



# ENERGIZING ENTREPRENEURIAL COMMUNITIES

*A Pathway to Prosperity*



Source: Robert Donnan, E Communities Coach, [Foundation for Appalachian Kentucky](#)

## Entrepreneurship for people, not just money!

***The long-term evolution of Jackson County's jobs development from Manufacturing to Recreational Tourism through the experiences of a very unusual entrepreneur***

Forty years ago, a young woman from Iowa with an engineer's mind, a landscape design degree, a huge heart, and a desire to help people help themselves came for one summer of mission work in Jackson County, Kentucky. She has never left, and she's still committed to many of those same ideals.

Judy Schmitt, Founder and President of JC TEC Industries, Inc. in Annville, KY, is an unusual entrepreneur in several ways. She started a manufacturing company in 1997 because of a strong desire to create jobs for the unemployable as well as create human resource policies that fit the lifestyles of the disabled or single parents who were good employees despite their special needs.

Young women were rare in manufacturing when Judy began this journey in the 1990s, and she didn't even have her own money to invest. But her heart was invested in the lives and health of people in rural Jackson County, she fell in love with the natural landscape, and she wanted to make a positive difference.

Fast forward to 2019: While many things about life in rural Jackson County have evolved and changed, much is still the same about Judy's commitments to her lifelong mission of helping to build and better her adopted home.

To nurture and encourage startup entrepreneurs and small business owners, Judy now serves as one of two co-coordinators for the county's Energizing Entrepreneurial Communities (E2C) Working Group. It brings entrepreneurship coaching, workshops about business resources, and a growing network of contacts to people who might be thinking about starting a business.

It also seeks out existing small businesses who would like to expand. And offers help with visioning what kind of businesses might do well in Jackson County, useful data about potential business opportunities, and instructional workshops—like the "How to Airbnb" training—that are linked to emerging sectors in Eastern Kentucky such as outdoor recreation and cultural tourism.

What then are the qualities of leadership that define and guide a person like Judy Schmitt?

She is remarkably capable of keeping a lot of balls in the air at one time. After all, the E2C Initiative found Judy through her leadership of the Kentucky Trail Town group in McKee. This short profile seeks to take a closer look at how she balances all these responsibilities, draws other talented, committed people into the work, and manages to stay with the work over the course of the inevitable ups and downs that take place across many years.

### ***They had no hope—First Goal: Jobs***

Schmitt, a native of Jackson Junction, Iowa, completed her degree in Landscape Architecture from Iowa State University, Ames, Iowa, in 1977. Then a summer of mission work turned into three years working for Appalachian churches in Eastern Kentucky with the Ames Appalachia Committee. Her first year, as Judy worked with teenage girls who were trying to stay in school, she discovered they had no hopes for their future, largely due to their belief that the available jobs in Jackson County were all political. They felt they were in the wrong income bracket and didn't know any of the right people. Accordingly, Judy's first major economic development goal became to help create more jobs that would be accessible to people like those girls.

By 1980, she was working with the local community development agencies—creating, funding and then getting volunteer help to build community parks throughout the county. Her next big project after that was to write proposals and make civic presentations to help establish an industrial park and manufacturing plant in Annville.

### ***We have to do it ourselves***

In 1985, Judy became involved in the inaugural meetings of the Jackson County Development Association. Judy agreed with local officials who said, "If we want to do anything in Jackson County, we will have to do it ourselves." At that time, Jackson County was competing against five other counties to get Mid-South Electronics to build a factory at its Industrial Park.

"We were smart enough to call for help from the University of Kentucky and the Economic Development Cabinet," Judy recalls. "They told us what to do. Somehow I was volunteered to put it all together: Electric. Water. Set up different committees. We soon obtained a clear overhead projector presentation, and everyone practiced making their presentations. None the other bidders went to that trouble, and we got it!" The owner of Mid-South, Jerry Weaver, a native of Clay County, had attended Annville Institute where, as he told Judy, he learned good values, and now he wanted to give something back to the community and to Kentucky.

