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Air Force Veteran's Business Growth Enabled by Accion

By *Finance New Mexico*

Gary Peterson's Albuquerque auto shop is a profit-generator with philanthropy at its heart.

Peterson, a 22-year Air Force veteran, started One Community Auto in Albuquerque to refurbish rundown vehicles and donate the sales proceeds to a variety of charities, from Assistance Dogs of the West to veteran suicide-prevention and domestic violence prevention programs. He calls this aspect of his business "social entrepreneurship."



The company's newest endeavor involves providing abandoned or wrecked cars to organizations that demolish them in training exercises.

Cars for Causes

Peterson is under contract with the Air Force Training Academy at Goodfellow Air Force Base in San Angelo, Texas, to supply 250 vehicles to train firefighters how to safely extricate people from cars after accidents and other emergencies. His company also made a deal to provide cast-off cars that can be used for target practice.

This novel business model is just what Peterson had in mind when he retired from the military three years ago: He wanted to start a business using the skills he acquired in the Air Force, but he wanted a large part of his earnings to support his philanthropic causes.

He had sufficient capital to kick-start the auto overhauls, but he needed financing to expand the other side of his business: providing used cars to government clients.

Peterson was unable to get a loan from a traditional lender because his business is classified as a used-car dealership. Banks use a different financing model, called "floor planning," for auto dealerships. These are short-term loans that are often secured by inventory and carry relatively high interest rates with quick turnarounds. Peterson needed working capital to secure government procurement jobs that can last a year or more.

So Peterson got a line of credit from Accion, a nonprofit lender that works with entrepreneurs who don't fit the guidelines of traditional lenders. Then Peterson rolled that line of credit into a term loan that gives him working capital to bid on money-making jobs. He's now a prime contractor for the Department of Defense.

"I would not be able to bid on these extra projects if I didn't have it," he said about the Accion loan. "They're really a key component of my growth."

From Client to Role Model

Accion named One Community Auto its client of the month for October, according to Justin Hyde, a market manager for the lender.

Peterson's business success also earned him a spot in the U.S. Small Business Administration's Emerging Leaders program, from which he recently graduated. He learned about that program from the Veteran's Business Outreach Center, where he had received assistance at the startup stage.

Through the class, he developed an action plan that's appropriate for his business's maturity. The action plan includes processes — such as hiring — designed to help One Community expand.

Accion is eager to work with businesses like Peterson's that don't meet traditional loan criteria; part of the organization's mission is to help small-business owners acquire financing to become economically self-sufficient and create jobs. The success of that mission has been noticed; the organization is one of four national recipients of the 2016 Small Business Leader Award from Goldman Sachs 10,000 Small Businesses, the Surdna Foundation and Opportunity Finance Network.

For more information about Accion, visit <https://us.accion.org> or call 800-508-7624. To learn more about Gary Peterson's One Community Auto, visit <http://onecommunityauto.com/>.

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