



ARKANSAS STATE
UNIVERSITY

College of Business



Arkansas Small Business Development Center

Arkansas State University
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Client Success Story

Arkansas Small Business Development Center Arkansas State University

Kim Hinkle has been an entrepreneur at heart for as long as she can remember. In April 2005, she decided to pursue her dream of becoming a business owner. She carefully studied and rejected several opportunities before going to work for a local boutique in Batesville as a Beauty Advisor. After several months, the owner,



Isabella's Boutique
Kim Hinkle

who had several other similar stores scattered around north-central Arkansas, approached Hinkle about purchasing the Batesville store. Aware that this may be the opportunity she had been looking for, she immediately began to gather information and approached a local bank.

Due to the amount of goodwill involved and minimal business collateral value, the lender recommended that she contact the Arkansas State University Small Business Development Center for assistance in determining the feasibility of the venture. In July 2006, Hinkle met with Herb Lawrence, ASU SBDC Center Director, to discuss issues related to the purchase of the business and for help in preparing a loan package. Over the next month, Hinkle and Lawrence reviewed historical financial statements, discussed inventory issues and the potential for the store. Although not having a strong background in business finance, Hinkle threw herself into the project, developing a conservative set of pro-forma financial statements that demonstrated the store's capabilities.

With pro-forma statements developed, Hinkle and the SBDC hammered out a small business loan package which she then submitted to several banks in Batesville. In August, David Dame with Liberty Bank in Batesville agreed to fund the project in-house and set about to close the loan. On August 7, the store officially changed hands from Nora's Boutique and Merle Norman Studio to Isabella's Boutique and Merle Norman Cosmetic Studio. Hinkle's developing skills as a small business owner quickly came to the forefront as she revamped and updated inventory selections, made tasteful remodeling to the interior and began to establish a new image for the store.