



SUCCESS STORY

PHILADELPHIA DISTRICT OFFICE

U. S. SMALL BUSINESS ADMINISTRATION

Contact: John Fleming (215)580-2718

Internet Address: www.sba.gov/pa/phil

Allentown Fragrance Manufacturer Experiences The Sweet Smell of Success

Allentown, Pa – Are you tired of working for someone else? Have you every dream of owning your own business? In 1992, that dream came true for Kevin Rhodes, President and founder of Fragrance Manufacturing Incorporated (FMI). With the help of loan backed by the U.S. Small Business Administration (SBA), FMI is now a rapidly growing full-service contract manufacturer specializing in short-run production for the fragrance, household products, and personal care industries.

After graduating from Lafayette College, Easton, Pa., Kevin worked for Procter & Gamble for 10 years. He held a variety of management positions, including responsibility for P&G's fragrance compounding operation. While there, Kevin attended New York University's Stern School of Business, earning a master's degree in Business Administration in 1991. He resigned from Procter & Gamble in 1992 to start FMI.

Kevin assembled a leadership team of seasoned professionals who possess a wide range of business and entrepreneurial skills. From the beginning, he emphasized a culture of customer focus and timely communication with management and employees.

In 1995, a customer asked FMI to fill bottles with massage oil because she was having trouble finding a reliable, high quality source to fill small volumes (1,000 to 2,500 bottles) of this product line. Although they did not have equipment to fill the bottles, the customer knew, based on business reputation, that if FMI made a commitment to do the job, she would receive the filled bottles as promised. This request led to the beginning of FMI's successful expansion into the personal care consumer products industry.

FMI has increased its sales by establishing a personal commitment to the success of every customer, according to Rhodes. He stress the company, through it employees, is dedicated to exceeding customers' expectations for reliable, professional delivery of both their existing and developing product portfolios. "Our Customers feel like partners because we treat their products as if they are our own," said Kevin.

The rapid growth has necessitated equally swift expansion, from 10,000 square feet to 16,000 square feet in 1997, and 20,000 square feet in 1998. By late 2000, the demand for "short-run" services was sufficient to undertake another significant capacity investment.

In October 2001, FMI successfully moved into a 52,000 square foot building in Allentown. Along with this move, Rhodes made major infrastructure improvements, including increasing lab space, capacity and implementing a state-of-the-art inventory tracking system. Infrastructure improvements were financed with several loans through National Penn Bank using the U.S. Small Business Administration 7(a) Loan Guaranty Program.

The SBA's loan guaranty program is the agency's primary financial assistance instrument. The program provides guarantees on business loans to help qualified entrepreneurs secure financing on reasonable terms. It operates through private-sector lenders who fund the loans. The SBA established a maximum loan amount of \$2 million under the program. The eligibility requirements are designed to be as broad as possible in order that this lending program can accommodate a variety of small business financing needs.

The SBA's Philadelphia District Director David C. Dickson stated, "It is always a pleasure to assist small businesses such as FMI by enabling them to grow, hire people, and improve the communities in which they operate."

Since its founding more than a half-century ago, the SBA has delivered over 24 million loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses. In the Small Business Act of July 30, 1953, Congress created the SBA, whose function is to "aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns." The charter also stipulated that the SBA would ensure small businesses a "fair proportion" of government contracts and sales of surplus property.

For more information about the SBA online, go to www.sba.gov