, but being the type of people who share Gardner’s passion for their clientele.

“You have to feel it deep within your soul,” she says. “The first thing I look at is their resume, but more so how the resume is put together, how it’s written, how much attention to detail they pay to their resume and cover letter. And I ask them for writing samples in English and Spanish, and I pay very close attention to what they submit, how well it’s written and if there are grammatical errors.

“The second thing is education and experience, specifically where can I see their passion for immigration? Because if I don’t see that passion, they’re not a strong candidate. Immigration is challenging, and it’s taxing emotionally and mentally. You’re working with a vulnerable population, and they’re not familiar with the legal system and general infrastructure. You have to do a lot of hand-holding. You have to have that passion deep within.”

Gardner’s third requirement is a combination of integrity, intelligence and energy. “I got that from Warren Buffett,” she says. “He says those are the three things to look for in a new hire. And it’s not just academic intelligence, it’s social intelligence. Be a good people person. I’m very transparent as a boss, and I try to give them their own autonomy and give them the tools and resources they need to be the best at their job they can be and to empower them to provide our clients with the best service.”

Employee benefits are many: unlimited paid time off; medical insurance that pays 100% of the premium; dental, vision and short-term disability; and a \$25,000 life insurance policy. She hopes to add a retirement package. “You take advantage of it, you’re gone,” she says of the PTO. “We can all see each other’s calendars.”

Each of Gardner’s employees was born in a Spanish-speaking country or has lived in one. “They have to have seen the world through living in a foreign country. They have to know what that feels like,” she says.

Gardner, 40, worked at Michael K. Nunley & Associates, a criminal defense firm, and Batch Poore & Williams in Raleigh before circumstances presented the chance to step out on her

own. Gardner Law does flat-fee billing for about \$450 an hour. Some clients followed her.

“I had to teach myself about immigration clients, and there were these clients who were not U.S. citizens who needed immigration help, and I had to teach myself case by case and help each person,” she says.

When COVID-19 struck, Gardner applied for and received a Paycheck Protection Program loan of \$64,400. “A lifesaver,” she says.

She also relies on advice and guidance from the N.C. Small Business and Technology Development Center.

Mike Seibert, director of international business development at the SBTDC Raleigh office and an adjunct faculty member of Campbell University’s School of Business, is Gardner’s business advisor.

“He started working with me immediately and has helped me tremendously,” she says. “He’s a mentor. He’s helped me create a strategic business plan and introduced me to countless people.”

Through Seibert, Gardner connected with MBA students from Campbell and N.C. State University. “I did a SWOT [strengths, weaknesses, opportunities, threats] analysis for my law firm, and Mike oversaw that,” she says. “You have to be open-minded and ready for any opportunity that comes your way.”

“I have never seen a client more willing and able to commit herself to the consulting projects that were performed by the Campbell and N.C. State MBA students,” Seibert says. “By doing so, she was able to establish a collaborative relationship



Gigi Gardner, pictured above, walks with the Gardner Law, PLLC team, left.

with the MBA teams, solve problems so they stayed solved, and assure attention was given to both the technical and business issues, as well as the relationship.”

Gardner says she may move to a different office location when her lease is up this fall, but will remain near downtown Raleigh. It’s convenient, she says, for her and her employees to be near the courthouse, post office and restaurants.

“I’m so thankful for my team, and I’ve never needed them more than during this pandemic,” she says, “They’ve all pulled together and done what needs to be done to stay afloat, and I think the culture we’ve created in the firm, that closeness and that respect, has helped us weather this storm a lot better than if we didn’t have that.”

HUMAN RESOURCES

According to Murphy (2020), those who work from home are **87%** more likely to love their job compared to **24%** of those who work strictly from an office.

MANAGING REMOTE WORKERS

- Adjust work expectations and clearly define priorities
- Establish work-from-home rules
- Be flexible — accommodate family needs to the extent possible
- Lead by example
- Rethink meetings — hours of Zoom can take their toll
- Communicate and provide employee social outlets, like chat rooms
- Provide the tools and resources employees need

Pre-pandemic, only **5.2%** of US employees reported working from home all the time. Now that figure has skyrocketed, and likely won't change any time soon.

MINI HR AUDIT

DOES YOUR COMPANY HAVE: ???

