



Hawai'i Island SBDC Center staff, Becky Winters and Lydia Santiago.

HAWAI'I ISLAND CENTER REPORT

The Hawai'i Island Center is located on the eastern side of the island in midtown Hilo, the second largest city in the state of Hawai'i. The entire island, which is twice as large as all of the other Hawai'i islands combined, is served from this center, including Kona in the west, some 100 miles distant.

The island's population is nearly equally divided between east and west, with the eastern portion of the island dominated by agriculture, government, and the University of Hawai'i at Hilo and with the western portion of the island heavily engaged in tourism. The Hawai'i Island Center was relocated at the beginning of the year to larger and more accessible quarters, which it now shares with the Rural Development Specialty Center of the Hawai'i SBDC Network.

While the entire island of Hawai'i is served from this office, staffed by Center Director Becky Winters and Administrative Assistant Lydia Santiago, Winters also meets clients at several outreach locations in other locations on the island, including Kona.

Remarks Winters: "Lydia is an invaluable resource to the Center, serving the whole island with her cheerful, capable manner. Although she has never met clients in west Hawai'i, they all remark on her helpfulness and professional attitude. Lydia is one of the major reasons that I have been able to serve clients island-wide for the past several years."

Although the island's population is almost equally divided between east and west Hawai'i, the economy of west Hawai'i has been developing more rapidly in certain economic sectors such as construction and tourism. The after-effects of the rise in the stock market, especially the technology sector, has encouraged many people to build second and third homes in Hawai'i. Many of these people have chosen west Hawai'i for their homes, which has set off a boom in construction of fine homes. In addition, the weekly visits of cruise ships to both east and west Hawai'i have provided a boost to tourist-related businesses, as have the direct flights to west Hawai'i from the mainland and from Japan.

The Hawai'i Island Center has formed strategic alliances with both community and government organizations to further its mission of economic development. Winters has been appointed an Advisory Board member of the Rural Development Project and sits on an ad hoc committee to review plans for self-employment submitted to the Department of Human Services—Division of Vocational Rehabilitation. In addition, Winters is a member of the Education and Training Committee of the Kona-Kohala Chamber of Commerce.

Winters has been working with the Hawai'i SBDC Network since 1995. She has more than 20 years of experience as a small business owner, adult educator and private consultant. Her Bachelor of Arts degree is from Pomona College in Claremont, California, and her Executive Master's degree in Business Administration is from the University of Hawai'i at Manoa. She is completing an agriculture leadership program sponsored by the Agriculture Leadership Foundation of Hawai'i.

Winters is an active member of the American Marketing Association—Big Island Chapter and the American Society of Quality—Hawai'i Chapter. She has also participated as an Examiner in the Hawai'i State Award of Excellence program for the past three years.

Island of Hawai'i Data

Population: 148,677 people
Density: 36 people/sq. mile
Urban/Rural: 61% urban/39% rural
Size: 4,028 square miles

Major Cities: Hilo and Kailua-Kona
Ethnicity: 1% Part Hawaiian
 29% Others
 26% Caucasian
 14% Japanese

Gross Product: \$2.79 Billion
Industries: Government, tourism, agriculture, astronomy
Income: \$19,686 per capita
Unemployed: 6.7%

Clients: 162 clients,
 1,114 counseling hours
Training: 23 events, 377 attendees

Description: Hawai'i has approximately 64% of the state's landmass and is dominated by two nearly 14,000 foot mountains with five volcanoes, two of which are currently inactive and one of which has been continuously erupting for over 16 years.



From left to right: Paul Warren, Becky Winters, and Willie Ward

HAWAI'I ISLAND CENTER CASE STUDY

Hualalai Water Sports

Paul Warren, Willie Ward, and Alisa Ward have turned two “mom and pop” operations into a viable thriving water sports business providing complete diving and sailing activities on the Kona coast on the Big Island of Hawai'i. Ward, with his wife Alisa, owned and operated Kona Reef Divers. Warren owned and operated Kaupulehu Water Sports and Hualalai Water Sports.

In 1997, the companies merged into Hualalai Water Sports, offering water activities to the guests at both the Kona Village Resort and the Four Seasons Resort Hualalai. Their success is credited to catering quality water sports activities in addition to private cruises for Kona Village Resort and Four Seasons Resort Hualalai hotel guests, and for Hualalai Resort residents. Some of these activities include whale watching, tour sailing, specialty dives, boogie board cruises, private weddings and parties. Ward says, “We try to vary our services to get a wide variety of clientele.”

The company employs 19 people and has a refurbished 29-foot custom dive boat as well as a newly refurbished 50-foot sailing boat that has been converted to a luxury sailing catamaran with a full bar and deck space for lounging. A 62-foot yacht, owned separately by Warren, is also available to the company for charters. As part of the company's plans for expansion, a new state-of-the-art dive boat will soon be acquired in the near future.

Becky Winters, Hawai'i Island Center Director, started working with Warren and Ward while they were in the process of forming the new company. The two new partners had sought assistance from Winters in preparing a loan proposal. While the banks had made loan offers, the terms offered were not acceptable. Fortunately, an outside investor helped finance the company.

Winters proposed that Warren and Ward work together to try to make Hualalai Water Sport a great company, more than just the merger of companies. Since Winters is an Hawai'i-State-Award-of-Excellence Examiner, she understood the benefits of operating a company using the principles of the Malcolm Baldrige quality program. Winters assisted Ward and Warren in creating a vision for their company that is now expressed in a mission statement.

She also worked with them through various aspects of quality management, demonstrated the use of action plans and cash flow planning as a means to proactive management, and is now working with them on the human resources aspect of the company. Both Warren and Ward agree, “Merging into one company didn't make us a profitable company. What made us a profitable company was Becky showing us how to see the different steps in business and how to turn the business around and get everything moving in the same direction to make a profit. She showed us the nuts and bolts of business.”

Hualalai Water Sports had a big turnaround as the result of their new business direction and an upturn in the tourism economy. They also trimmed some of the excess that wasn't cost effective. Although Warren and Ward have seen some decline in the visitor industry recently, the Four Seasons Resort Hualalai has done a great job to increase its visitor count.

Warren says, “Running a small business in Hawai'i that deals with adventurous individuals has many difficult hurdles to overcome while understanding and blending their needs into its operation. That's where Becky has played a huge part. I also enjoy her honesty. You don't want to hear someone tell you that everything is rosy.” Ward adds, “Having these meetings with Becky are so important in helping us to stay focused. We are extremely happy that Hawai'i offers these services for small businesses. It's also great to know that an SBDC office will open in Kona to service small businesses on the west side.”

Hualalai Water Sports is keeping up with the trends. It has a well developed website that tells a lot about the company and the services it provides. It is also looking to expand into catalog sales. Warren and Ward remain focused on the needs of their clientele in providing a high-quality service to Kona's Kaupulehu area, and are committed to keeping their business successful.

