DEAR STAKEHOLDERS AND CLIENTS,

I am often asked about Pathway’s "standing." But what does "standing" mean in the world of CDFIs? For me, it is not simply measured by assets. In the world of CDFI Loan Funds where average asset size is just over $27 million, Pathway Lending’s standing is more about reaching strategic maturity. It’s about the ability to adopt a strategic mindset, a systematic approach, and the right solutions to accomplish business goals at scale.

This concept is central to our work. We encourage our clients to focus on a meaningful set of goals, strategies for growth, and the development of an entrepreneurial mindset. It’s also core to how we run our organization. I often speak with stakeholders, team members and clients about our mindset — to be as entrepreneurial as the businesses we serve.

At Pathway Lending we’ve spent the last few years focusing our thinking not only on the needs of our clients and the communities we serve, but also on the kind of internal investments and organizational change that would be necessary to move from a small CDFI to an “enterprise” – an enterprise that provides diverse product offerings at scale across a large geographic footprint. At times it was daunting and at times we experienced setbacks. But that never swayed us from our objective to become one of the highest performing CDFIs in the nation.

It was not just financial growth we wanted; we scaled our organization by investing in the resources that matter - our people, systems, and partnerships. The results are, quite frankly, amazing.

In 2017, Pathway Lending achieved the following impacts:

• $40.2MM in new loans originated,
• 69.2% lending activity in qualified CDFI target markets,
• 316 units of affordable housing created or maintained,
• 2,553 jobs impacted and 361 jobs created, and
• 8,153 hours of technical assistance delivered.

So what does this mean for the future of Pathway Lending? Planning for strategic growth has created a strong foundation from which we can do more — more for the businesses and communities we serve, more for our partners, more for our stakeholders, and more for our dedicated team members. Our growth from a micro-nonprofit in the early 2000’s to a small nonprofit in the mid-2000’s to an enterprise in 2017 means that Pathway Lending is no longer just a small CDFI serving one community, but a regional player that can create meaningful economic impacts in communities across the Southeast.

Thank you for your support of Pathway Lending and your interest in collaborating with us in the future.

Sincerely,

Clint Gwin
President and CEO, Pathway Lending

Thank you to all of the organizations that have shown their commitment to communities in Tennessee and Alabama by partnering with Pathway Lending. Your support is greatly appreciated.
TARGET MARKETS: Pathway Lending, a certified Community Development Financial Institution, serves businesses throughout Tennessee and Alabama, but focuses its activities on underserved target markets that include businesses located in qualified investment areas (as defined by low-income census tracts, poverty rates, and unemployment statistics) and African-American owned businesses.

The mission of Pathway Lending is to provide lending solutions and educational services that support the development, growth, and preservation of underserved small businesses, affordable housing, and sustainable communities.

107 businesses funded
74 CDFI-qualified clients
66 new clients
35 woman-owned businesses
20 minority-owned businesses
Uneven cash flow is a hurdle many contractors face when they seek traditional bank financing to help cover expenses between projects and payments. The numbers didn’t tell the whole story for Clarence Howard, owner of River City Railroad.

His most visible project is Memphis Area Transit Authority’s Pavement Improvement Project that helped bring Memphis’ iconic trolleys back online. As a subcontractor on the original trolley line installation, his company has come full circle with the rail scene in Memphis.

Despite more than 40 years in the rail industry and a solid reputation with clients and vendors, Clarence’s cash flow issues prevented him from securing a traditional loan.

“In contracting, payments lag at least 30 days, and often stretch to 60 or 90,” said Clarence.

“I worry about paying my employees more than I worry about myself. They’ll always eat before I do.”

A term loan from Pathway Lending now helps Clarence cover payroll for his 15-20 employees between project payments. Now he’s a stronger borrower who’s doing more for Memphis.

“Working with Pathway Lending has made it so my own bank wants to work with me on additional funding,” says Clarence. “Memphis is booming, and we’re proud to be a part of that.”

A contact at the Tennessee Department of Economic and Community Development (TNECD) put the Greene family in touch with Pathway Lending, and within a month they had their working capital and were back to building trailers.

“Working with Pathway Lending has made it so my own bank wants to work with me on additional funding,” says Clarence. “Memphis is booming, and we’re proud to be a part of that.”