- ☐ An up-to-date employee handbook?
- ☐ A process for determining employee classifications (employee vs. contractor, exempt vs. non-exempt)?
- ☐ Personnel files for each employee, including completed tax forms?
- ☐ A standard employment application / offer letter?
- ☐ A consistent hiring and training process?
- ☐ Current job descriptions and organization chart(s) on file?
- ☐ Signed performance reviews on file?
- ☐ Summary Plan descriptions for applicable employee benefits?

CDC GUIDANCE FOR BUSINESSES & EMPLOYERS

The Centers for Disease Control and Prevention (CDC) offers the most up-to-date information to help keep employees and customers healthy during COVID-19:

www.cdc.gov/coronavirus/2019-ncov/community/organizations/businesses-employers.html

CASE STUDY: RESILIENCE & RECOVERY



When Walter Payne decided to buy a small printing company in Gastonia in 1996, the internet was relatively new, cellphones were a novelty and the first digital-color printing press had only recently been invented.

Payne and three initial employees turned a 2,000-square-foot basement headquarters into what became ImageMark, which moved to its Northwest Boulevard location in Gastonia in 2004. It now has 52 staffers and specializes in digital print-on-demand, direct mailings, and custom-made promotional items including wide formats for trade shows and showroom displays. Products can be produced in seven languages.

In a normal, pre-pandemic period, the business can process 800 to 1,000 orders a day, says Payne, the president and CEO.

“Especially back in 2001, 2002 there was a big move and discussion about digital printing and the impact it would have on our industry and on marketing,” he says. “If you go back before 2000, marketing was newspaper ads, magazines and television. And while those have continued, it doesn’t take long if you pick up a newspaper to see digital has had a huge impact.”

Also in 2004, ImageMark introduced its web-to-print store called ResourceOne. It’s a portal for client companies to store their digital files. “Companies that do a lot of marketing want to quickly find the products they’re looking for and have them shipped to an office, client or location,” Payne says. “We organize the products by categories, which allows you to customize. It really works well for those organizations that want to develop a relationship and have the products show up when they’re supposed to.”

About 60% to 65% of ImageMark’s company-client relationships are online. “We have a sign company [client], and they’re constantly needing changes; we have medical firms and restaurants, and their needs change daily,” he says. “If you’re in an arena where you need that immediate change, we can make that happen.”

Then 2020 showed up. Payne says his company was enjoy-

ing a record year in March. By the end of May, revenue declined 56%. He couldn’t visit clients, but resorted to Zoom meetings and adjusted staffing, costs and spending.

“We had to use the Paycheck Protection Program to keep us on our feet,” he says. ImageMark received about \$600,000, which is forgivable if employees are retained and expenses such as mortgage, utility and lease obligations are documented.

“We brought our people back, and we’ve qualified for the forgiveness,” Payne says. “We used that time to really focus on our process and proceeds and started thinking of ways we could pivot to make a business impact on our company. It took some effort to figure out all that was new.”

Again, adaptation proved necessary.

“By April, this virus had impacted the state, and the reality of it is that we saw it coming and put up on our website that we were trying to work with different environments that would have a need for it,” he says. “We can do graphics, instructional signs. It could be things such as those ‘6 feet apart’ graphics, or signs for restrooms about how to wash your hands and keep your distance, or signs about how to safely clean a kitchen environment.”

Payne’s business journey often has relied on advice from the N.C. Small Business Technology and Development Center — especially this year.

“The SBTDC has been such an important part of our survival, and Ron Elmore in particular has been a stalwart of a consultant and has brought so much value to our company. We need to support our own. We’re employing the people that you’re paying taxes to support if they’re unemployed.”

Elmore is regional director of the center’s Hickory and Boone offices. He calls Payne a good leader and thinker, “which in the world of entrepreneurs is great in that he just sees a hurdle and marches right over it, and can turn the wheel to navigate things presented to him.”

Elmore helped Payne through the applications for PPP and economic disaster loans. “We’re beside him in these unique times to help decide what expenses to cut, what personnel to cut, so cash flow becomes critical,” Elmore says. “We were able to help him and his team by being a sounding board, an advisory board. Also, we have a full-time research analyst, and we did some research for him and helped him identify new target markets.”