Mid-South soon offered her a job as Program Development Manager and Judy began to learn about manufacturing design, factory assemblies and securing contracts. Initially Mid-South had 150 jobs that grew over time to 750, including some of the teens she had worked with at the church. There was so much business and so many parts to make that another friend of hers started his own company to outsource for Mid-South. "We were the ice maker capital of the world," Judy said. "At one time, three million ice makers came out of our facility."

Even so, success bred difficulties, too. Having such demanding production quotas meant that even one person missing on the production line would hold up 100 other people trying to do the job. So Mid-South implemented a strict attendance policy that allowed only a handful of approved absences. "They didn't have an option," Judy said. But a lot of people who had attendance problems lost their jobs and that situation truly "laid on my heart."

Judy also had spent time with the Mid-South parent company in Alabama where she worked with Weaver. He appointed Judy Operations Manager of Highlands Diversified Services in 1994, a sister manufacturing plant in London, KY. Starting with no sales, the company achieved \$15,000,000 in sales in two years with 200 employees the first year. But there she also saw the same human resource policies that had caused people to lose their jobs at Mid-South. Weaver even wanted her to lay off an older employee who he thought was too slow.

“I said NO!” Judy asserts. She was one of my best workers and consistently produced more at the end of a day than most of the younger workers. It was a “slow and steady wins the race” kind of a thing, Judy recalled, and she won that one. Another employee was a single mom who was fired because she kept having to be absent to pick up a sick child at school and then stay home to take care of her. Management felt like they couldn’t make exceptions, even if someone was a “great worker” or everyone would do it, Judy said. “When I hired her, she was the best! We trained her as a welder. Very few women were welders at that time, and she had the best production on lanyards. She was a good all-round worker!”

### ***Taking the Plunge***

After a lot of praying and the blessings of her dad who told her to do whatever she truly believed was the right thing to do, Judy decided in 1997 to take the plunge and start JC TEC, which would become a small manufacturer which specialized in outsourced fabrication for other firms. Her dad and brother are both self-employed, so starting her own business was, as she puts it, “in my blood.” But as well as learning all the requisite skills of manufacturing and embracing the bottom line, Judy also wanted to change HR policies. She soon created hiring practices and HR policies for JC TEC that allowed for disabilities, single parenting, and other sorts of home situations that might cause or contribute to absenteeism. JC TEC figured out how to do outsourcing in a smaller environment with lower volume that could allow her to cross-train several people to do several different jobs. If someone was out with a sick child, someone else could take their place on the line. “I also give incentives, like bonuses for being on time or learning how to function at different levels.” At the company’s peak, JC TEC had 48 employees working seven days a week with two shifts on a line. Judy defines a good worker as someone who genuinely wants to be there, has a good attitude, and consistently manages to do good production, quality and quantity. Some of her employees have been with Judy since JC TEC’s founding.

The Jackson County Bank was the first to invest in JC TEC. “They told me I had succeeded in everything else I had done in this community, so I probably would also succeed with this,” she said. Kentucky Highlands and the Jackson County Industrial Authority soon followed. She had three approvals for funding, but yet it still wasn’t enough. Most other banks and lending groups turned her down for loans because she had no collateral. Even so, Judy bought her first machine anyway. Over time that led to another and another.

End-user Customers for JC TEC at that time included Lexmark, General Electric, Frigidaire, Whirlpool, Sprint, Nortel and the U.S. Military. JC TEC Industries Inc. became one of the top 50 woman-owned businesses in Kentucky. As a nationally certified woman-owned business, Judy represented Kentucky and Ohio Women’s Business Enterprise through her appointment to the Women’s Enterprise National Leadership Forum of WBENC (Women’s Business Enterprise National Council) and the Corporate Relations Committee. She no longer serves on those groups because few of their members were in manufacturing, and she wasn’t finding good resources or networking opportunities. Instead she now applies for certifications such as the HUB Zone, which helps Historically Underserved Businesses that are small and operated by minorities, handicapped workers, women or Native Americans to source and receive military contracts.