EXPANDING OPPORTUNITY:
40-YEAR OLD CONTRACTING COMPANY BUILDS CAPACITY TO BID FOR BIG PROJECTS

Last year, David Greene Jr. and his family were ready to purchase Kiefer Manufacturing, a horse trailer factory that had been at the heart of their community for years. By buying the business, they’d be keeping the doors open for the largest private employer in Hancock County.

The family’s plans were halted when environmental testing revealed possible issues on the collateral property, and their guaranteed loan fell through.

“At that point, we were suffering,” says David. “We couldn’t get material in here and things looked pretty bad until Pathway stepped in.”

A contact at the Tennessee Department of Economic and Community Development (TNECD) put the Greene family in touch with Pathway Lending, and within a month they had their working capital and were back to building trailers.

“This is a distressed county – one of the poorest in the nation,” says Greene. “We’ve got 40 skilled employees, and we’re glad to be able to take care of them.”

EXPANDING OPPORTUNITY:
LOCAL FAMILY KEEPS DOORS OPEN FOR COUNTY’S LARGEST PRIVATE EMPLOYER

Kiefer is constantly looking for ways to make every trailer sturdier and to expand the skill set of their employees. “Every couple weeks we come up with a new improvement,” says David. “And everyone who comes on board, no matter what department, has to work in the factory so they learn these trailers inside and out.”

David’s goal for Kiefer is to grow, and to continue making the best possible product in the community and the industry he loves.
COLLINS & CO BARBER SHOP

Longtime stylist Tabitha Parsley and master barber Robert Collins worked for years at the original location of Red’s Classic Barbershop in Indianapolis. After relocating to Nashville to help run the second location, these young entrepreneurs dreamed of owning their own shop.

“One day we looked at each other and realized we were doing everything it takes to own our own business but were working for other people,” said Parsley. “We can do this for ourselves. Let’s do it – let’s make it happen.”

As fate would have it, the owners of the barber shop where they worked were ready to sell. “It was a rare opportunity to purchase a turn-key business that we knew from years of hard work and dedication,” said Collins. “And we knew that together we could make something great!”

After a year of research, Parsley and Collins were ready to take the leap from employees to owners, but still needed the funding to move forward. The final piece fell into place when their banker referred them to Pathway Lending.

“Medical coding condenses a whole medical chart, into a code,” says Jasmine. “I loved it. Plus, getting my CPC certification would mean a real career instead of just a job.”

Getting that certification, however, would come with a lot of sacrifice. But the long hours paid off and soon she was making great money in her new career. It wasn’t long before friends and family began asking Jasmine if she could teach them medical coding.

After some digging, she got certified to teach and decided to launch her own school. By eliminating the extra courses that for-profit schools include, MedCode is able to more efficiently and cost-effectively prepare students to enter the job market.

At her father’s suggestion, Jasmine used the business plan template from SBA.gov to apply for a loan from Pathway Lending.

“After ten years of planning and working toward my dream, MedCode was born. I think Pathway is such a good fit because they treat me the same way that I treat my clients,” says Jasmine. “When they pour that dedication and compassion into me, it just gives me more to pour into my students and my business.”

Jasmine plans to graduate 20-25 students in 2018 and has her sights set on opening up two or three additional MedCode locations in Middle Tennessee within the next five years.

“Never give up on your dream,” says Jasmine. “I had to stop telling myself it wasn’t the right time to start my business. There’s somebody out there that believes in you, there’s somebody out there that needs you. Now is the time to start.”

EXPANDING OPPORTUNITY:
MOM LAUNCHES COMMUNITY MEDICAL CODING SCHOOL

EXPANDING OPPORTUNITY:
EXPERIENCED STYLISTS MAKE THE CUT AS FIRST-TIME BUSINESS OWNERS

"A lot of people buy their own business thinking they’ll have more free time," said Collins. "Owning my own shop, I actually have less freedom, but I enjoy the work I do and we’re building something for ourselves. It makes all the work so much more worthwhile."
Charles Owens’ dad started studying Jung Moo Kwan, which literally means “Righteous Martial Arts,” in Huntsville, Alabama in the 1980s. He kept the practice strong by bringing classes to churches wherever he was serving as the preacher. “Lucky for me I grew up in the practice, so whenever doors were open for class, I was there training,” says Owens. “As I got older, dad let me help teach and my passion for martial arts just kept growing.”