In late July, Payne was devoting about 5% of his budget to produce coronavirus-related products. Examples include face



Walter Payne, president and CEO of ImageMark

shields for schools, signage and acrylic barriers to prevent students from spreading germs. The company also can customize masks to include school logos and mascots.

“It’s just getting started,” he says. “A lot of the people we cater to are thinking virtual. I’m glad we set aside the time and the resources, because there’s a time when it [signs, graphics, etc.] will all be needed. ... Technology is pretty cool.”

Through ResourceOne and his multilingual capabilities, ImageMark is reaching other countries, Payne says. “We’re in the developmental stage right now, but it will go to Europe, South America, Asia, Mexico and Canada,” he says. “They can open this portal in their remote locations, and we’ll print.

Many clients are learning how to market in a pandemic or

post-pandemic world — and how to do virtual trade shows, he notes. “If you want to have a virtual trade show, we build a kit for them and they show their products and can promote a future event. It gives credence to the event and says thank you for taking the time to set aside an hour of your day to visit this.”

ImageMark has also continued other business strategies such as creating medical kits. “We’re continuing to pivot. ... We are an FDA medical kit-packing company, and we have a clean environment room that we’re using.”

Kitting is the company’s industry fulfillment service in which a company ships inventory to ImageMark, who puts the contents into mailing kits with printed instructions and other information, then ships it to listed addresses.

Payne is a Kings Mountain native who played football at Gardner-Webb University in Boiling Springs. He and his wife, Julia, have two children and five grandchildren.

“I’m looking at today’s world, and the most important thing is to buy local,” Payne says. “There’s a lot of capability here in North Carolina, and we need to look inwardly and support our own. I’m not suggesting we become an island, but it’s so important — especially in the small business world of today.”

Elmore says Payne’s innovative approach is worth emulating, especially “in an industry where you have to have innovation to survive,” Elmore says. “He’s really adapted dramatically with new equipment, new thinking and new processes. He uses technology well.”

RESILIENCE AND RECOVERY * WHAT IS RESILIENCE?

Business resilience is the ability to recover from setbacks, adapt well to change, and keep going in the face of adversity while safeguarding people, assets and overall brand equity.

BE PREPARED

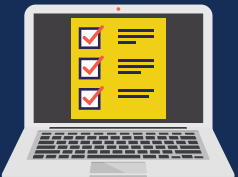
- Back up your computer operating system, critical software programs, and customer/supplier and financial data — either offsite or in the cloud.
- Take photos or video to document your business location, equipment, and inventory.
- Review your insurance policies and know what they do and don’t cover.
- Keep a current emergency contact list of employees
- Know how to access your bank records — and money — in an emergency.

STRATEGIES FOR COPING WITH COVID-19

- “Right size” your business to match lower revenue
- Shift sector focus to diversity your customer base
- Develop new offerings (virtual, socially distanced)
- Offer new payment terms
- Consider government contracting
- Use your imagination! What do your customers really need now?

RESOURCE:

Visit www.ready.gov
& www.fema.gov
for detailed Business Ready and other toolkits



RESOURCE: NAVIGATING YOUR BUSINESS THROUGH COVID-19

Response and recovery resources for businesses impacted by coronavirus:

www.sbtcd.org/coronavirus/



ImageMark’s COVID-19 products



N.C. DEPARTMENT OF COMMERCE

The N.C. Department of Commerce is the state's lead agency for economic, community and workforce development. NCDOC works with local, regional, national and international organizations to fulfill its mission to improve the economic well-being and quality of life for all North Carolinians. The department provides local communities with grants and planning services to spur infrastructure development and economic growth and administers the state's economic incentive programs.
919-814-4600 | nccommerce.com

N.C. STATE INDUSTRY EXPANSION SOLUTIONS

Industry Expansion Solutions, an outreach and extension organization affiliated with the N.C. State College of Engineering, was established in 1955 to help North Carolina industries grow and prosper. IES' tailored solutions, university and community connections, and engineering know-how can help companies stay abreast of the latest technologies and best practices in engineering and business management.
800-227-0264 | ies.ncsu.edu

