

Premium Vapors

A Success Story Written by Angela Clements Cattell

Kathy Gill and Mark Nieman, owners of Premium Vapors, started out as next door neighbors who soon realized they had an obvious commonality. They both loved to landscape their yards. Within no time they became fast friends and started to collaborate on various landscape projects. Kathy and Mark clearly knew they worked well together and could easily divide the duties necessary to complete a project. Ten years later that teamwork would pay off and not only turn into a business partnership, but also a successful one.



This photo is of Premium Vapors' Storefront located in Willoughby, Ohio.

Premium Vapors specializes exclusively in offering high quality non-disposable e-cigarettes, e-liquids and a wide range of accessories. It is believed to be a much healthier alternative to tobacco smoking since E-cigarettes contain no tobacco or tar. The electronic cigarette is a hand-held device that holds a nicotine flavored liquid with over 60 choices of flavors. It is the first specialty store of that kind in the area. Kathy and Mark along with their employees at Premium Vapors provide personal service customized for the newcomer or even the experienced customer by educating each person on their products and by providing choices on the different nicotine levels.

According to Kathy Gill, "this is a personal product that differs from person to person depending on their habits and lifestyle." At Premium Vapors, there is a living room atmosphere with a free tasting bar where individuals can try the different flavors offered.

Before deciding to go into business together, Kathy Gill and Mark Nieman understood they needed to do a great deal of market research to find their perfect niche. In the summer of 2013, Mark and Kathy brainstormed and looked into many other business types before pursuing a business with e-cigarettes. Then in November of that same year, Mark and Kathy decided to take a trip down to Raleigh, North Carolina to visit Kathy's brother after being invited for Thanksgiving dinner. It was at that time when Kathy and Mark first heard about and used an e-cigarette. Kathy's brother had already made the decision to open his own e-cigarette store and had just signed a lease for his store location. Intrigued by the idea of an e-cigarette business, Ms. Gill and Mr. Nieman decided to visit an established e-cigarette store in the Raleigh area suggested by Kathy's brother. They were amazed at how well the business was doing, even with substantial competition. The entire drive home, Kathy took notes on what they had learned while discussing with Mark whether this same type of business could be viable in their area. They had not seen an e-cigarette store back home. They realized the timing was perfect for this hot and innovative product that could actually be effective against the age old addiction of smoking tobacco

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cigarettes. As soon as they returned home, Kathy and Mark performed due diligence to further investigate this type of product in their area. It wasn't long after that Ms. Gill and Mr. Nieman quit their jobs and made the decision to open the same type of business in Willoughby, Ohio.

Kathy Gill realized they would need some help on getting their new business started. So began the search for various business resources. Kathy first contacted her local Chamber of Commerce in Willoughby, Ohio. She then met with the Chamber Director who put Kathy in touch with various merchants regarding advertising and web design as well as local business organizations including SCORE and the Lake/Geauga Small Business Development Center to give her the additional guidance she required.

After meeting with members of SCORE who helped Kathy with pricing and branding, she then decided to meet with an SBDC counselor for more precise start-up assistance. Ms. Gill met with Gretchen Skok DiSanto (Lake/Geauga SBDC Co-Director) in January of 2014. According to Kathy, "Gretchen gave me a template and laid out guidelines of what I needed to do." Together, Gretchen and Kathy covered a number of start-up topics including bookkeeping, using QuickBooks, forming an operating agreement and creating a specific low cost marketing plan. Gretchen first suggested she pay close attention to the Chart of Accounts and how it is set up. Since Kathy and Mark were planning on hiring employees, Gretchen advised having a professional bookkeeper/accountant take care of their payroll as it can get complicated. To help Kathy get started on her search, Gretchen reviewed quotes with her from respected local accountants while making suggestions about items on which she needed clarification before making a decision.

Gretchen then began working on a referral list of attorneys to help Kathy and Mark create an operating agreement. An operating agreement is very important when starting a business with a partner or multiple owners because it insures an agreed-upon and documented set of rights, obligations and procedures to refer to when disputes arise or when other unexpected changes happen in the business.

Thirdly, Gretchen and Kathy worked on a marketing plan for the business. They brainstormed marketing angles such as creating an email list, having a call to action on the website, creating YouTube videos, determining Search Engine Optimization, researching local directories, using location based services such as Yelp, utilizing social media, creating a mobile website, finding free classified ads or articles and offering giveaways and coupons. Kathy Gill explained that she wanted to buy advertisement in the Community Newspapers, Town Market and Val Pak so Gretchen suggested that she track the results of each to determine if the ads were worth the investment.



Shown here are owners Kathy Gill and Mark Nieman standing behind the tasting bar at Premium Vapors in Willoughby, Ohio.

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Gretchen also advised that Kathy and Mark track all the folks who came into the store and ask how they heard about the business.

Lastly, Gretchen and Kathy discussed how to hire employees. Ms. Skok DiSanto suggested that she first work through her network of contacts before posting to the local newspaper due to cost.

“Gretchen and I bonded”, explained Ms. Gill. “I knew I could contact her for any questions.”

The Grand Opening of Premium Vapors took place on March 8, 2014 in which Ms. Skok DiSanto attended. According to Gretchen, “The client did an excellent job with the appearance of the store. It is very modern...The products are displayed in a very attractive way. Despite it being cold weather, there was a large crowd for the event. I talked with the client about the marketing, and she gave me a summary of everything that they had put out that week. They did a soft opening the week before, and business has been going well.”



This photo is of Premium Vapors' Storefront in Chardon, Ohio. Check out premiumvaporsinc.com for more information about the business.

The business was going so well that in August of 2014, Kathy Gill emailed Ms. Skok DiSanto to inform her they would be opening a second location. By October of 2014, Ms. Gill and Mr. Nieman opened a second Premium Vapors in Chardon, Ohio.

However, after opening the second location, Ms. Gill and Mr. Nieman would need help on making changes to their staff. Kathy and Mark needed further guidance on hiring and dismissing employees as well as other legal matters so that's when they contacted Jim Gray, a counselor for the Lake/Geauga SBDC. Jim referred Kathy to a list of attorneys that could give her the specific legal advice they required. Mr. Gray

was also able to guide Ms. Gill on the process of unemployment through the state.

“The SBDC definitely helped,” stated Mr. Nieman. “They (SBDC counselors) gave us the confidence that we were going in the right direction.”

Premium Vapors' business continues to thrive at both locations. The business became profitable within the first year.

When asked to give advice to other entrepreneurs, Kathy expressed how important it is to listen to your employees. According to Kathy, “business would not be the same without our employees. They give recommendations and add their own expertise. Be open to your employees' ideas. Business can change weekly.” Besides Kathy and Mark working at the stores, they employ two full time workers and one part time person. They also intend on hiring at least two more employees in the near future.

Moreover, Kathy and Mark advise other business owners on the importance of customer service. “Until owning this business, I never realized how closely customers paid attention”, stated Kathy. As many

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business owners know, word of mouth is still a very important marketing tool. Premium Vapors even has a referral program which has helped increase sales even further.

Kathy and Mark also pointed out the importance of still taking care of yourself when you're a small business owner. "Take care of yourself", expressed Ms. Gill. "Owning a business takes time to adjust and adapt. It is important to take time for yourself." As Mark explained, "When you first start (a business), you work a lot of hours." Working to the point of exhaustion will just burn you out and make you less productive.

Lastly, Kathy emphasized, "Be as prepared as possible. You cannot just come up with an idea and throw it out there. Chance favors the prepared." Mark added, "This is the American Dream and we could not be happier. The right resources made it easier."