

# Small Business Development Center Helps Guide Rural Utah Software Company

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John Spuhler could be described as a serial entrepreneur.

After selling a tech company in Denver, he and his wife, Melissa, decided to semi retire by moving with their three sons to Garden City, Utah, to be near family. That was 11 years ago, and not only did his retirement not happen, but he became mayor of Garden City for two terms and started five new companies. Not exactly the life of leisure he had planned, but with his engrained entrepreneurial spirit, it was a perfect fit for him.

And for numerous residents in the Bear Lake area, including several Utah State University graduates, this entrepreneur is making it possible for them to be able to live and work right from home.

Spuhler's professional background running information technology and software sales companies integrated nicely with his responsibilities as mayor. One of the first challenges he faced was managing a rural town with 800 people on the voting roster that expands from 12,000 to 20,000 in the summer. Then add in the 3,000 residents who live there mostly year-round in their second homes, and there are three groups of people with very different needs.

The growing short-term rental market – the Airbnb's, VRBOs and privately rented properties – quickly surfaced as a much-needed answer to the huge seasonal influx of

visitors, but also came as a challenge for the city, he said. With over 300 short-term rentals, averaging 24 people per rental, there were an additional 6,000 or more people a night staying in Garden City in the summer.

"This brings into question the need for public policy and parity related to safety and taxes," he said. "Do the rentals have smoke detectors and carbon monoxide sensors? Do they have a parking plan? What about noise levels and trash pickup? Hotel owners have to pay a room tax, but are those taxes also being paid by short-term rental owners? Without a method to manage these things, it was becoming a challenge to our small city staff and a concern to our professional providers of short-term rentals as well as our full-time residents."

Spuhler, Bob Peterson, who was then-Garden City manager, and Kenny Jacobson, a Garden City second homeowner, got their heads together in July of 2015, while watching the Bear Lake boat parade from Garden City Park. They talked about the need for a solution that could address the challenges of the city's rental boom.

"We just started throwing ideas around, and we felt like instead of a sparse few people doing the 'heavy lifting,' we should let technology do it," Spuhler said. "We all have software backgrounds, and that, combined with our experience in city government, helped drive the project. Garden City is like the perfect worst-case scenario. Very few cities in the country have 90 percent of their population living outside their city."

For the next year-and-a-half, the trio worked to create STR Helper, a software solution for the regulation of short-term rentals. The software was designed to scan the data for all area short-term rentals each night from 40-plus internet platforms and compare it to the city's business licenses, voter registration, parcel data, geographic information system (GIS) and even social media accounts to discover the city's rental inventory. The data is publicly available information, and the software combines key data points and makes recommendations that are then verified by employees.

"It also allows us to get a picture of whether or not the rental owners are in compliance with local ordinances on things like noise, trash and parking," he said. "It keeps track of these things, and if you ever end up with something unfortunate, like going to court, all the information is there."

Spuhler said as STR Helper began to unfold, he met with Mike Young from USU Extension's Small Business Development Center (SBDC). Young provided business

assistance for Spuhler and his wife earlier for Elite Education Global, LLC, a business they started in 2012.

"When we launched our education company, we were looking for marketing guidance, because that's not our strong suit," Spuhler said. "Mike consulted with us and helped us find a marketing intern from USU who is now a full-time employee for us, and she is tremendous. So I contacted him again in the early phases of STR Helper. Mike has forward-thinking ideas and has given us great direction for promoting our business. He's also helped with general analysis – looking at where our business is, and where we want it to go."

Young said the SBDC of Cache Valley is proud to be part of the STR Helper journey.

"They were able to leverage their experience as civic leaders in a small resort town to address a specific, timely, critical market need," Young said. "Our primary aim is to help businesses drive economic growth and development in Utah, and STR Helper is certainly doing that. The founders saw a need and filled it. They've shown that with the right combination of hard work and entrepreneurial drive, even companies in rural Utah can achieve explosive growth and success. They are on track to hit around \$2 million in annual renewable contracts in their first year alone, and they just received a \$1 million investment."

To help provide statewide services, USU was selected by the Small Business Administration (SBA) in 2016 to host the Utah Small Business Development Center Network. The lead center is located at USU-Brigham City through USU Extension and includes regional service centers throughout Utah. Free of charge, SBDCs provide business owners with one-on-one consulting, mentoring and training to help launch and grow their businesses.

"Just in the past calendar year, the Utah SBDC has worked with nearly 2,300 businesses across the state, helping them add over 600 new jobs, increase revenues by more than \$20 million and secure nearly \$54 million in needed capital to expand operations," Young said.

After STR Helper was launched, it quickly became apparent it would be a valuable tool for Garden City. Complaint calls to the city went down by 85 percent, room tax revenues came up 52 percent in just two years, and the compliance rates now approach 100 percent. The Utah League of Cities heard about the software and wondered if it would be applicable for other communities. The city of Moab, and Grand County Utah, signed on first, and now there are 50 cities around the country using it. The

software may be used overseas if the language can be translated into Icelandic.

"Now we are just trying to keep up with the scale," Spuhler said.

STR Helper currently has 16 staff and will be hiring more personnel next year when their new office space is completed, he said. By the first quarter of next year, the company will have 20 employees in the Bear Lake Valley alone. With new sales coming, that number will likely be doubled.

Underground fiber optics and high speed wireless installed in Garden City in recent years make it possible for nine of the employees from Bear Lake Valley to work out of their houses, many of whom are at-home moms.

"We have a unique situation in Utah where we have highly educated women who want to be at home with their kids," he said. "A lot of what we need in our company is account maintenance, keeping up with the changes and verifying properties, so once the employees complete training, they can work day or night and have total flex time, whether in the office or from home."

Heidi Poulsen, title service account manager for the company, is one such person. With three children at home, she is able to start her workday from home once she gets her kids off to school. She loves the flexibility and is able to pause her work time if her children need something. Prior to her work with STR Helper, she worked at an elementary school for 6 years, first as a special needs aid, then as a substitute teacher.

"I loved working at the school, but this job has been a huge blessing to me," she said. "I am able to do more for my family, and it has more than doubled my income. And I know it's been a big stress relief for a lot of the women who work for the company because it allows them to bring in income and still be with their kids."

Spuhler is happy STR Helper can provide Garden City residents with year-round work that doesn't shutter in the winter. He encourages people to think globally and outside the box, and realize that they can do almost anything from anywhere with technology.

"And don't be afraid to let the experts help you," he said. "The SBDC helped us with things we just didn't know how to do, and their expertise has been invaluable to us. Our education company has done tremendously in sales, and so has our software business. All from this little town here in rural Utah."