After getting married and moving to Hartselle, Alabama, Owens spent more than a decade teaching at the local Civic Center. As classes grew, sharing space and scheduling around other programs became more difficult. Owens and his wife Meghan knew it was time to purchase their own space. After months of searching for rental properties to house the studio, the Owens family decided to buy a historic building right in downtown Hartselle. As a new entrepreneur, Owens had trouble securing a traditional loan, but his banker told him about Pathway Lending.

“I’ve always had that entrepreneurial spirit,” said Owens. “But once we started having kids, I wanted to build something we could all be proud of, and also let my kids see the importance of hard work.”

With a loan from Pathway, Owens purchased and renovated the building, and bought all the equipment he needed for the new dojo. “It’s been wonderful to work with Pathway – they always go the extra mile, not just with financing, but also with helping me answer questions about my finances,” says Owens.

JMK Martial Arts & Fitness is uniquely recognized as one of just 31 authentic martial arts institutes by the World Kido Federation.

Since opening the dedicated studio, JMK has doubled their enrollment and recently launched an instructor development program to keep up with growth. “We’re creating an opportunity for people to have a side income down the road,” says Owens. And now, all three of his children are enrolled in JMK classes.

“It’s humbling to take my dad’s legacy and pass it on to my own next generation,” says Owens. “Sowing the seeds and watching this practice grow is humbling, but I consider it an honor.”

EXPANDING OPPORTUNITY: FIRST TIME ENTREPRENEUR TURNS PASSION PROJECT INTO FAMILY BUSINESS
Jimmy White, President of Urban Story Ventures, is making century-old buildings in downtown Chattanooga some of the most energy efficient in the Southeast.

“The best way to explain what we’re doing with these old buildings is that we’re taking a horse and carriage and turning it into a Tesla,” says Jimmy. “Looking at the numbers, these projects are justified ten times over.”

Jimmy credits their success integrating energy efficiency into new builds and retrofits to a three-part formula:

1. Identify the opportunity for savings (lighting, HVAC controls, cooling towers, etc.),
2. Find a vendor who understands your objectives and has the skill set to execute it well (for Urban Story Ventures, Jake Marshall has been a key vendor along with their relationship with local power provider EPB), and
3. Find the strategic partner on the finance side to fund the project (Urban Story Ventures uses Pathway Lending’s Energy Efficiency Loan Program).

"Pathway makes it easy to do business with them. Not only is their 2% rate impossible to beat, I know if I need anything or have a question, Brandon is just a phone call away,” says Jimmy. “Through our partnership with Pathway Lending on these projects, we’ve gotten a lot accomplished.”

“We’re owners, operators, and developers, which is unique in our industry,” says Jimmy. “When we see opportunities, we embrace the challenge by offering expertise to add value.”

“Taking these initiatives when we own so much property is a matter of being a responsible leader in the development industry. We’re hopeful others will see what we’re doing and follow, so as a community, we’re all doing the right thing.”
### INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income Loans</td>
<td>$4,993,588</td>
<td>$4,120,297</td>
<td>$873,291</td>
<td>21.2%</td>
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<tr>
<td>Interest Income Deposits</td>
<td>163,810</td>
<td>97,455</td>
<td>$66,355</td>
<td>68.1%</td>
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<tr>
<td>Financing Fees and Charges</td>
<td>321,995</td>
<td>455,667</td>
<td>$(133,672)</td>
<td>-29.3%</td>
</tr>
<tr>
<td>Management Fees</td>
<td>88,550</td>
<td>149,576</td>
<td>$(61,026)</td>
<td>-40.8%</td>
</tr>
<tr>
<td><strong>TOTAL Interest and Program Service Revenue</strong></td>
<td>5,567,943</td>
<td>4,822,995</td>
<td>$744,948</td>
<td>15.4%</td>
</tr>
<tr>
<td>Grant Revenue to Support Program Services</td>
<td>3,690,686</td>
<td>1,433,077</td>
<td>$2,257,609</td>
<td>157.5%</td>
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<tr>
<td><strong>TOTAL Program Related Income</strong></td>
<td>9,258,629</td>
<td>6,256,072</td>
<td>$3,002,557</td>
<td>48.0%</td>
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<tr>
<td><strong>INTEREST EXPENSE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$(1,351,217)</td>
<td>$(1,186,067)</td>
<td>$(165,150)</td>
<td>13.9%</td>
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<tr>
<td><strong>NET EARNED INCOME</strong></td>
<td>7,907,412</td>
<td>5,070,005</td>
<td>$2,837,407</td>
<td>56.0%</td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td>(2,437,250)</td>
<td>(1,041,400)</td>
<td>$(1,395,850)</td>
<td>134.0%</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>5,470,162</td>
<td>4,028,605</td>
<td>$1,441,557</td>
<td>35.8%</td>
</tr>
</tbody>
</table>

