

CITYVIEW'S

BUSINESS JOURNAL



COMBINATION BUSINESSES are on the rise

Entrepreneurs find creative ways to operate multiple businesses under one roof.

By Colson Thayer

The bitterly cold winters and sultry summers of Iowa create work balance challenges for some business operators who do seasonal work. Other business owners see the natural connection in putting two businesses together. And some entrepreneurs simply aren't satisfied with one type of business. For all these folks, combining two businesses makes perfect sense.

For Jeff Hoobin, coffee and biking is a no-brainer.

"A lot of riders will go on very long training rides, and part of that culture, especially around the world, is pairing that with coffee because you need some caffeine to start," he said.

As a competitive cyclist himself, he was well aware of the combination, but it made sense in his brain to combine them into one business as well.

"It was a way of diversifying the income streams and finding the complementary items that go together," said Hoobin, who now owns Chain & Spoke, Des Moines' first combination coffee and bike shop.

Jeff Hoobin is the owner of Des Moines' first coffee and bike shop.

FEATURE

Chain & Spoke

Before opening his own business, Hoobin spent years traveling the United States and Europe, examining different coffee and cycling cultures. Seven years ago, he stumbled across the Angry Catfish, a bicycle shop and coffee bar in Minneapolis. He figured a bike and coffee combination would do well in Iowa considering the large cycling community, great trails and, of course, RAGBRAI.

"It was just finding the right space, finding the right mix of bikes, finding the right coffee and kind of getting everything to play nice," said Hoobin.

On the bike side, Hoobin wanted to focus on American-made products like Allied Cycle Works and Wild Bikes. But American-made bikes are not always the most affordable products. So Chain & Spoke partners with Orbea, a Spanish manufacturer to offer more options to customers. The idea is to carry a smaller assortment of bikes but offer more customization to customers.

One issue on the coffee side: Hoobin was far from being an expert. He had traveled all over the world and tried a lot of coffee but still was not educated enough to create a coffee selection alone. He partnered with Pammel Park Coffee Co. in Winterset to create his menu and specialties. All Hoobin knew was that he did not like acidic coffee, and that bikers need something smooth to drink so that the espresso does not end up sitting at the bottom of their stomach.

Customers see the café in the entry with the bike shop in the back. Bar seating allows for customers to chat and learn from Chain & Spoke's mechanics. Not to mention, the overflow seating options are bike displays, so there is no shortage of bikes to look at.

"I think coffee leads it. It's a little more active of a user group," Hoobin said about his business model. "This was always the plan, (customers) come in for coffee, and they're like 'Oh, it's a bike shop. Oh, I have that bike I haven't ridden for years; I should bring it in and get it worked on.'"

Combining two very different types of businesses comes with its own set of challenges. Chain & Spoke uses two point-of-sale systems: Square for the coffee side and a separate bike-specific one for the back. Hoobin also tries to tap into two different niches through marketing. For now, he alternates between coffee and bike posts on social media.

It is difficult to project what business will be like for Chain & Spoke in the coming months, especially as the seasons change. But if it's anything like April, their first month open, business will continue to split 50-50. Hoobin's future plans include making business hours more cohesive across the coffee and bike shop, utilizing their recently acquired liquor license, and



Chain & Spoke is Des Moines' first coffee and bike shop.



Plant-themed decor add to the ambience at Pots & Shots.

hosting events and organized group rides.

"You're able to get everything you want online. And people who are choosing to come to a retail location are looking for an experience," he said. "We're trying to make sure when people come in that they are treated well. We're nice and friendly, and then provide that service because we are honored that they are choosing to come and shop with us."

Pots & Shots

The key to success for Temeshia Bomato's Pots & Shots is the staff — and getting out of their way.

"Each individual aspect of the business has its own dedicated staff," she said. "On the plant side, the staff that are over there could probably tell you just about anything you'd need to know about most any



Temeshia Bomato is the owner of Pots & Shots, a bar and plant shop in one.

house plant... but maybe wouldn't necessarily be able to make you a very good cocktail," Bomato said.

A nurse by trade, Bomato changed her career path because of the pandemic. She wanted to be at home with her kids while they were attending online school. Meanwhile, she began to develop interests of her own.

"My plant collection at home grew to over 300 plants, and I was enjoying quite a bit of bourbon," she said.

Her hobbies became her business. Pots & Shots houses a plant shop in the back and a lounge in the front, with a botanical theme carried throughout. The selection of plants, cocktails and food is crafted to appeal to most any patron. The bourbon-heavy bar is intended for male customers who are not interested in the plants. Their cocktails "pack a punch" and offer something for every pallet, according to Bomato.

When it came to staffing, she entrusted managers who were willing to learn with her.

"While the staff are dedicated to each side, all of the managers are cross-trained across everything. So



Paws & Pints has a variety of seating right next to its outdoor dog park.

in the event that we do have some turnover, or have to lend some of our managerial staff to fill some of those other positions, our other managers can come in and assist with some of those other deficits."