As more women get engineering degrees, Judy said, they are becoming a bigger part of the manufacturing scene and the discrimination has lessened. Years ago, only three out of 50 landscape architecture students in her university class were women. Both when Judy was in school and later when she began going to trade shows to buy manufacturing equipment or supplies, she was totally ignored—intentionally—and not given the same

opportunities as her male counterparts. “They thought it was a waste of time to talk to a woman,” she said. “And when I was looking for funding (for JC TEC), some banks would even talk to me.” In fact, several Mid-South executives didn’t think she should be the sales rep for their company, because women couldn’t invite the customers for golf or drinks. “It just wasn’t done,” Judy remembers. “Even at Mid-South I was the first woman they had ever hired in sales.”

JC Tec’s current contracts now include work for the military, and some smaller manufacturing firms. Judy has learned how to make each and every part as well as the ins and outs of every machine her company manufactures. Then she trains her employees, often creating easy-to-decipher visual diagrams at each workstation that explain exactly how that part fits in with the larger whole. The company makes plastic molded parts, lanyards for military tents, wire electrical harnesses and a line of outdoor chairs. The 14,500 square-foot building, which she leases from the JC Industrial Authority, is today full of huge machines worth several hundred thousand dollars.

### ***How Do You Measure Success?***

There have been some very large rocks in the road along the way. Some might even call them boulders. The biggest was in 2005 when Mid-South moved all of its assembly work to Mexico or China after an onsite fire and following union strikes that forced up wages and benefits up. Nearly all of the major appliance manufacturers shipped their operations over-seas.

“Manufacturing companies today have totally changed,” Judy said. “I used to be able to talk directly with a company executive. Now the front doors are locked, and you have to know someone’s name to even get in. Today you do it all online—make a proposal and if it is the lowest bid, you get the contract. You never even see who you’re dealing with.”

Another challenge is that it takes as much skill designing the step-by-step process to do low-volume work as it does high volume work—and actually costs more. “It’s only me doing that kind of work, and I can only do so much,” Judy said. “It would take about \$300,000 cash to hire a tech person to bring us into quality projects. Quality people coming out of college that can do that work are making six figures, way more than I have ever made.” In fact Judy can’t even afford health insurance for herself since she takes little from the company for her salary, just to keep it going. “I’m living on faith,” she acknowledges, “and hoping I don’t get sick until after I’m 65!” At the moment, JC Tec has only seven employees. Judy acknowledges this is not a “success,” at least how she’d like to think of it. Even so, she hangs on, believing that manufacturing will pick up once again. There will be new and better contracts.

She does however consider a success the fact that over the years she has helped bring millions of dollars of payroll into the county and given people better livelihoods. And there are a lot of other assets—among them, her manufacturing facility as well as Jackson County Industrial Park—just waiting to be more fully utilized.

Judy also measures success by how local people are helped. “I see the value of giving people the opportunity to work and to be self-sufficient and not rely on government or the church,” she asserts. “They can go home from work and feel good about themselves and pass that on to the next generation.”

“I didn’t know in the beginning if this would work. I prayed a lot about it, and God was leading me in my life. I knew I would regret it all my life if I didn’t try. I came to Jackson County poor, with a suitcase and a box, and if I leave that way, well, that’s okay, too. When I was younger I didn’t have a family to worry about. The county itself became who I took care of and fed.”

### ***The Trail to Tourism***

As domestic manufacturing clients have waned, Judy has applied her long-standing landscape design, administrative, and organizational skills to helping to promote tourism and the natural recreational resources of Jackson County. The locality’s certification as a Kentucky Trail Town in 2015 was a giant step in that direction. Another big step on the tourism trail, and perhaps her proudest achievement of all, has been the development of Flat Lick Falls Recreation and Scenic Area.

The larger question, then, is to figure out how Jackson County can encourage and support small business development as a way to capture more of the economic benefit of its natural and tourism assets.

“Jackson County is getting a nice blend of mechanical-type jobs,” Judy said, as well as in-home digital jobs like Teleworks which are employing 250-300 people. The county’s early development of high-speed Internet for the entire community led to some of that success. “The missing link, though, the small business,” Judy observed. After 5 pm, McKee is a ghost town, compared to 40 years ago when it was bustling with local restaurants and shops. How do we bring that back and make it attractive to tourists?