### PROGRAM SERVICES & FUNDRAISING EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>2,947,830</td>
<td>2,040,000</td>
<td>$907,830</td>
<td>44.6%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>250,380</td>
<td>292,542</td>
<td>$(42,162)</td>
<td>-14.4%</td>
</tr>
<tr>
<td>Travel</td>
<td>146,418</td>
<td>116,674</td>
<td>$29,744</td>
<td>25.5%</td>
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<tr>
<td>Marketing</td>
<td>19,282</td>
<td>3,893</td>
<td>$15,389</td>
<td>395.3%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>106,105</td>
<td>74,597</td>
<td>$31,508</td>
<td>42.2%</td>
</tr>
<tr>
<td>Other Program Expenses</td>
<td>1,083,473</td>
<td>978,940</td>
<td>$104,533</td>
<td>10.7%</td>
</tr>
<tr>
<td><strong>TOTAL PROGRAM SERVICES EXPENSES</strong></td>
<td>4,553,488</td>
<td>3,873,646</td>
<td>$679,842</td>
<td>17.6%</td>
</tr>
</tbody>
</table>

### SUPPORT SERVICES EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Benefits</td>
<td>475,604</td>
<td>460,489</td>
<td>$15,115</td>
<td>3.3%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>15,204</td>
<td>13,458</td>
<td>$1,746</td>
<td>13.0%</td>
</tr>
<tr>
<td>Other Support Expenses</td>
<td>44,415</td>
<td>39,427</td>
<td>$4,988</td>
<td>12.7%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>7,179</td>
<td>7,382</td>
<td>$(203)</td>
<td>-2.7%</td>
</tr>
<tr>
<td><strong>TOTAL SUPPORT SERVICES EXPENSES</strong></td>
<td>542,402</td>
<td>520,756</td>
<td>$11,646</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

### OUTSTANDING PORTFOLIO COMPOSITION

- **Total Loans O/S**: $226,237,084
- **Historic Loan Loss Rate**: 1.85%

### BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$2,447,794</td>
<td>$1,624,991</td>
<td>$822,803</td>
<td>50.6%</td>
</tr>
<tr>
<td>Restricted Cash Lending</td>
<td>39,024,895</td>
<td>35,290,530</td>
<td>$3,734,365</td>
<td>10.6%</td>
</tr>
<tr>
<td>Restricted Cash Loan Loss Reserves</td>
<td>5,446,431</td>
<td>4,703,179</td>
<td>$743,252</td>
<td>15.8%</td>
</tr>
<tr>
<td><strong>TOTAL Cash</strong></td>
<td>46,119,120</td>
<td>42,618,700</td>
<td>$3,500,420</td>
<td>12.7%</td>
</tr>
<tr>
<td>Loans Outstanding</td>
<td>89,890,424</td>
<td>78,066,687</td>
<td>$11,823,737</td>
<td>15.1%</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$137,085,479</td>
<td>$118,072,452</td>
<td>$19,013,027</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$78,242</td>
<td>$93,000</td>
<td>$(14,758)</td>
<td>-15.9%</td>
</tr>
<tr>
<td>Notes Payable (Program Borrowings)</td>
<td>16,095,026</td>
<td>16,098,353</td>
<td>$(3,327)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Notes Payable (Program EQ2)</td>
<td>62,797,718</td>
<td>64,071,718</td>
<td>$(12,274)</td>
<td>19.2%</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>4,643,478</td>
<td>4,643,478</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$107,845,470</td>
<td>$95,406,715</td>
<td>$12,438,755</td>
<td>13.0%</td>
</tr>
</tbody>
</table>

