

Entrepreneur of the Month

Jim Jenkins, Owner, Skeeter Barnes Restaurants

Home: Callaway, Nebraska
Age: 46
Family: wife, Julianna; three children ages 15, 12 and 9
Education: BA from Principia College; graduate work in business at Northwestern University
Employees: 110
Annual Sales: \$4.5 million
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Rural Nebraskan Brings Entrepreneurial Spirit Back Home

Jim Jenkins started his first business on a ranch in rural Nebraska. Jenkins and his brother bought cattle together. Of course, their parents had to sponsor the boys at the bank, since they were only 10 and 12 years old. But the cattle business still exists.

“I learned about business from a very young age,” Jenkins said from his home office in Callaway, Nebraska. “My family was always talking about it around the dinner table. Our parents were asking our opinions on when to sell or buy or plant.”

From this early business background, Jenkins emerged to become successful entrepreneur, having started and/or run 10 businesses in two decades.

Go East, Young Man

Born and raised on the Callaway ranch, Jenkins left Nebraska to attend a small liberal arts college in Illinois. He studied pre-law and political science with a minor in business, graduating in 1980.

“At that time, I didn’t want to go back to the ranch. I wanted to see the U.S.” Jenkins said.

His wanderlust took him to Boston where he got involved in a company selling solar equipment and window quilts. The owner of the Alternative Power Company, Inc., hired Jenkins as president. Jenkins became the youngest person on a staff of 10 people.

“The company was losing money, and we were in an economic recession,” Jenkins said. “It was a very challenging situation.”

Jenkins caught the business bug and joined a friend in expanding an English company of bread bakeries – Warburtons, Inc. -- in Boston. Throughout the 1980s Jenkins and others built the company to include nearly 30 locations, but they eventually had to sell at loss.

“We really made some bad decisions,” he said. “Part of the problem was that we were all so young – just in our early 30s!”

In the early 1990s, Jenkins and his wife, an attorney, moved to Chicago.

“In Boston, I’d been dabbling in real estate,” Jenkins said. “I would run restaurants all day and renovate buildings all night.”

With some successful real estate ventures under his belt, Jenkins decided to use his knowledge and experience in Chicago. He started a property management group.

“I was just not real successful. The timing was bad, and we made some bad choices,” Jenkins said. “We ended up losing quite a bit of money when we left Chicago.”

Undeterred, Jenkins and his wife moved to Columbus, Ohio, where he worked with a friend to run a large fast food restaurant group with 200 stores in 13 states. The world of fast food didn’t appeal to him, and Jenkins started mulling over the idea of starting his own restaurant business, a casual steakhouse.

Jenkins founded Wild West, Inc., a holding company that eventually bought the rights to Whiskey Creek Steakhouse, which already had two locations in Florida. The former owners at Whiskey Creek became the biggest investors in Wild West. Jenkins and his management team helped the Florida enterprises create significant cash flow. They overhauled the Whiskey Creek concept and repositioned the stores in smaller markets.

Whiskey Creek eventually took Jenkins back to his Nebraska roots.

Back on the Plains

“We moved back to Nebraska primarily for quality of life reasons,” Jenkins said. “My wife and I thought it would be a great place to raise kids.”

And being business savvy, Jenkins saw a need for casual restaurants in smaller Nebraska markets, such as Kearney, with a population of about 28,000.

With an investment group, a management team and a new concept, Whiskey Creek opened in Kearney to serve generous portions of high quality, moderately priced meals in a casual, family-oriented atmosphere. Based in the heart of beef country, Whiskey Creek positioned itself as the “steak expert” in its category segment. The company locates its restaurants in smaller, secondary markets and suburban areas that are not currently served by national full-service steakhouse chains

In 1996, Jenkins formed Wild West, Inc., which owned Whiskey Creek. Within five years of opening his first restaurant, Wild West was a \$14 million business.

“This time around, we had good timing and good fortune,” said Jenkins, who sold the company several years ago for a “terrific price.”

Jenkins’ current entrepreneurial endeavors include Pane Bello Bakery/Deli in Kearney and Skeeter Barnes in Lincoln. Both restaurants are co-owned by partners Steve Boyer and Glyn Lacy, who were also on Jenkins’ Wild West management team.

They launched Pane Bello just a few months ago, with the hopes that the success of similar high-end bakeries, such as Panera Bread, will pay off.

“We’re not afraid to take ideas from other people,” Jenkins said of his move to open the bakery.

Skeeter Barnes opened as a casual steakhouse serving Nebraska beef and smoked barbecue in Lincoln. Jenkins partnered with the Nebraska Cattlemen Association to ensure part of the profits from beef sold at Skeeter Barnes ends up in the pockets of Nebraska farmers.

Having grown up on a ranch, Jenkins knows the importance of adding value to family farms. Jenkins carries over his passion for innovation to his current ranching operation.

He employs management-intensive grazing methods. Managed grazing systems differ from conventional grazing systems, in that livestock are moved frequently among pasture divisions (paddocks or cells) based on forage quality, quantity and livestock nutrition needs. This system can produce economic, environmental and social advantages.

Jenkins has also planted corn and allowed cattle to graze it, rather than harvesting the crop.

