

Not Logged In [Login](#) / [Sign-up](#)

★chron | Business

NOW 80°

NEWS SPORTS BUSINESS ENTERTAINMENT LIFE TRAVEL BLOGS JOBS HOMES CARS BUY & SELL

Mobile | SMS

5 Comments 5 Recommend

Search [advanced search](#) | [archives](#)

Chron.com Web Search by **YAHOO!**

New small businesses defy downturn

BY DAVID KAPLAN
Houston Chronicle
Sept. 26, 2009, 7:24PM

[1](#) [2](#) [3](#) [4](#)



ERIC KAYNE : FOR THE CHRONICLE
Mike Raymond, left, and Steve Long are owners of the downtown neighborhood bar Reserve 101.

Share

- Print
- Share
- Del.icio.us
- Digg
- Twitter
- Yahoo! Buzz
- Facebook
- StumbleUpon

Resources

BEATING THE ODDS

Reserve 101

When it opened: January 2008

What they did right: Established a unique niche.

How they can grow the business: Expand marketing efforts, continued development of downtown.

Source: Reserve 101 and UH Small Business Development Center

Language Factory

When it opened: December 2007

What was done right: Flexibility in the school's hours, quality teachers.

How business can grow: Open a second location and offer more class options.

Source: Language Factory and UH Small Business Development Center

French Cuff Boutique

When it opened: July 2008

What was done right: Costs kept down, lots of research was done.

How to grow her business: Owner is considering a second location and planning to create a bigger presence online.

Source: UH Small Business Development

At a Thanksgiving dinner two years ago, Kairy-tate Barkley shocked her kin when she said she planned to give up her high-paying job at Shell and open a dress shop. "Don't do it!" they pleaded.

Her brother-in-law, a successful businessman and amateur economist, stressed that it was a bad time to try it because the economy was going to plummet. "I didn't doubt him," Barkley said, "but I also knew myself."

Her Bellaire-area French Cuff Boutique is doing so well that she's scouting a second location.

Local entrepreneurs such as Barkley picked the worst economy since the Great Depression to start up. There is still opportunity, though, small-business counselors say.

The French Cuff Boutique is proof, as are the Language Factory and Reserve 101 bar.

A down economy is a good time to start a business, said Ira Davidson, the director of the Small Business Development Center at Pace University in New York. "Things like rent are particularly cheap," and "with an expanded labor pool, you can find a higher quality of help," he said.

"A lot of times people will use the economy as an excuse," said Irwin Miller, a counselor at SCORE, but if they pick a business in a growth industry and operate efficiently, they can thrive.

The four local small businesses profiled here are getting established in challenging economic times. Three of them already seem to be on solid ground. A fourth is brand new, and it may be too early to know how it will do:

Reserve 101: Slow start to success

After working in the restaurant industry for 20 years — as busboys, dishwashers, bartenders and managers — friends Mike Raymond and Steve Long wanted their own place.

About a year and a half ago, they launched Reserve 101, a martini and whiskey bar downtown that is across the street from House of Blues.

Things did not go smoothly at first.

The bar opened before the House of Blues or any of the Pavilions opened, and the corner was somewhat quiet.

Gasoline prices began to rise and eventually reached \$4, and the bar was getting hit with surcharges on deliveries.

"One-third of our business is happy hour," Raymond noted, and "people were thinking, 'Hey, I'd rather go home than spend it on alcohol.'"

In the early months the air conditioning and computer broke down, there were staffing problems, and the soon-to-follow economic downturn was no help.

"It was tough, but we made it through," Raymond said.

The first-time entrepreneurs kept their cool.

"You trust the numbers and your experience," Raymond said. "We've always had a clear idea of how the neighborhood would develop and what business would be, and it's tracked. It still hasn't reach its potential."

To launch the business, Raymond and Long needed \$125,000, which they got from private investors.