### Programs and Services

- **Net Assets/Total Assets**: 21.33%
- **Allowance for Loan Losses/Total Loans**: 5.51%
- **Delinquencies > 90 days**: 0
- **Net Loan Losses/Outstanding Loans**: 2.16%
- **Earned Income/Program Expense**: 111%
- **Deployment Ratio**: 70%
- **Staffing Level**: 28
- **Commercial Loans (>$50,000)**: 40%
- **Commercial Real Estate Loans**: 33%
- **Energy Efficiency Loans**: 12%
- **Multi-Family Loans**: 11%
- **Micro Loans**: 3%
- **Micro Loans**: 3%

### OUTSTANDING PORTFOLIO COMPOSITION

- **Total Loans O/S (12/31/17)**: $89,890,424
- **Commercial Loans (>$50,000)**: 40%
- **Commercial Real Estate Loans**: 33%
- **Energy Efficiency Loans**: 12%
- **Multi-Family Loans**: 11%
- **Micro Loans**: 3%
- **Total Net Assets**: $29,240,009
- **Total Assets**: $137,085,479

Pathway Lending is an Equal Opportunity Lender and does not discriminate on the basis of race, color, religion, sex, marital status, disability, age, or national origin.
A heartfelt “thank you” to the stakeholders, volunteers, mentors, and clients who have engaged with Pathway Women’s Business Center in our third full year in business. Much like the businesses we serve, Pathway WBC has spent its first three years working through evolutions in client services, building capacity, and refining programming in order to build the foundation of a program to serve women business owners for many years.

As a WBC, we’re fortunate to be aligned with a mature and scaling CDFI like Pathway Lending. The advantage is tremendous to both our clients who need access to flexible growth capital and the programming Pathway WBC offers as we look to expand our offerings with Community Partners and more digital learning capabilities in the near future.

In 2017, we operated cohorts for various stages of business, launched a comprehensive mentorship program called Ignite 360, and formed new partnerships with innovative organizations like Corner to Corner and the McGruder Family Resource Center. The results have been tremendous.

In 2017, Pathway WBC achieved the following impacts:

- Served 881 unique clients
- Hosted 169 education sessions,
- Provided 5,600 mentoring hours, and
- Secured $1.1 million in financing for clients.

Pathway WBC looks forward to building on the foundation that has been laid to do more for the women business owners we serve and more for our Community Partners. We hope to bring entrepreneurial cohorts and mentoring programs to Community Partner facilities and grow the number of women business owners accessing education through flexible, distance learning.

Taking our growth to the next level means Pathway WBC can increase the number of business owners served and communities impacted. The future is promising and we have our partners and clients to thank.

Sincerely,

Amy Bunton
President, Pathway WBC

DEAR FRIENDS & SUPPORTERS,

Thank you to all of the organizations that have shown their commitment to Tennessee’s entrepreneurs by partnering with Pathway WBC in 2017. Your support is greatly appreciated.

STAKEHOLDERS:

- AARP Foundation
- AWAKE - Advocates for Women’s & Kids Equality
- Bank of America
- Bank of America Charitable Foundation
- Bradley
- Bunker Labs
- City National Bank
- Coherent Counsel, LLC
- Colliers International
- Corner to Corner
- CentreSource
- DevDigital
- DVL Seigenthaler
- First Tennessee Bank Foundation
- Fifth Third Bank
- The Gabriel Institute
- Geny Insurance Group, LLC
- Hip Hues
- Imagen
- INSBANK
- Joe C. Davis Foundation
- k2NORMA, Inc
- KraftCPAs, PLLC
- Launch Tennessee
- LBMIC
- The Memorial Foundation
- Metropolitan Development & Housing Agency (Nashville)
- Nashville Chamber of Commerce, Business Studio
- The Nashville Food Project
- Nashville NAWBO
- Parachute Media
- Pilgrim Consulting
- Pinnacle Bank
- Regions Bank
- Regions Foundation
- SKANSKA
- Tennessee Chamber of Commerce & Industry
- Tennessee Department of Economic & Community Development
- Tennessee Valley Authority
- Terry Humphrey, LLC
- United Way of Metropolitan Nashville
- US Bank
- US Small Business Administration
- UT Center for Industrial Services
- UT Institute for Public Service
- Virsys12
- Wells Fargo Foundation
- Western Express
- The Women’s Advantage
- The Women’s Fund at The Community Foundation of Middle Tennessee
- Women in Technology of Tennessee
- Women in Technology of Tennessee
- Western Express
- The Women’s Advantage
- The Women’s Fund at The Community Foundation of Middle Tennessee
- Women in Technology of Tennessee
2017 WBC CLIENT IMPACTS

