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IN BUSINESS

Help Is Her Key Ingredient

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Lowry Martin has spent three years setting up a business to market her vegetable cakes. She incorporated, applied for a patent, became certified as a small disadvantaged business, outsourced production and launched a Web site. Her cakes are already sold in Sutton Place Gourmet and Starbucks, and they debut today in a handful of Giant Food stores in the area. She has also just signed a contract to sell her cakes through the food service company Sodexo Marriott Services. Martin's business is still in its infancy but it is growing quickly. So far, getting the company off the ground has cost a mere \$8,000, including the money she spent testing cake recipes in her Upper Marlboro kitchen.

But the fact that it's been cheap doesn't mean Martin's business--Have Your Cake & Eat It Too Inc.--has been a cinch to start. It's that Martin is the master of "F-R-E-E," as she likes to say.

Like all entrepreneurs, Martin has finagled a fair amount of gratis work from friends, family and other contacts ("Ask--always, always ask," she says). But this perseverant, peppy mother of four girls has also used a host of free services and resources available to any entrepreneur who's trying to get a company cooking.

By taking advantage of such programs, and scouring small-business magazines for good counsel, Martin has overcome one of the biggest obstacles that entrepreneurs face when trying to get a business off the ground: lack of money. As a social worker and single parent, Martin had little extra cash to create the cake business of her dreams, but she has nonetheless found a way to put out a professional product and undertake an ambitious marketing plan. For anyone in business, it is a useful tale of determination and ingenuity.

Helpers at Hand

Martin's R&D department began in her kitchen. Three years ago, her two youngest girls, now 11 and 13, asked their mother to make a carrot cake. Martin didn't have any carrots, but a hunt through the refrigerator did yield some broccoli. Being a mother, she decided to see if her kids would eat a broccoli cake. To her surprise, they liked it.

Martin later experimented on her unsuspecting research team with a variety of other vegetable combinations baked into sweet cakes. She ultimately created a handful of recipes--including broccoli, spinach-yam and zucchini-squash--that her daughters, neighbors and friends all enjoyed. What made it a business in Martin's mind was the potential demand: She says each slice of cake packs about as much nutrition as one serving of vegetables.

The next step in Martin's business was creating a Web site, and once again she reached within her circle of friends and family. Two acquaintances in the Web business agreed to design and maintain the site, haveyourcake.net, in exchange for future payment as the business took off.

She also asked a friend who is a patent lawyer to help her with a

patent application--and again she worked out a deal. He agreed to do it for about half his normal rate, and she paid him in installments.

Martin was unabashed about asking these friends for help. Most of the time, she says, people say yes.

"Pride is is not important," she says. "Pride will get you nowhere."

What the SBA Did

Despite their generosity, though, friends weren't always enough.

When Martin needed to create a solid business plan and get more sophisticated advice, she went to the Small Business Administration.

She thought the agency would be a tangle of red tape and not much help to a tiny start-up, but she was wrong. The SBA referred Martin to SCORE, short for Service Corps of Retired Executives, a program that provides volunteer executives to help new entrepreneurs learn the ropes, do research, write business plans and so forth. Martin went to a few SCORE workshops, on topics such as financing a new business, and got help writing her plan.

"People need to realize that SBA, even if you don't get into the financial end of it, they absolutely are very good," she says.

"They walk you through everything."

Do-It-Yourself Incorporation

Martin was tempted at several points to hire a lawyer, but she pressed herself to do whatever she could on her own, all the while working full time at Lockheed Martin Corp. as a social worker for the company's welfare-to-work program.

When it came time to incorporate her business, Martin, who was living in Virginia at the time, called the state government.

Again, she was surprised to hear that she could incorporate on her own simply by filling out a few forms.

"Most people think that incorporating is a big deal," Martin says.

"They pay all this money. All you have to do is fill out the forms and send them in. . . . To incorporate, it was \$75."

Partner and Baker

When Martin had finally perfected the recipes for her vegetable cakes, she realized that in order for the business to succeed she had to overcome a built-in limitation: She couldn't bake every cake herself. "I wasn't going to be sitting here baking all day," she says with a you-must-be-kidding-me tone.

At times, Martin knew so little about business that she would just take the most obvious approach. Perhaps the best example of this came during her search for a professional bakery. She called every local bakery in the phone book and finally found the one-that would become her business partner and her critical link to major retail accounts.

"If you have a product, always try to find someone who's going to manufacture it for you," she says.

Better yet, have someone manufacture it free, which is exactly the deal Martin worked out for herself. Under her arrangement with the bakery shoulders the cost of baking, frosting, packaging and distributing Martin's cakes, which come in 6-, 8- and 10-inch sizes. Martin gets a 15 percent cut of the wholesale price, which amounts to about a dollar on the smallest cakes and \$1.50 on the largest.

Martin, in turn, is responsible for marketing the cakes, though the bakery has helped with contacts and potential avenues of growth. Among the advantages of hooking up with such a large

bakery is Martin's ability, as a woman with an African American father, to market her status as a minority-owned business to larger companies that have programs to find diverse suppliers. Martin has struck deals with both Giant Food Inc. and Sodexo Marriott under their supplier-diversity programs.

The Next Rung

With the ability, now, to roll out thousands of cakes a week, and a marketing push underway to find more clients who want those cakes, Martin needs to take her business plan to the next level. Eventually, she'll require some outside financing, but first she needs better financial projections and more research.

And--surprise!--she's found these services for no charge, too.

The Small Business Law Center at the University of the District of Columbia provides free legal services to small companies, and Martin is using the center to do a more extensive trademark search for Have Your Cake & Eat It Too. The center, funded by the SBA, gives third-year law students real-world cases to work on, doing such things as partnership agreements, trademark applications and contract reviews for community businesses.

Martin is also using another local program geared especially to minorities: the Small Business Resource Center operated by SunTrust Bank. Its center at 14th Street and New York Avenue NW holds a variety of free workshops for small businesses and provides entrepreneurs with financial counseling, business-plan help and advice on finding capital. (Most of the major banks have an equivalent specialty operation for small businesses.) There, Martin is getting help refining her business plan.

"People need to know these things are out there," she says.

Ask and Receive

A year ago, Martin finally quit her job to pursue her cake business full time. It is starting to take off, she thinks, but still, the business is not producing any real income yet.

Currently, Martin is selling about 1,000 cakes a month--not including the new Sodexo account and four area Giant stores. By the end of this year, she hopes to be selling about 4,000 cakes a month, and eventually she'd like to open a retail store as well.

But with no steady income as she builds her client base, it has been doubly important lately for Martin to find whatever help she can for as little money as possible. Her timing has been good, as there is growing awareness, and support, of entrepreneurship these days.

But in many cases, Martin says, it's the unofficial help that has proven best--advice and services that people have been willing to give when she has asked. Then again, she has an advantage on that score.

"If a person believes in your product, they'll do just about anything to help you get there," she says. "Oh--and I give everybody cake."

If you know of an interesting local entrepreneur or small business, e-mail inbusiness@washpost.com. Margaret Webb Pressler delivers the Washington Post business report weekday mornings on "News 4 Today."

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Web: www.dat.state.md.us/sdatweb/charter.html#newbiz

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