The downtown space they found had previously been a restaurant and was in decent shape, Raymond said.

advertise here

- [Head-on crash kills teen, injures 5 in Montgomery County](#)
- [Khloe Kardashian marries NBA star](#)
- [S. Houston chase ends with suspect shot](#)
- [Justice: Texans' loss resembles so many other losses](#)
- [Ship Channel spill may need weeks to clean](#)

- [More people shot by Harris officers\(100\)](#)
- [Role of religion a sticky issue in Texas social studies debate\(84\)](#)
- [Justice: Texans' loss resembles so many other losses\(51\)](#)
- [Obama will go to Denmark to pitch for Olympics\(44\)](#)
- [Friends' portrait of Dallas bomb suspect at odds with FBI's\(40\)](#)

- [Last-resort auto insurance rates to rise Nov. 1](#)
- [Gas dips below \\$2.50 a gallon](#)
- [Former Enron exec gets prison time for hyping firm](#)
- [FDIC expected to require banks to prepay fees](#)
- [Tough legal nut to crack: Chinese drywall](#)
- [Xerox, Abbott deals boost stocks; Dow gains 124](#)
- [Grounded ship blocks lower Mississippi River traffic](#)

advertise here

One of the largest horticultural events in Texas

October 8, 9 and 10

Westminster United Methodist Church
San Felipe at Bering

For more information, visit [houstongrows](#)

Center and French Cuff Boutique

NotTrash.Houston

When it opened: July 2009

What was done right: Started small to grow with the business, enlisting help from volunteers and establishing a media presence.

How business can grow: Continue to get the word out.

Source: NotTrash.Houston

said James Evans, assistant region director at the Small Business Development Center at the University of Houston.

Recently, Raymond has been seeing a spike in business because the economy is improving and his downtown bar seems to perform better in the fall.

"I expect October to be huge," he said.

Raymond and Long plan to open a rock 'n' roll-style nightclub called Diesel Dive Bar in Midtown this fall.

Language Factory: She knows what to say

"You have to believe in what you do and live it," observes Belinda Bentahar, owner of a Missouri City language school, the Language Factory.

She noted that her 7-year-old daughter, Lilly, and 11-year-old son, Billy, speak English, French and German and are now learning Spanish and Chinese.

She opened the Language Factory less than two years ago. Her family-owned school offers French, Spanish, Chinese, Hindi, Arabic, German and ESL.

She chose Missouri City partly because international companies such as Fluor and Schlumberger are nearby.

"We could be doing better if the economy was stronger," Bentahar said. "Some companies were planning to send their employees to us, but when the recession hit, they cut back."

All in all, though, the school is doing well, she said. "We are growing. I'm hiring teachers."

Bentahar has seen other language schools shut down lately. Hers may still be around because she started small, she believes: "Many businesses start out with a huge loan instead of growing with the business, which I did," she said.

But Bentahar is willing to spend a little extra to hire the best teachers she can find. She said the Language Factory has five to seven teachers working on contract.

"We are very flexible and get to know our clients and how to meet their needs," Bentahar said.

For example, the Language Factory offers classes on Sundays for people who can't get there any other day.

Language schools are part of a growing industry, Bentahar said, because of "the way the world is going global" with more businesses locating in other countries.

Bentahar also has many high school students as clients, and the Fort Bend Independent School District has begun referring students to the Language Factory, she said.

She's taken the right steps, said James Evans, assistant region director of the Small Business Development Center at the University of Houston.

"If she hires high-quality teachers, corporations will recognize that. When the economy comes back, she should be in a strong position," he said.

Being flexible in teaching hours will help give her a better market share, and not all schools will do that, Evans said.

Bentahar said she is thinking of opening a second location near the Texas Medical Center.

Once every three months, the Language Factory hosts a multicultural party for its clients. The events include pot-luck dinners, films and once featured flamenco dancing.

The parties serve a purpose, Bentahar said. "Many people who move here from other countries don't know a lot of people here."

French Cuff Boutique: Planning pays off

Kairy-tate Barkley had spent 11 years in corporate America, most recently working in human resources at Shell.

But she'd always loved clothes, and since her days as a University of Houston student, she thought about opening a boutique.

Even though she had a good job and family members were warning her about the impending recession, she decided to pursue her dream.

Her thinking was: "If I can make this work in this low economy, imagine how it will be in a good economy."

After leaving Shell in the summer of 2007, she read about 10 books on retail, took a course on small business ownership at the University of Houston, found a counselor at Score, Richard Stanley, and wrote a business plan.

"My husband and I did a big adjustment on our lifestyle and took out a small loan," said Barkley, who said she needed \$183,000 to open.

She found two potential locations along Bellaire. Before settling on one, she sat in the parking lot of each to observe pedestrian traffic flow.

She chose the center with a Whole Foods Market because the grocery store "creates consistent traffic," she said.

To save money, she bought used fixtures and re-upholstered furniture. She said she was careful not to overbuy in the early days.

French Cuff Boutique sells day dresses, casual attire, cocktail dresses and jeans.

"Our core is classic, with some trendier options," Barkley said. Nicole Miller is one of her best-selling brands.

