

SLO venture helps food-based companies grow

By [Marissa Nall](#) / Friday, November 24th, 2017 / Pacific Coast Business Times /



Mike Coulson, a tea vendor from Vana Tisanes, which is sold at Mint+Craft, at the Nov. 14 Slow Money SLO event.

Slow Money San Luis Obispo has been quickly gaining ground in its mission to connect food-based businesses to local lenders.

The peer-to-peer lending and networking organization announced its new nonprofit status in November, allowing it to apply for grants to fund its operations.

“The nonprofit status gives us a more sustainable model in terms of being around long-term,” said Founder Jeff Wade. The new status will enable the organization to create a board of advisers and gain eligibility for insurance coverage.

Until now, the organization had been fiscally sponsored by the national Slow Money entity in Boulder, Colo., where the vision for local lending originated. Chapters around the country aim to connect sustainable food and farm businesses with financing and support.

With its new momentum, Slow Money SLO was able to hire on a volunteer as an intern and launch a research project to gather information on commercial kitchens in the county for aspiring food operators, including information on cottage food laws, current kitchens or commissaries with excess capacity and modeling municipal or not-for-profit options.

When it came time to open its own nonprofit account, Wade said he chose to partner with CoastHills Credit Union after talking with branch manager Alonso Figueroa about ways to help small food and farm businesses find traditional financing.

“I wanted to go with an institution that I thought had at least some likelihood of being able to give people loans, and even if they turned them down, that they would at least be a good starting point,” he said. “I know that Alonso at CoastHills will give somebody every chance possible to qualify and then if they don’t, help all parties understand why they don’t. Then, as we provide funding, we can also coach them and help them to reach that point where they would qualify.”

While Slow Money SLO itself is not a lender, the loan process begins with the organization conducting its own due diligence before connecting private community lenders with businesses. Beyond the lending aspect, it also provides mentorship to new businesses and hosts events for food and farm companies to connect with one another.

“We may run into people that don’t even have their books on something like Quickbooks yet — back of a napkin, or Excel spreadsheet — and they really need to get onto a system like that,” Wade said. “Cash flow is something a lot of small businesses in general don’t monitor, and it’s the No. 1 reason why they fail. They run out of money, just month to month, especially if they’re selling a product that has a long payback cycle.”

Mint+Craft in San Luis Obispo met several of its vendors at Slow Money SLO events, including Santa Maria honey and fruit producer Rock Front Ranch, said Betsi Ashby, merchandiser and marketing assistant for the cafe and mercantile store.

Others have participated in coaching and mentoring, from longtime business owners to people just starting out, an important service for a niche community, Ashby said.

“It’s just really incredible to get all of these people that are in our local food community in one place that’s truly in a supportive environment, just to collaborate and hear one another’s stories,” she said. “The direction they’re headed is just really neat.”

Closing out its final event of the year on Nov. 14, Wade said the organization had completed four loan packages in 2017, on par with previous years. Throughout its five-year lifetime, it has facilitated 20 loan packages consisting of more than 80 loans from 50 individual lenders. The total: \$900,000 invested in small food and farm businesses.

Donations to the nonprofit go to fund its operations, not to loans. It also established a designated fund at the SLO County Community Foundation in April and is raising funds to meet a \$10,000 matching grant from an anonymous donor by the end of the year.

“It’s just a way to raise capital so that Jeff can spend more of his time focused on this and grow it, and I think that’s a good thing because it really does need time,” said Andy Niner, president of Niner Wine estates in Paso Robles. “The only way businesses get started is if they have access to capital. I think the role that Jeff plays in providing decently priced capital and good advice is literally priceless.”

When the winery made the jump into opening an onsite restaurant, its goal was to source as much of its food locally as possible, Niner said, leading him to Slow Money SLO.

“They are patient capital,” he said, adding that lenders don’t expect quick returns. “I think that’s really important.”

The organization also hopes to put down roots in nearby Santa Maria.

“We want to do what we’re doing better,” Wade said. “We’re trying to follow our own philosophy by growing more sustainably ourselves.”

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