N.C. Secretary of State – Business Registration Division

The N.C. Division of Employment Security oversees state and federal unemployment tax collections and payment of unemployment insurance benefits. Business owners can use the Employment Security website to file their Quarterly Tax and Wage Reports, apply for an unemployment insurance tax account number and make tax payments.
888-737-0259 | des.nc.gov

NORTH CAROLINA BIOTECHNOLOGY CENTER

The North Carolina Biotechnology Center is a private, non-profit corporation established in 1981 as the United States' first statewide initiative in biotechnology. The center's primary focus is to strengthen the biotechnology research capabilities of the state's universities; assist biotechnology business development; educate the public about the science, issues and application of biotechnology; encourage collaborations among the state's universities, industry and government; and strengthen North Carolina's national and international leadership in biotechnology.
336-725-6671 | ncbiotech.org

N.C. RURAL ECONOMIC DEVELOPMENT CENTER

The Rural Center's mission is to develop, promote and implement economic development strategies that improve the quality of life of North Carolinians in the state's 85 rural counties, with a special focus on individuals with low to moderate incomes and communities with limited resources. Key programs include capital access and microenterprise funding initiatives, entrepreneur and youth business counseling and a leadership development institute.
919-250-4314 | ncruralcenter.org

STATE AGENCIES

N.C. SECRETARY OF STATE'S OFFICE – BUSINESS REGISTRATION DIVISION

The Business Registration Division is responsible for the examination, custody and maintenance of the legal documents filed by more than 400,000 corporations, limited partnerships and limited liability companies. The office ensures uniform compliance with the statutes governing the creation of business entities, records the information required to be kept as a public record, and provides that information to the public.
919-814-5400 | sosnc.gov/divisions/business-registration

N.C. DEPARTMENT OF LABOR

The N.C. Department of Labor is charged with promoting the "health, safety and general well-being" of more than 4 million workers in the state. The department administers the state's workplace safety program and enforces employment discrimination and wage legislation.
800-625-2267 | labor.nc.gov

N.C. DEPARTMENT OF AGRICULTURE & CONSUMER SERVICES

The N.C. Department of Agriculture & Consumer Services can assist business owners in planning, expanding or financing new or existing agribusiness-related industries. The Marketing Division leads the "Got To Be NC" campaign, which promotes North Carolina-made products across the state. The department also oversees the issuance and regulation of licenses and permits for a wide variety of industries.
919-707-3000 | ncagr.gov

NCWORKS ONLINE

NCWorks Online is a powerful online job seeker/workforce services system, designed specifically for job seekers, students, employers and job trainers. The system provides fast access to a complete set of employment tools in one website. Business owners can use the site to post jobs, recruit employees, research salaries and labor market information, and communicate with job trainers.
ncworks.gov

N.C. DEPARTMENT OF ADMINISTRATION – OFFICE FOR HISTORICALLY UNDERUTILIZED BUSINESSES

The HUB Office was established to promote economic opportunities and eliminate barriers for historically underutilized businesses in state government contracting and procurement. HUB's primary mission is to educate HUB firms and certify them to "do business" with the State of North Carolina.
919-236-0130 | ncadmin.nc.gov/businesses/hub

N.C. DEPARTMENT OF REVENUE

The Department of Revenue oversees collection of state business taxes and provides information on changes to tax laws that concern business owners. DOR offers online filing and payment services, as well as an online business registration, which allows business owners to electronically register for an account ID number for income tax withholding, sales and use tax, and machinery and equipment tax.
877-252-3052 | nc.dor.gov

PUBLIC/PRIVATE NONPROFITS

VETERAN'S BUSINESS OUTREACH CENTER

The Veterans Business Outreach Center (VBOC) Program is designed to provide entrepreneurial development services such as business training, counseling and resource partner referrals to transitioning service members, veterans, National Guard & Reserve members and military spouses interested in starting or growing a small business. Located at Fayetteville State University, the VBOC serves all of North Carolina.
910-672-2683 | fsuvboc.com

NORTH CAROLINA INSTITUTE OF MINORITY ECONOMIC DEVELOPMENT

NCIMED – the only organization of its kind in the country – offers 30 years of experience helping clients harness the power of diversity to achieve business and economic objectives. They bring deep industry knowledge of how to help business owners turn barriers of race, gender and disability into opportunity; companies diversify their supply chains; and communities broaden their business base. NCIMED helps clients focus on three core elements – money, markets and management – to create diverse, globally competitive companies.
919-956-8889 | theinstitutenc.org