The store opened in July of last year, and it broke even after the first six months, Barkley said.

She's had to deal with street construction as long as she's been open.

She also lost power five days after Hurricane Ike and has had to operate during a recession.

The boutique has been able to overcome those obstacles because of its location near the affluent neighborhoods of Bellaire and West University, as well as its service and selection, Barkley said.

She is still trying to learn more about her business. She will walk into other boutiques and asked the owners if they'd be willing to give her advice. Now and then, they do, she said.

Barkley is doing a lot of the right things, including watching her costs and researching before making decisions, said James Evans, assistant region director of the Small Business Development Center at the University of Houston.

Competition is "fierce" among dress shops, he said, and boutiques are difficult to manage.

She'll have to manage her inventory very well," he said.

Barkley has no regrets about leaving her safe corporate job.

Owning a boutique is "a lot of work, but it just feels right," she said.

To a customer walking toward the register, Barkley said, "I'm glad you're getting that. I love that dress."

NotTrash.Houston: Fresh start in recycling

When Brittani Flowers moved from Seattle to Houston in January she was amazed by "how little recycling was going on."

"In Seattle, recycling is just something you do," she said.

Flowers, who received a degree in business administration and economics from Central Washington University, did some research here and found that many Houston apartment projects are not set up for recycling.

She decided to start recycling service, NotTrash.Houston, which focuses on apartment projects and other commercial properties. Her service accepts paper, glass, plastic and aluminum.

Flowers is doing something she believes in while going against the Houston grain.

"I'm making a living," she said while acknowledging that her 4-month-old business is still in its seedling phase.

The recession is not helping, she noted.

The economy affects it in a variety of ways. For example, she said "a lot of people are extremely careful with how they spend their money. When they hear about something new like recycling, they may not be as open to its benefit."

NotTrash.Houston charges an apartment tenant \$10 for a pickup. When apartment projects participate, they are charged \$2 per unit.

It might be challenging for a small business to succeed in the recycling business, said James Evans, assistant region director of the Small Business Development Center at the University of Houston.

"If she can't deal in big volumes, she may not make much money from it," he said.

Flowers said in response that "if the demand grows, my company will grow along with it. Then I can afford another vehicle and hire more staff."

Friends and other green-minded people are helping her as volunteers, sorting trash for, example. One friend lets her use his pickup truck for some jobs, she said.

A few weeks ago, Flowers became a partner in another green business that began two years ago: Urban Green Cleaning, co-owned by Mona Metzger. Flowers and Metzger clean houses using non-toxic cleaning materials.

Flowers has been marketing herself by appearing on local TV and radio shows and Web sites such as Twitter and Facebook.

There may be an upside to having a recycling business in a city that isn't always familiar with it, Flowers has discovered. One time at least, she was treated like a celebrity.

When doing a recycling pickup at Mango's restaurant in July, a customer called out to her, "Hey, aren't you the Recycling Lady?"

david.kaplan@chron.com

Comments

Readers are solely responsible for the content of the comments they post here. Comments are subject to the site's terms and conditions of use and do not necessarily reflect the opinion or approval of the Houston Chronicle. Readers whose comments violate the terms of use may have their comments removed or all of their content blocked from viewing by other users without notification.

You must be logged in to comment. [Login](#) | [Sign up](#)



**Photonic** wrote:

I love articles like this where smart people figure out better ways to do things that people will buy. I sure wish we had a lot more folks like this instead of the ones who sit around with their hands out whining for the government to support them with money they haven't earned.

These youngsters can actually measure their benefit to their communities and society by the profit they earn. They obviously don't believe they have a "right" to survival and are willing to work hard, be creative and accept intelligently calculated risks to demonstrate their worth. The world doesn't "owe" them a living but, by gosh, it sure is willing to pay them for their contributions.

Great going, guys and gals! Congratulations on your endeavors!!

9/27/2009 4:41:33 AM

Recommend: (58) (4)

[\[Report abuse\]](#)**dbhexum** wrote:

Big shout out to NotTrash.Houston!!! A note to the City of Houston...the younger generation cares about the environment, is sick and tired of green area being replaced by parking lots and strip malls, hates the no-zoning laws, aspires for parks, and flat out WANTS TO SEE A MORE BEAUTIFUL HOUSTON!!!

9/27/2009 11:57:34 AM

Recommend: (22) (2)

[\[Report abuse\]](#)**steph77076** wrote:

I wish all the businesses the best of luck, but especially the Not.Trash.Houston. Houston and need to be more involved in recycling, being a city that consumes a lot of energy. Keep it up.

