

# MUTUAL BUSINESSMATTERS

Chelsea Groton understands big business concerns, small business needs... and where the two intersect.

## Baking Up a New Business

### Situation

Throughout his career as a pastry chef, Adam Young wowed people with his famous French macarons, exquisite cake designs, and impeccably flavored tortes, tarts, and other sweet treats.

Adam wanted to share his craft with a wider audience – in a place that catered to locals and tourists alike. He had a vision of creating a space that had a coastal New England look with an exhibition feel. The farms in the area have incredible products, so Adam knew he wanted to incorporate local, seasonal ingredients in his baked goods, and he wanted guests of his bake shop to be able to watch his craft in action. He felt it was important to create an experience for guests that appealed to many senses, so they'd be inclined to come back for more. The space should invite creativity in, and the establishment should feel homey, but special.



Adam drew up a business plan for the new bakery, which featured a retail café, and space to prepare goods and deliveries for wholesale accounts, including area restaurants, caterers, event venues, and hotels. He put together his projected numbers for his entire first year, which included a business decision to spend more on labor in order to help ensure employee retention and positive customer experiences.

He didn't know if he'd be a viable candidate for a loan from a bank, since this was his first business endeavor. He decided to contact Chelsea Groton Bank anyway, and was pleasantly surprised by his experience.

### Funding Plan

In order to open Sift, Adam requested two loans from Chelsea Groton Bank. The first was an Interest/Permanent Term Loan which would be used to fund equipment purchases. The second was a Line of Credit for short term working capital, to help fulfill wholesale accounts and cover for seasonal fluctuations in cash flow.



Chelsea Groton recommended that Adam pursue securing both loans through the Small Business Administration (SBA). Adam agreed, and the Bank started the process. As a Preferred Lender of the SBA, Chelsea Groton was able to secure the term loan with the SBA 7a program, providing a Loan Guaranty of 75%, and the line of credit with the SBA Express program, providing a 50% Loan Guaranty.

"I never heard of a bank going above and beyond for a hopeful business owner before," said Adam. "The Chelsea Groton team was incredibly customer-focused. They believed in me and my bakery's concept. They understood my vision, and could see the value in it." "Adam came to us with a clearly developed business plan. His experience as a pastry chef was impressive. While this would be the

first time Adam had sole ownership of a business, he had already proven his abilities to manage a kitchen, and all that came along with it," said Rich Balestracci, AVP, Commercial Loan Officer at Chelsea Groton Bank.

In his previous role as pastry chef at the Ocean House, he was responsible for pastry inventory, food and labor costs, capital kitchen purchases and all pastry department employee relations, which provided Adam with extensive management experience. "I've always been committed to succeeding in anything I've pursued," continued Adam. "But knowing how many people believed in me and supported me, made me all the more determined to make Sift a success."

M U T U A L  
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**Outcome**

Sift opened in May 2016, just a couple weeks after Adam’s daughter was born, and a few weeks prior to Adam filming “Spring Baking Championship” which aired on the Food Network in Spring 2017.

The shop offers a wide variety of Parisian seasonal offerings such as breads, breakfast pastries, croissants, and a full barista featuring signature beverages; prepared sandwiches, soups and salads; and desserts including chocolates, cookies, cakes, and tarts. Sift also creates holiday gift packages, custom birthday and wedding cakes, and social and corporate event catering. Additionally, cooking classes, demonstrations, and other activities are offered.



The ambiance is warm and inviting, just like Adam had envisioned. Part of the warmth comes from very intentional decisions that were made along the way, including hiring happy, helpful people, and having jeans and sneakers as a mandatory part of the employee uniform. The Bake Shop is full of light, and the beautiful assortment of baked goods sit behind a custom glass window made and installed by a local glass maker.

Adam did much of the contract work in the 1,400 square foot bake shop himself. He took care of demolition, and laid each tile himself. He put everything he had into bringing his vision to life – and it shows. After 1.5 successful years in Mystic, Sift is looking to expand to have a retail store in Watch Hill. Chelsea Groton Bank plans to financially support the project, and Adam plans to again invest his own sweat equity into constructing and designing the Watch Hill location.

“Being a small business owner isn’t always easy. The hours are long, and responsibility for your team and the experience of each one of your customers ultimately falls on you,” explained Adam. “But nothing is better than seeing the regulars come through the door, or hearing someone from out-of-town tell you Sift was on their list of places to visit in Mystic.”

“I think the most important thing for business owners to remember is they need to stay true to themselves, and true to the ideas that put them in a position to open their shop in the first place,” continued Adam. “Each day we try to do that at Sift. And I think that’s a big reason why we’ve had the success we’ve had since day one.”

Chelsea Groton Bank is proud to be a lending partner for Sift Bake Shop. To learn more about Chelsea Groton’s business banking capabilities, visit [chelseagroton.com/growthatbusiness](http://chelseagroton.com/growthatbusiness)

**1,200**  
**lbs of flour**  
**each week**

**24**  
**year-round staff**

**1,100**  
**square foot**  
**kitchen**

*\*2019 update: Since this article was published, the Sift team successfully opened their Watch Hill location, and is currently expanding their Mystic shop. Chelsea Groton is proud to continue to partner with Sift and to grow that business together.*