UNIQUE CLIENTS SERVED
881

73% FEMALE

64.3% CDFI QUALIFIED

20 NEW BUSINESSES STARTED

INCOME STATUS*
ABOVE MODERATE INCOME: 41.0%
MODERATE INCOME: 11.4%
LOW INCOME: 21.7%
VERY LOW INCOME: 25.9%

*Reflects sample of clients self-reporting this data

WHITE: 46%
BLACK: 41%
HISPANIC: 6.5%
ASIAN: 1.7%
NATIVE AMERICAN: 1.1%
NOT REPORTED: 3.7%

169 EDUCATION SESSIONS

5.6K MENTORING HOURS

5.6MILLION IN CLIENT FINANCING

LAUNCHED 7 COHORTS

GRADUATED 42 ENTREPRENEURS FROM COHORT PROGRAMS

RECRUITED 60 MENTORS

SECURED $1.1 MILLION IN CLIENT FINANCING

WBC PROGRAMMING OVERVIEW:

DISCOVER COHORT: “I have an idea for a business”
7 weeks to design your business model, conduct market research, prove market fit, and practice your pitch.

EMBARK COHORT: “I’m ready to make my business sustainable.”
7 weeks to fine-tune your business plan and pricing model, create financial projections, and perfect your pitch.

IGNITE 360: “I’m ready to grow.”
3 or 6 months of monthly meetings with your own hand-picked team of mentors to focus on positioning your business for growth.
client profile:

THE NASHVILLE SCHOOL FOR TRADITIONAL COUNTRY MUSIC

Meredith Watson came to Pathway WBC with the idea for a powerful community education center that would preserve the heritage of traditional country music for generations to come. Through the Discover Cohort and some one-on-one counseling, Meredith honed her plans by identifying customer channels, exploring the market, and getting the tools in place to launch a successful business.

“I was really fired up about this idea but I had no idea where to begin,” says Meredith. “Being a long time touring musician, I was accustomed to living gig to gig, looking only as far as the next town, or tour, or festival season. I needed some help stepping off the carousel and figuring out where to start, how to put one foot in front of the other.”

A friend who was already involved with Pathway WBC told Meredith about the center. After coming to a Blue Sky Workshop, Meredith enrolled in the Discover Cohort to take her from the idea stage to a solid business.

Over the course of seven weeks, Meredith and her classmates studied the ins and outs of business structure, learning how to take an evolving idea through specific planning steps.

“My biggest takeaway was an understanding of business structure – I learned how to take this slowly forming idea through specific planning steps. I also learned how important it is to keep an open mind. You can’t be stubbornly married to your initial idea if it starts to seem implausible as you really plot out your next decision points.”

EXPANDING OPPORTUNITY:
TOURING SONGWRITER TURNS DREAM INTO MUSIC SCHOOL

“Going through the Discover Cohort was so empowering,” says Meredith. “Being in a room with entrepreneurs from different backgrounds, at different stages in life, all excited by new ideas, supporting each other and helping each other to clarify those ideas, it was very inspiring. I walked out of those classes with about ten times more confidence in myself than when I walked in.”

Now officially open for business, The Nashville School of Traditional Country Music is “passing on and preserving the original sounds of American Country Music.”

client profile:

THREADS BY DREADS

As the youngest of four children in an immigrant family, Christiana Afotey fell in love with the rich Ghanaian culture, clothing, and native language of her parents.

