



Kaua'i SBDC Center staff, Randy Gingras and Clara Oligo.

KAUA'I CENTER REPORT

The Kaua'i Center is located on the campus of the Kaua'i Community College outside of Lihu'e, which is the location of the principal harbor on the island. The island supports approximately 1,500 small businesses and another 1,500 self-employed business people.

The Kaua'i Center Director is Randy Gingras, who is supported by Administrative Assistant Clara Oligo. He is a graduate of the University of Utah and is a Certified Management Accountant (CMA) and a Certified Financial Manager (CFM). Prior to his employment with the Hawai'i SBDC Network, Gingras was the owner-manager of a bookstore and restaurant on the mainland.

Gingras continues to work hard to develop a comprehensive strategy for providing loans to the small business people of Kaua'i. His strategy includes helping business people to qualify for SBA guaranteed loans through banks, including the SBA Prequal Loan Program. He also assists business people through his involvement in programs that support small businesses that are not bankable.

Gingras noted: "Activity in the loan area is probably the best of any previous years." A significant reason is the activity generated from the Hawaii Community Loan Fund (HCLF). As a statewide organization, HCLF brings banks and community organizations together to help finance businesses and community projects that may not qualify for a commercial bank loan. Since becoming the Chairman of the HCLF's Board of Directors, much of Gingras' outreach efforts have been directed toward this activity. The partnership between HCLF and the Hawai'i SBDC Network provides significant opportunities for benefiting the Hawai'i SBDC Network's clients.

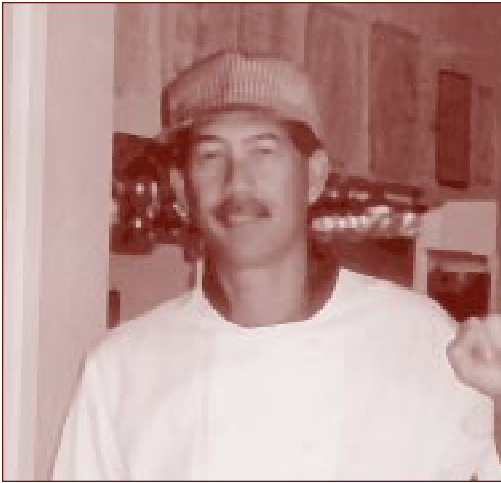
The Kaua'i Micro Program was developed and implemented as a new "Micro Loan" program similar to others such as the Kauai Economic Opportunity/Lokahi Pacific Program, HCLF and Pacific Gateway Center. Kauai Micro is temporarily housed at the Kaua'i Center. This unique partnership was developed by Gingras to assist current SBDC Kaua'i clients with their financial needs. Kauai Micro is a micro-enterprise development program for Kaua'i County that is designed to provide loan capital and business assistance to low and moderate entrepreneurs who are already operating a micro-enterprise or who want to start a new enterprise. Programs such as these are significant economic development strategies.

The Kaua'i Center also provided technical support to Hawaii Alliance Community Based Economic Development (HACBED), a statewide organization that assists community-based organizations in achieving their economic development goals. The Kaua'i Center conducted training on financial projections, business planning and business planning review.

Island of Kaua'i

Population:	58,463 people
Density:	105 people / sq. mile
Urban/Rural:	55% urban/45% rural
Size:	552 square miles
Major Cities:	Kapa'a and Lihue
Ethnicity:	39% Others 25% Part Hawaiian 19% Caucasian 7% Japanese
Gross Product:	\$1.25 Billion
Industries:	Services, tourism, military
Income:	\$22,340 per capita
Unemployed:	6.5%
Clients:	148 clients 971 counseling hours
Training:	21 events, 288 attendees

Description: In 1992, the most destructive hurricane in Hawaiian history struck Kaua'i. Only in the last two years has recovery begun to reach pre-hurricane levels. A steady climb in visitor arrivals is mainly due to direct flights to Kaua'i.



Chef and owner Emerson Keahi of Emerson's Seafood Restaurant.

KAUA'I CENTER CASE STUDY

Emerson's Seafood Restaurant

Emerson Keahi always loved to cook, and has worked in food service since 1977 at the age of 19. He began his career in a culinary apprenticeship program working under European chefs from the Ilikai Hotel and the Mandarin Hotel (formerly the Kahala Hilton) on O'ahu. From these chefs, he gained much of his knowledge about cooking. Through the Westin Hotel chain, he transferred to Los Angeles where he was promoted to sous chef in one of the hotel's restaurants. In 1985, Keahi moved back to the Islands and worked at the Princeville Hotel on Kaua'i for twelve years where he became an executive chef. Prior to going out on his own, Keahi was also an executive chef at the Hanalei Bay Resort, also on Kaua'i.

In 1998, Keahi decided that he wanted to become a restaurant owner. The first space he looked at, although discouraging, turned out to be the site of his new restaurant. The planning for the restaurant took approximately eighteen months. The renovations were extensive, with many structural obstacles and challenges with the 1200 square foot space in the Kauai Village Shopping Center in Kapa'a. Keahi admits, "I even painted the kitchen floors myself."

At about this time, Keahi made an appointment with Randy Gingras, Kaua'i Center Director of the Hawai'i Small Business Development Center Network. Keahi needed extensive assistance in the development of his business plan, projections and loan packaging in order to get his business started.

Emerson was able to obtain loans from the Office of Hawaiian Affairs (\$25,000), Lokahi Pacific (\$34,000) and Equity loan (\$45,000). Gingras worked closely with OHA and Lokahi Pacific on Keahi's loan package, which required many modifications and adjustments to meet both the needs of the lenders and of Keahi himself. Keahi says, "Randy really knows about business and gives solid, logical advice. We went through a number of projections to get these start-up loans."

Keahi also found the classes offered by the Hawai'i SBDC Network to be very helpful in his business. One class was on "Basic Tax and Record Keeping for the Self-Employed" and the other on marketing.

Emerson's Seafood Restaurant opened February 8, 2001. The cozy and well-organized restaurant has a capacity for 40 people, in addition to its kitchen and restroom facilities and a small service bar. It employs fourteen, mostly part-timers. "Most of the people that I hired have worked with me before, although a few are new faces. They seem to enjoy working here," says Keahi. "Randy advised me on the seating capacity. He told me, 'It's better to fill up the restaurant and to give the impression that the restaurant appears full and busy. Psychologically, people like busy restaurants.' Randy seems to be right about this," says Keahi.

Lunch is served five days per week and dinner is served seven days per week. The menu includes a mixed cuisine of Hawai'i regional dishes using local products and Mediterranean dishes with a touch of Pacific Rim. Keahi says, "This selection is what I found that works. Although the restaurant averages about 30 dinners a night, it has hit 55. It's good to see that many of our customers are return guests, both tourists as well as locals."

Keahi prepares a few specialty dishes, like his mahimahi crusted with crabmeat and drizzled with mango sauce. He also does a great bouillabaisse, which is served for both lunch and dinner.

Emerson's Seafood Restaurant has all "the right stuff" to be a successful restaurant. It has great food at great prices, a great location, and most of all a chef and restaurant owner with a lot of heart!

