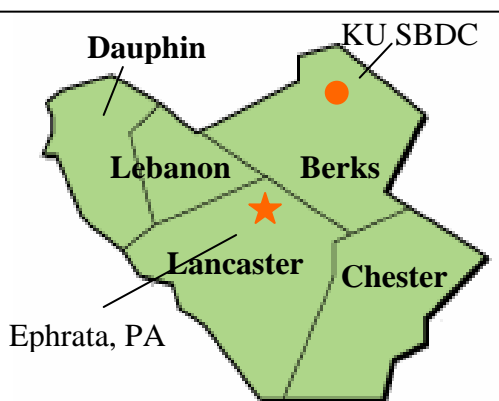




The KUSBDC helps Hertzog Homestead B&B Bet the Farm, and Win



The Hertzog Homestead Bed & Breakfast is located in Ephrata, PA in Lancaster County.

Scott and Kristen Hertzog
Hertzog Homestead B&B
hertzoghomestead.com/main.htm

Industry: Bed & Breakfast

Year Founded: 2004

SBDC Assistance: Business and Financial Planning, Consulting

Kutztown University SBDC
Ernie Post, Director
<http://www.kutztownsbdc.org>



August 2008 Success Story Kutztown SBDC Success Connection

When Scott and Kristen Hertzog started a Bed & Breakfast out of their home in 2004, they only had two rooms dedicated to guests. Now with new renovation dreams of their barn, the Hertzog's hopes are expanding along with their business.

Now reaching new numbers of guests, the Hertzogs are beginning a journey of converting their vacant barn into Bed & Breakfast suites. Helping them reach this peak consulting and financial guidance from the Kutztown University Small Business Development Center.

Both Kristen and Scott share a passion for education. Scott earned his Masters in creative writing from West Chester University and has taught English for the past seven years at Penn Manner High School. Kristen is a college recruiter for the Art Institute. But the couple came to a point where they needed more income, and opening a Bed & Breakfast in their home was right up their alley.

Kristen and Scott live on the farm where Scott grew up, and his parents live right next door. Tucked away in-between the quiet hills of Lancaster County, the farm has now celebrated 222 years of existence, and will soon experience a long awaited facelift.

The couple began working on their Bed & Breakfast in the winter of 2004, and hosted their first guest in spring 2005. This past year, the Hertzogs experienced a 30% occupancy rate, meaning out of a 365 day cycle, 109 of those days the Hertzog Homestead Bed & Breakfast entertained guests. Thirty percent is the county average for Lancaster, and Scott believes if they continue this trend, they should hit 35-36% soon.



Kristen and Scott Hertzog at the Hertzog Homestead Bed & Breakfast

The Hertzog Homestead Bed & Breakfast hasn't grown by accident; the Hertzogs put their marketing magic to work, on the Internet. The Hertzogs take advantage of the little to no cost advertising the Internet has to offer. "It's fairly inexpensive to market yourself on the Internet."



What is their key to successful Internet marketing? Knowing their audience, and being creative. "Learning how to connect with your internet market is crucial," Scott says. "We do anything we can to increase our presence and marketing abilities," Scott continues. "You need to try everything on the Internet. We even E-bay rooms." The Hertzogs receive 100% of their business from the Internet and word of mouth. No print advertisements hit the press.

This boom in business has lead the Hertzogs to look into expansion, and in February 2008 they began researching the removal of the two suites in their home, and converting the unoccupied barn into the new B&B location.

However, converting the barn into suites is not a simple undertaking. The couple not only needs to plan and finance the project, but the barn renovations must be approved by the county, as it is an historic building. Turing to the KU SBDC for advice and guidance, the Hertzogs are well on their way to converting their old barn into a lucrative business. In June of last year, the Hertzogs started speaking with Hometown Heritage Bank, where they were referred to the Kutztown University Small Business Development Center. "We were naïve when we first started; there was a lot we didn't know. Hometown Heritage Bank recommended we contact the KU SBDC, and KU SBDC consultant Scott Schaeffer," says Scott. "The bank wanted to make sure we knew what we were getting into, and we're very glad we did go to the KU SBDC."

KU SBDC Consultant, Scott Schaeffer, worked with the Hertzogs to organize and capture the finances they needed. “Scott gave us a financial spreadsheet, and funneled information and statistics we needed to know about having a B&B in this area,” says Scott. “We participated in all the KU SBDC webinars, and took a lot of information away from The *Pitch-then-Plan* teleconference call. It was really helpful hearing what others were doing.”

But finding enough funding isn't the only roadblock in the Hertzog's way. The barn is an historic structure of Berks County, and Scott is working on getting the structure on the historic registry. Also, the Hertzogs want to preserve the barn's history, so special arrangements for maintaining the barn's character and also making it a functional Bed & Breakfast is top priority for architects.

“For someone who hasn't run a business before, it is well worth their time to contact the KU SBDC,” says Scott. “It's a no-brainer. Know what you're getting in for. Get a feel for what everything really means. Consider and weigh all factors, get a lot of input from friends and family who will be downright honest with you.”

The barn has been pitched to two banks. The Hertzogs hope by this fall the faded white facade of the barn will sport a fresh coat of paint, and all renovations on the barn will be completed. By spring of 2009, they hope to have all five suits ready for sleepy Lancaster vacationers; and helping them along their way is the KU SBDC.

The Hertzogs will continue to live on their farm with their son Keifer, and are awaiting finalities on the adoption of their second child.



The Hertzog Homestead is located at:
470 West Metzler Road,
Ephrata, PA 17522.

You can book a room by calling the following number, 1-717-859-4996, or you can visit The Hertzog Homestead Bed & Breakfast website by clicking [here](#). You can also email Scott or Kristen at the following address: info@hertzoghomestead.com

The Kutztown University Small Business Development Center provides one-on-one consulting, business planning tools, and free online business courses. Information about these free services is available at our interactive website, <http://www.kutztownsbdc.org>. Want to contact us by mail? Send correspondence to deFrancesco Building Room 2, Kutztown, PA 19530.

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