9/27/2009 3:51:40 PM

Recommend: (16) (2)

[\[Report abuse\]](#)**jcd8822** wrote:

I am very excited and happy for these people. They went out and did what some people said could not be done. I love their determination and belief they had in their ideas and themselves.

There are so many negative people in this world who are ready to stand up and say not to do something like that. Their all having guts to do it is paying off for them.

I was discouraged in the 1980's from starting my business and I listened to the negative people. Now I will never know how it would have turned out. Since then my motto is "No guts, no glory."

9/27/2009 12:15:11 PM

Recommend: (16) (1)

[\[Report abuse\]](#)**steph77076** wrote:

I wish all the businesses the best of luck, but especially the Not.Trash.Houston. Houston and need to be more involved in recycling, being a city that consumes a lot of energy. Keep it up.

9/27/2009 3:51:40 PM

Recommend: (16) (2)

[\[Report abuse\]](#)**jcd8822** wrote:

I am very excited and happy for these people. They went out and did what some people said could not be done. I love their determination and belief they had in their ideas and themselves.

There are so many negative people in this world who are ready to stand up and say not to do something like that. Their all having guts to do it is paying off for them.

I was discouraged in the 1980's from starting my business and I listened to the negative people. Now I will never know how it would have turned out. Since then my motto is "No guts, no glory."

9/27/2009 12:15:11 PM

Recommend: (16) (1)

[\[Report abuse\]](#)**dbhexum** wrote:

Big shout out to NotTrash.Houston!!! A note to the City of Houston...the younger generation cares about the environment, is sick and tired of green area being replaced by parking lots and strip malls, hates the no-zoning laws, aspires for parks, and flat out WANTS TO SEE A MORE BEAUTIFUL HOUSTON!!!

9/27/2009 11:57:34 AM

Recommend: (22) (2)

[\[Report abuse\]](#)**Photonic** wrote:

I love articles like this where smart people figure out better ways to do things that people will buy. I sure wish we had a lot more folks like this instead of the ones who sit around with their hands out whining for the government to support them with money they haven't earned.

These youngsters can actually measure their benefit to their communities and society by the profit they earn. They obviously don't believe they have a "right" to survival and are willing to work hard, be creative and accept intelligently calculated risks to demonstrate their worth. The world doesn't "owe" them a living but, by gosh, it sure is willing to pay them for their contributions.

Great going, guys and gals! Congratulations on your endeavors!!

9/27/2009 4:41:33 AM

Recommend: (58) (4)

[\[Report abuse\]](#)

MAKE A DIFFERENCE IN YOUR COMMUNITY ☆ DoGood.chron.com	<p>Won't you please help?</p>	
--	-------------------------------	---

[Read all comments \(5\) »](#)

[Obama Urges to Refinance Now](#)

\$90,000 Refinance under \$499/mo.
SeeRefinanceRates.com

[Refinance Now at 4.25% Fixed](#)

\$160,000 Mortgage for \$633/mo. Free.
MortgageRefinance.LendGo.com

[Super Cheap Car Insurance Quotes](#)

Get Discount Auto Insurance Quotes Online
USInsuranceOnline.com

[Obama Wants You to Return to School](#)

Get Your Degree Now.
www.classesus.com

Ads by Yahoo!

chron.com

- [Home](#)
- [Houston & Texas](#)
- [Nation](#)
- [Business](#)
- [Sports](#)
- [Entertainment](#)
- [Life](#)
- [Travel](#)

- [Blogs](#)
- [Chron Commons](#)
- [Weather](#)
- [Traffic](#)

Topics

- [PetsHouston](#)
- [MomHouston](#)
- [HoustonBelief](#)
- [Houston gardening](#)

Marketplace

- [Jobs](#)
- [Homes](#)
- [Cars](#)
- [Shopping](#)
- [Personals](#)
- [Post an ad](#)
- [Contests](#)

Services

- [Help](#)
- [Business Directory](#)
- [Contact us](#)
- [Send us tips](#)
- [Chronicle In Education](#)
- [About the company](#)
- [Home delivery](#)
- [Advertise with us](#)
- [Buy a banner ad](#)

Membership

- [Sign up](#)
- [Already registered? Log in](#)
- Other editions**
- [Mobile](#)
- [RSS feeds](#)
- [e-Edition](#)
- [E-mail newsletters](#)

[Privacy statement](#) | [Terms of service](#) | [About Our Ads](#)
Copyright © 2009 The Houston Chronicle