Selling both pots and shots works well as a business model, but cross-traffic between the two sides of the business is difficult to track. Pots & Shots uses one software with two POS systems that keep track of individual inventories. It makes it easy to add a plant to any bar tab.

Bomato can definitely say that the lounge brings in more sales. It's either an 80/20 or 70/30 split. Part of the reason is that event sales are incorporated into lounge numbers. What surprised Bomato is that plant sales continue despite cold weather.

"I expected plant sales would slow down in the winter because we have harsh winters — not typically

the climate for exchanging plants or carrying them outdoors to your cars," she said. "However, because we have such harsh winters, that's when business picks up for us. This is like a lush little oasis indoors in the winter."

Learning how to run a business was not easy for Bomato. Early on, she struggled to navigate Iowa's old liquor laws, a bottle shortage that turned into a liquor shortage, and the power that she says Iowa's oldest liquor license holders have over the hospitality industry.

"What sets us apart is that we are the only one," Bomato said. "We're the first one in the state, and I can say from experience as a business owner, it will be quite difficult to replicate because it has been quite difficult to maintain."

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Paws & Pints is a one-stop shop for dog lovers. In addition to their indoor and outdoor dog parks, they house a restaurant, bar, coffeehouse, dog lodging, doggy daycare, grooming services, a retail store, training services and, soon, their own vet clinic.

“Dogs require a lot of things to live a happy and healthy life,” said Jamie Lamb, the marketing and social media director for Paws & Pints. “You can run to West Des Moines for the vet and then your groomer is out in Ankeny, and then they go to daycare somewhere else. It’s just a lot of traveling around, so convenience was really the key of what we do.”

Lamb said Paws & Pints is the first in the nation to offer it all in one place. The brand is separated into two businesses: the first is “Your best friend’s bar,” and “Mo’tail & Spaw.” The biggest reason for the split is that grooming, lodging and daycare are regulated by the Department of Agriculture. Meanwhile, the state regulates the bar and retail side.

“It’s regulated by different people, so there’s a lot of different requirements and rules and laws that go into successfully operating,” she said. “So that’s why we have it logistically split into two businesses under the Paws & Pints name.”

Some of the challenges include the Department of Agriculture requiring at least one hour of nap time for every full day of daycare. There is also a rule requiring 15 dogs to one human at the daycare. Both regulations would be hard to track at the dog park. Not to mention, they cannot let any dogs inside the indoor dining area.

The two sides of the business complement each other well, according to Lamb. When families are traveling during the winter holidays, their daycare revenue can make up for a snowstorm wiping out business at the bar. It also is not a requirement for customers to bring a dog, so non-dog lovers can support the business as well.

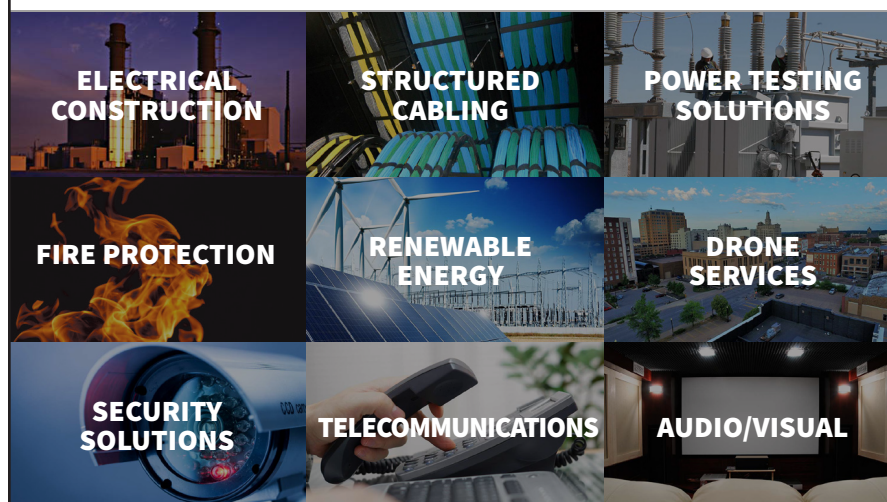
One thing Paws & Pints has not yet mastered is the art of cross-training. There won't be any dog park attendants hopping in to support the bar anytime soon, but Lamb said they are making efforts to have that level of crossover.

“It’s one team,” she said. “At the end of the day, whether you work in daycare or you work in the restaurant, we’re one team. If one succeeds, we all succeed, and vice versa. But at the same time, there are a solid group of managers for the bar and restaurant, and we have a solid group of managers over at the Mo’tail and Spaw, so it does keep it very manageable.” ■



Paws & Pints Mo'Tail & Spaw acts as the brand's lodging, grooming and daycare services.