“What we’re finding in agriculture is that low-cost solutions enhance the productivity of the land and increase economic advantages,” Jenkins said.

His quest for creative solutions has made Jenkins a popular speaker throughout Nebraska, allowing him to collect his thoughts and share ideas for new and evolving small businesses.

Advice for Start-up Ventures

Jenkins ends most talks with this quote by Bobby Knight: “The will to win is not nearly as important as the will to prepare to win.”

For Jenkins, preparation includes having a solid business plan, including identification of your products and services; capital sources; human resources, expertise and intelligence and – perhaps most important of all – the customer.

In Jenkins’ talks, he shares advice from Peter Drucker, one of the leading business authors, who said, “The customer is the business.”

“You need to be a pragmatist and ask yourself, ‘Why would a customer buy this product or service,’” Jenkins added. And business owners must be aware of what their customers value most, including price, quality, service and convenience.

Jenkins also stresses the need to be a clear communicator, able to explain your vision to the most important audiences: investors, vendors, bankers, employees and your professional support team.

“You need to successfully and effectively communicate your ideas,” he said. “Things have worked out best for me when I’ve had a good, clear vision and the ability to share it.”

And Jenkins gives high ratings to the team approach in entrepreneurial ventures. First, he says, identify what you can contribute to the business. Then add people who can complement your knowledge and talents.

For example, Jenkins said that he is generally a very optimistic person. But one of his partners – he jokingly calls him “Mr. Doom” – does a good job of balancing his optimism with reality checks. “He is the Ying to my Yang,” Jenkins said.

“Successful ventures surround themselves with great people,” Jenkins said. “If you don’t have the knowledge and expertise you need, find people who do to join up with you.”

He added, “Venture capitalists and bankers are now looking more and more at management teams when making decisions on supporting new businesses.”

As in any new venture, knowledge is key, Jenkins says. Knowledge of your product and/or service, marketing, legal aspects, and financials, among many other things.

“The entrepreneurial puzzle is indeed a puzzle,” he said. “It’s not just one good idea that’s drawn up on a napkin in a bar. There are many different pieces that come together. You have to be familiar with each one.”

Fostering Businesses in Rural Areas

Jenkins and other Nebraska leaders suggest that successful small businesses are the answer to many of the economic woes faced by rural Nebraska. Smaller communities are suffering under the weight of dire farm economics and loss of population.

“We’re going to have to pull ourselves up by our bootstraps and do it for ourselves,” he said at a recent Nebraska conference. Jenkins believes that rather than relying on major industries to move to small towns and solve economic development problems, rural Nebraska needs to support more entrepreneurial efforts.

Jenkins is disappointed at a business study that ranks Nebraska 46th among 50 states in business start-ups. He believes that trend can be reversed, in part, by creating more of a culture of entrepreneurship in government and education.

“The future is in small businesses,” he said, “but the resources do not go into small business.”

He praises the work of U.S. Rep. Tom Osborne (R-Neb.), who has published a guide for Nebraska entrepreneurs, but Jenkins wishes there were more resources for those wishing to start their own business.

Jenkins is against the Nebraska state law that provides tax breaks for large companies, such as ConAgra, IBP and Union Pacific. He would rather see more investment in small business owners and more education for young people on running your own company.

“If we can teach home economics and wood working (in schools), we can teach business planning,” Jenkins said, adding that business leaders need to recruit more young people and put them in leadership scenarios to learn about small companies. He said that most of his restaurants managers are young people, and they have the opportunity to watch the creative process in a start-up business.

Jenkins hopes that Nebraska’s farmers and ranchers can find niche markets that would boost their economic advantage and create successful small businesses. He supports Nebraska business people by selling local beef in his restaurants. As Jenkins advertises on the Skeeter Barnes website: “It’s not only good for you; it’s also good for Nebraska.”

Inspirations of a Entrepreneur

Why does Jenkins persist as an entrepreneur?

“For me, it’s not about the net worth. I could have made more money doing other things,” he said, cautioning new entrepreneurs that it can take many years for profits to reach high levels.

Jenkins likes being his own boss, choosing his co-workers and setting his own hours. But most of all, he enjoys innovating.

“I’m still, in my view, in the early stages of being an entrepreneur,” he said. “I would like to launch another restaurant before considering myself successful.”

With a hint of his humble Nebraska roots, Jenkins said, “I just love new ideas. I love creativity. I’m no artist or musician, but I have an ability to conceptualize.”

As for Jenkins’ future plans, he will continue to wear several business hats, and possibly try on a political hat for size.

“I am interested in holding public office,” Jenkins said. “I believe we need more people serving (in the Nebraska government) with small business and production agriculture experience. However, I am trying to balance my obligations to family and business.

2006 may not be right for me, but I am not ruling anything out.”

-By Lisa Bauer, 02/04

For more information on...

... the Center for Rural Entrepreneurship, go to www.ruraleship.org

... Skeeter Barnes, go to www.skeeterbarnes.com

... Whiskey Creek, go to www.whiskeycreek.com

... Representative Tom Osborne’s Entrepreneurship Handbook, go to www.congress.com and find Osborne’s website on the first menu