SERVICE CORPS OF RETIRED EXECUTIVES

SCORE is a national nonprofit dedicated to helping businesses get started and grow, supported by the U.S. Small Business Administration. Retired business executives provide mentoring, counseling, local workshops, and online webinars to business owners.
800-634-0245 | score.org

WOMEN'S BUSINESS CENTERS – NORTH CAROLINA

The U.S. Small Business Administration provides funding for four WBC in North Carolina in conjunction with local partners including NCIMED. The Support Center and the N.C. Center for Economic Empowerment and Development. WBCs seek to "level the playing field" for women entrepreneurs, who still face unique obstacles in the business world. They provide entrepreneurs (especially women who are economically or socially disadvantaged) comprehensive training and counseling on a variety of topics.
sba.gov/offices/district/nc/charlotte/resources/resources-women-business-owners

[Nonprofits continue on the following page]

COUNCIL FOR ENTREPRENEURIAL DEVELOPMENT

The CED provides education, mentoring and capital formation resources to new and existing high-growth entrepreneurs through annual conferences, forums, workshops and programs on entrepreneurial management and finance.
919-549-7500 | cednc.org

NORTH CAROLINA MILITARY BUSINESS CENTER

NCMBC was created to leverage military and other federal business opportunities to expand the economy, grow jobs and improve quality of life in North Carolina. NCMBC's Business Development Team includes 12 experienced business development and procurement specialists operating from 10 community colleges across the state to identify lucrative federal contract opportunities, notify firms of specific opportunities and help businesses prepare winning proposals. NCMBC also administers the state's official web portal for federal contracting – www.MatchForce.org.
877-245-5520 | ncmbc.us

NORTH CAROLINA LAWYERS FOR ENTREPRENEURS ASSISTANCE PROGRAM

NC LEAP provides pro bono legal services to low-wealth entrepreneurs who are starting or expanding their businesses in North Carolina. Through one-on-one representation, community education and self-help materials, NC LEAP empowers low-wealth business owners to build businesses in North Carolina that create jobs, improve communities and boost participants out of the poverty cycle. Services range from basic transactional legal needs as struggling entrepreneurs strive to establish their businesses and create jobs, to potential long-term client-counselor relations as their businesses grow.
919-677-0561 | ncbarfoundation.org/our-programs/nc-leap/

ECONOMIC DEVELOPMENT PARTNERSHIP OF NORTH CAROLINA

In October 2014, the N.C. Department of Commerce entered a contract with a new public-private organization, EDPNC, to take the lead in recruiting and marketing functions. EDPNC oversees the state's efforts in business and job recruitment and retention, international trade, and tourism, film and sports development. The partnership fosters collaborations between business and government, and provides a robust analysis of facilities and sites available for relocation.
919-447-7777 • edpnc.com

BUSINESS LINK NORTH CAROLINA

BLNC is a division of the Economic Development Partnership of North Carolina and offers a central source for consultations, information and referrals. BLNC counselors provide customized license information, employer and business structure forms, referrals to state agencies and state occupational licensing boards, local governments and federal agencies, and contacts for local, state and federal business programs and resources. BLNC business counselors are available to answer questions during regular business hours.
800-228-8443 | edpnc.com/start-or-grow-a-business



The SBA North Carolina District Office is committed to assisting small businesses confidently start, grow, expand, or recover.

-Thomas A. Stith III,
SBA North Carolina
District Director



U.S. Small Business
Administration

visit sba.gov/NC



Whether you're just getting your company off the ground or are ready to expand, we're here to help. **1.800.228.8443 | EDPNC.com**

ECONOMIC DEVELOPMENT PARTNERSHIP OF NORTH CAROLINA



Imagine your business
improved with our money.
Explore the possibilities.

The Small Business Energy Saver program can help you reduce your energy bill by 20 percent, and we'll give you money up front to make energy efficiency upgrades. We'll pay up to 80 percent of the costs to upgrade your lighting, refrigeration and HVAC system. Some things are really as good as they seem.

Why wait? Schedule your free assessment today. Visit duke-energy.com/WhyWait.



BUILDING A SMARTER ENERGY FUTURE®