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Dynamic Chiropractic and Wellness PLLC	WAUKEE	DALLAS	03	\$125,000	1	2	2	EXISTING BUSINESS	Offices of Chiropractors
Pearls & Lace Country Boutique	Guthrie Center	GUTHRIE	03	\$35,000	1	1	1	EXISTING BUSINESS	N/A
Laverne Farris	Garner	HANCOCK	04	\$273,000	2	0	4	EXISTING BUSINESS	Automotive Body, Paint, and Interior Repair and Maintenance
Smoke City Bbq LLC	Newton	JASPER	02	\$103,500	1	2	2	NEW BUSINESS	Limited-Service Restaurants
SUM LOGISTICS LLC	NORTH LIBERTY	JOHNSON	02	\$22,600	50	0	2	NEW BUSINESS	Local Messengers and Local Delivery
Innovative Floors, Inc.	CEDAR RAPIDS	LINN	01	\$100,000	2	0	0	NEW BUSINESS	Flooring Contractors
REVIVE AESTHETICS & WELLBEING, LLC	CEDAR RAPIDS	LINN	01	\$37,000	0	0	4	EXISTING BUSINESS	Beauty Salons
Mustang Shading Systems, LLC	LISBON	LINN	01	\$250,000	0	17	17	NEW BUSINESS	N/A
GlenwoodQuickserve, LLC	Glenwood	MILLS	03	\$500,000	20	22	2	NEW BUSINESS	Limited-Service Restaurants
SHRI NARAYAN G&E LLC	SHELDON	OBRIEN	04	\$1,510,000	1	1	1	NEW BUSINESS	Hotels (except Casino Hotels) and Motels
Wheelock & Family, Inc.	Ankeny	POLK	03	\$400,000	8	2	2	NEW BUSINESS	Full-Service Restaurants
Basic Bird, LLC	DES MOINES	POLK	03	\$322,000	15	16	1	NEW BUSINESS	Full-Service Restaurants
A King's Throne, LLC	DES MOINES	POLK	03	\$72,000	0	17	17	EXISTING BUSINESS	All Other Personal Services
Divani, LLC	GRIMES	POLK	03	\$250,000	10	1	1	NEW BUSINESS	Full-Service Restaurants
AWAKEN SPA SERVICES, INC.	URBANDALE	POLK	03	\$26,000	1	1	3	EXISTING BUSINESS	Other Personal Care Services
Valley Plating, Inc.	Rock Valley	SIOUX	04	\$520,000	7	0	13	EXISTING BUSINESS	Electroplating, Plating, Polishing, Anodizing, and Coloring
Wasabi 666 LLC	Ames	STORY	04	\$972,000	15	0	0	NEW BUSINESS	Full-Service Restaurants
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TECHNOLOGY

Artificial Intelligence, is IT for real?

Managed IT services have become increasingly important for businesses looking to outsource their technology operations. Artificial intelligence (AI) has also been a rapidly growing field in recent years. It's no surprise, then, that these two areas are beginning to intersect.

AI can be used to help manage IT services in a number of ways. For example, AI algorithms can be used to predict when hardware or software requires maintenance or updating, or to detect security threats in real-time. This can help managed IT service providers to be more proactive in their approach, resulting in faster response times and fewer disruptions to business operations.

In addition, AI-powered chatbots and virtual assistants can be used to handle customer service inquiries and technical support issues, freeing up IT staff to focus on more complex tasks. This can also lead to cost savings for businesses that rely on managed IT services.

AI **IS** for real!



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ACCOUNTING

Cash is King!

It can't be said enough. **Cash is King!** Here are 6 tips to boost cash flow.

Tip #1: Offer everyone who owes you money, especially those greater than 30 days, a 5-10% discount for paying within a shortened period of time.

Tip #2: Make sure every invoice has been forwarded to the appropriate customer. Don't hesitate to follow up with a phone call.

Tip #3: Renegotiate credit terms with your vendors. Many will be willing to work with you, especially if you are a frequent customer.

Tip #4: Location, location, location. Can you run your office from home, or get a smaller office? Reducing overhead is an excellent way to increase your cash flow.

Tip #5: Consider your workforce. Is it efficient? Productive? Are you getting all that you can from the people you employ? If not, consider reducing your workforce. The cash you save may be put to better use elsewhere.

Tip #6: Find yourself an "angel." An angel (in this case) is a private investor. In some cases, an angel can exchange equity for much needed cash. Still, it is important to keep in mind that investors generally look for thriving businesses, not those that need rescuing. Before you use this option, make sure your cash problems are not due to business decline.



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ADVERTISING

Referral advertising

Often, when I ask businesses the question "How do you get new customers" their response is "Well, referrals are my number one source of new business." And, I say, it should be! Good businesses take care of their customers so well that their customers refer friends, family, neighbors and, sometimes, even strangers. And, here is what I, also, say. Referral ads in print are like referrals on steroids.

Let's talk about the referral. What happens when someone refers one of their friends to your business? That referral may call to schedule an appointment or stop in to buy a product. Fantastic! That is one, new customer. Now, what happens when a referral is used in a print ad? That referral or testimonial is seen by hundreds or thousands of people, now multiplying the effective of the referral. Collect referrals from your customers (they will be happy to share them!) and use them in your advertising. Nothing beats the power of a referral, so leverage it to produce more customers for your business.

How many people do you want seeing your referrals?



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