“I wanted my own scarves and couldn’t find anything I loved in the store, so I started to make my own,” says Christiana. “When I showed my mother my first scarf, in her lilting Ghanaian accent she said ‘Christiana…that is nice, but you can do more.’ And I knew then she was right – I could do so much more.”

Christiana decided to launch her own business as a social enterprise that would make a difference in her family’s home country. She launched Threads by Dreads, a fashion house where 10% of all proceeds benefit students in Ghana. Since all the designs are produced in Ghana, she’d be helping create meaningful jobs as well.

Threads by Dreads now offers skirts, dresses, bow-ties, bags, jackets, pants, scarves, and even home décor. Each piece is designed by Christiana and her team, and handcrafted in Ghana by local artisans using local textiles.

After coming to a Blue Sky workshop, Christiana knew she had discovered a great opportunity to improve her business acumen, and enrolled in the Embark Cohort.

“Going through the Discover Cohort was so empowering,” says Meredith. “Being in a room with entrepreneurs from different backgrounds, at different stages in life, all excited by new ideas, supporting each other and helping each other to clarify those ideas, it was very inspiring. I walked out of those classes with about ten times more confidence in myself than when I walked in.”

EXPANDING OPPORTUNITY:
FIRST GENERATION AMERICAN HONORS ROOTS WITH SOCIALLY CONSCIOUS FASHION LINE

“After graduating from the Embark Cohort, revenue has increased four times over. The first five months of this year has yielded more revenue than what we did all of last year,” says Christiana. “We secured our first contract with an HBCU in Nashville – Fisk University. For the first time in four years, the business is not in the red and actually making a profit. The experience, the collaboration that took place among members of my cohort, and also all the advice and support I got from the Pathway team was invaluable. I feel like part of the family now.”

Last year, Christiana officially launched the Mrs. Fedelia Adokailey Mensah Scholarship, named for her late mother who pushed her to do more.

“I’m humbled to create bold, daring fashion that you can look good in, and feel good about wearing,” says Christiana. “We’re helping put vulnerable children through school through beautiful and brave clothing, and I’m blessed to be able to do it.”
Almost by accident, Adam and Jamie Gatchel became business owners. When he wasn’t on the road as a touring musician, Adam was making lamps as a creative outlet, and soon their home was filled with custom designs. When they decided to try selling their lamps online, their first offering sold out in less than 45 minutes.

Adam continued making lamps, and Jamie started running operations while still working at a local nonprofit. “For the first few years, we were running in this reactionary model,” says Adam. “We were processing orders and serving people as best we could, but it wasn’t sustainable.” After four years of running a profitable side hustle, Jamie and Adam decided to focus on Southern Lights Electric full-time.

“There were so many things we had to get in order,” says Jamie. “Sales and use tax, franchise and excise tax, renewing your business license – things they didn’t teach me when I got my business degree.” After a bad experience with an accountant, the couple decided to take the business into their own hands. They initially came to Pathway Lending for financing, but instead enrolled in Pathway WBC’s six-month mentoring program – Ignite 360.

Jamie credits Ignite 360 for helping them create the documents they’re now using to track production, monitor profitability, and make major decisions. They both also learned how to use QuickBooks, and vetted more than two dozen accountants before hiring a new one.

“It used to be ‘we should make more money,’ but that’s where it stopped,” says Jamie. “Now we’ll say we want to make more money, this is why, and here are the goals we’re setting to get there. We’re way more efficient now, and as a small team, we don’t have time to waste.”

For Adam, taking their business through Ignite 360 shifted his entire attitude about being an entrepreneur. “Now I devote more time to working on the business instead of in the business,” says Adam. “Ignite 360 was a shakeup program where all the biggest problems rose to the top. Now that we’re more stable, we’re looking at our quality of life, if we want to hire more employees, how much money we want to make, and these bigger, strategic questions that are so important for a sustainable business. We’re at the point where we can afford to be selective about who we work with and steering this ship where we want to go.”

“Ignite 360 was a gauntlet, but our business is stronger for it,” says Adam. “It’s super cool that there are other people who actually care about our business, and Pathway has become a huge source of energy for our business. We’re big fans.”