Major trails like the Transcontinental Bike Route already come right through McKee. “Step by step, we are getting the world to come through our community. McKee is at the center of the 38-mile Sheltoewe Trace National Recreational Trail. It is a major hiking trail as well as a two-week training trail for the Appalachian Trail. We are at the epicenter of all that activity.” In fact, the County currently is in negotiations with The National Forest Service, which owns one third of the land in Jackson County. “If the County agrees, they will be willing to maintain old Forest Service Roads. So then we’ll have to figure out which trails will be for ATVs and which for hikers, as well as which to designate exclusively for horseback,” Judy explained.

It all takes time. Judy has always had the knack of having a vision of what the future could be and seeing the possibilities, rather than being a mere naysayer. “If you believe in something, you should be able to figure out how to get it done,” she declared. “If you picture it, then things can happen. Plus, you have to stick with it.

“When I came to Jackson County there was just one community park in the whole county, and it was overused. I discovered the Land and Water Conservation Fund would fund the building of community parks. So we built one, then another, then another. Pretty soon every little community had its own park, and now they are serving as trail heads. Thirty years ago, I didn’t have that big picture, but now it’s all fitting together. Sometimes it’s dumb luck, and sometimes you have to have the stick-to-itiveness to see that it gets done. Getting our Trail Town status took several years of meetings. There were only three BnBs at the beginning; now there are 30. Tourism is the biggest growing industry. There is a Horse and Saddle Club that hosts six-to-eight events a year and a large ATV Club that organized earlier this year. Even so, getting access to the right kinds of trails has been a challenge.” Undaunted, Judy sees unlimited possibilities to grow the county’s tourism dollars but thinks a regional approach needs to be embraced by all.

“The state’s regional approach is trying to tie all the trails together among three key states—Kentucky, West Virginia and Virginia, and then market our region worldwide. We can become the area of the world where people can come to enjoy whatever kind of recreation they want. Our BnBs, local food and art, the beauty of the place and southern hospitality can all work together. And to do that we have to turn off our internal rivalries. It has to be Jackson County, Eastern Kentucky, and the World! If we all work as a team, then everyone grows. We don’t need to compete; let’s be resources for one another. To accomplish these goals, we’ll have to get the politics out of the driver’s seat and all buy into it, develop it all by segments, one county one year, another the next.”

Judy is especially encouraged by the ongoing work of the Jackson County E2C Working Group:

“To me the biggest thing that has happened over the past couple of years is the rapid growth of our BnB industry. People just have run with it, partially because of the “How to Airbnb” workshop that we had. And partly because our Working Group members have talked to other people about it, and they just run with it. They just go out and do it.

“It’s like Kathy, Greg and other members of our group help each other out, figure things out together, get the help they need to go to the next level. E2C has been huge. If they were trying to do it all on their own, they’d get too discouraged. They wouldn’t know who to turn to, where to go to ask for support. That’s not the case anymore!”

### ***Why Judy Stays With it—Through Thick and Thin***

Flat Falls Recreation and Scenic Area continues to be Judy’s pride and joy. It took some time to find the money, negotiate with landowners, write all the grants and now it will take more time, to develop a variety of other RV camping sites and trails.

“We have a good start,” she acknowledges. “People come from all over to spend some time here. We know what people want, and when we see the opportunity, I will always find good people to help make it happen with grant dollars and local volunteers. Very little tax base money is being used.”

“I do this for the joy of it. When you go by a park and see kids who can’t afford the country club having the greatest time playing tennis with rackets they bought at the used clothing stores...the joy of seeing people enjoy the parks...that’s the payback. It gives me great joy,” Judy said. “We don’t have a golf course just yet, but then, I’m still looking!”

### ***Helpful Tips from Judy’s Experience***

- If you don’t like paperwork for the government or for customers, then don’t start a business!
- Get good at listening. Listen to all sides—to everybody’s ideas and incorporate as many of them as feasible into the master plan. Take a little bit of everyone’s ideas and be sure to include everybody.
- Get used to the membership committees ebbing and flowing over time. “I’m one of the few who has stayed with projects from Day One,” she states. “Sure, people lose interest, but then others come along and get interested!”
- Good volunteers teach you stuff all along the way.
- Change happens one person at a time.