



Yogurt Business Takes Next Step Toward Franchise Goal

By Joe Justice, Loan Officer, The Loan Fund

Los Angeles-based entrepreneurs Paula and Matthew Pope and Tom and Precious Haines knew they didn't stand a chance convincing a bank to lend them startup capital for a build-it-yourself frozen yogurt "creative space" in Albuquerque. Besides their distance from the business's home, none of the four had prior experience in retail.

So the couples pooled all their savings with investments from a few family members to open their first Olo Yogurt Studio in the Nob Hill neighborhood near UNM in 2010.

The store did so well that the partners made plans to open a second store in 2013 in a West Mesa shopping mall. But they hadn't reached the three-year threshold that most traditional banks require of businesses before they'll lend.

That's when the partners turned to The Loan Fund, where Tom Haines said he was surprised to find a lender interested in community and job development, not just getting its money back. "It was not just, 'Here's the form. We'll talk to you — maybe.' This wasn't just a transactional relationship," Haines said.

Exceeds Expectations

Working with The Loan Fund, New Mexico's oldest and largest nonprofit alternative lender, the couples – who operate as a limited liability company called Tusa Ventures – secured a loan for store No. 2. It opened April 1, though its official grand opening was on May 11.

Already the new store has exceeded the sales volume of its first store — and exceeded the partners' expectations that it would make 40 percent of the revenue of its flagship store. "It kind of took us by surprise," Haines said.

The couples hope to build Olo Yogurt Studio into a franchise, though Haines admitted they overestimated how quickly they could open new stores. Nevertheless, the business's branding seems to be building a strong foundation for growth.



The concept of Olo Yogurt as a “studio,” where patrons create their own edible artworks from a palette of 10 cultured-yogurt flavors and numerous toppings, is reinforced by its décor, which is dominated by cool, bright colors and a wavy theme. The design won local architect Mark Baker an honor award for design excellence in 2011 from the New Mexico chapter of the American Institute of Architects.

Yogurt flavors follow a New Mexico theme, with names like Carlsbad Chocolate, White Sands Vanilla and Capulin Cake Batter. Flavor names were the inspiration of Paula Pope, a UNM alumna and Mora native, who manages operations.

The Haineses and Mathew Pope plan to eventually leave their jobs in California and join Paula in the birthplace of their growing business. “Being a business owner in a community as supportive as Albuquerque is exciting and fun,” Haines said.

Ready to Lend

The Loan Fund exists to help small businesses like Olo Yogurt Studio whose owners have viable ideas but lack the track record that most traditional lenders need to see.

The Loan Fund is the largest lending partner of the NMSBIC, a state-funded program created 12 years ago to provide financial support to job-generating and community-developing enterprises in New Mexico. The Severance Tax Permanent Fund collects money for NMSBIC to manage and make available through alternative lenders that also act as consultants and loan managers. Since The Loan Fund allied with NMSBIC a decade ago, it has provided almost \$20 million to more than 380 businesses statewide.

For more information about The Loan Fund, call (505) 243-3196 or visit www.loanfund.org. To explore the Olo Yogurt Studio products and philosophy, go to www.loyogurt.com.

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