Written by By Sandy Nelson  Finance New Mexico
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Borrowing money to start or build a business entails taking risk — not just for the lender but also the borrower. But unless the entrepreneur has rich relatives or massive savings to draw on, securing capital usually requires multiple loans over many years to start and expand a business.

Daven Lee has tapped into New Mexico’s many small-business resources over nearly two decades to turn Love + Leche from a home-based maker of handmade soaps and lotion bars — made with milk from her own goat herd and other natural products — for retail sale into a viable year-round business that gets about half its revenue from wholesale markets throughout the U.S. and in Mexico, England and Australia.

In 2010, she received a $12,500 value-added producer grant from the U.S. Department of Agriculture’s Rural Development program after eight years of selling homemade personal care products at the Santa Fe Farmers Market and other local outlets. She spent that money to hire a business adviser to help her plan the expansion.

To support the actual outreach to distant markets, she developed an ongoing relationship with microlender Accion, borrowing as needed to design her branding and packaging for the larger market and to tweak her business plan as needed.

“What is difficult about running a small business that manufactures a beautiful, small-batch, local product is competing with mass-produced, cheap goods,” she said. “It can be very difficult to scale up in a way that preserves integrity and can compete in that marketplace. Individual customers appreciate these kinds of special products, but moving into the wholesale market is much harder.”

The mechanics of writing a business plan and trying to anticipate income and expenses can drain some of what Lee called “the magic of relationships, life experience and community.” But working with Accion, she said, “actually enters you into a relationship that can have surprising and unexpected benefits.”

“Daven Lee is exactly the type of business owner that Accion loves to support,” said Metta Smith, vice president of lending and client experience at Accion. “Year over year, she has been growing her business and getting smarter about how she operates while maintaining a commitment to her inspiration: her love of Mother Nature, an appreciation for natural, handmade products, and the passion to create a meaningful life that will inspire others.”

October is National Women’s Small Business Month, Smith said, a time to spotlight the different ways women approach running their own businesses.

Generally speaking, Lee said, “Our strengths and skills are different, and this means our business will be successful under a different model from the classic, MBA-white-guy model. It is important when seeking support or advice to work with someone who knows how to work with these strengths rather than trying to make women fit into the wrong mold. The holistic, intuitive, relationship-based, cooperative model is a powerful and much-needed style of entrepreneurialism.”

***To learn more about Accion, the community development nonprofit lender, visit www.us .accion.org/region/az-co-nv-nm-and-tx/. For more about Love + Leche: www.loveandleche.com/. To learn more about Finance New Mexico, visit: www.FinanceNewMexico.org.***

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