

Unknown Speaker 0:01

Okay, so the first question, just tell me a little bit about your business. What do you do on a normal day without COVID?

Unknown Speaker 0:11

I am so on top leave cigar Lounge is a premium cigar retail location as well as a smoking lounge. So prior to COVID, we sat around to smoke cigars and had pretty cool conversations with a whole lot of different kinds of folks. My husband and I have been at top leaf cigar lounge since November of 2016. So as COVID approached, we were getting to that point in the business where we were looking forward to profit takes a couple of years before you're able to do that. So also, in December of last year, I competed in the launch challenge which is through the Forsyth Tech Small Business Center. And wrote a new business plan to move us to a new location, which would include premium beverages as well as premium cigars. So same concept as before and providing a place for people to have conversations and connections around a cigar but adding the bar aspect and kind of a speakeasy kind of feel. So developed a new business plan, I did win some money for that challenge. And then the economy came to a screeching halt. For us that started in February. I believe my February numbers were probably about 75% less than the February before so and I think that was just as people were watching TV and just being uncertain the fear started in February and we are closed for COVID I believe on March 23, a couple of days before the announcement had been made. more so because we felt like we had a social responsibility to be safe for our customers. So I literally on March 23, pulled into the parking lot of top leave and sat in the car and cried for an hour. Because I knew I had to be the person to make the decision in you know, in with my husband as well to have what do we do to protect ourselves? What do we do to protect our customers? What do we do to protect our assets are, you know the money that's stopping coming in now. So that was a very, very tough decision, I think as it was for most of the other small business owners in this area.

Unknown Speaker 3:00

For sure. So

Unknown Speaker 3:02

next, could you just take me through the thought process? I'm going to close that your business in March? What were you thinking about how this is going to affect your business long term? Do you think it's gonna last a long time? Things like that.

Unknown Speaker 3:20

I accepted pretty early on that. I didn't know anything. I really think that there were maybe a couple of days where I watched the TV and tried to figure out where it was going to go. And then I just, there was so many times in history that things happen and we don't really know what we should have done until it was over. So I just kind of accepted I don't know anything I just, and I want to believe what I see and what I read, but I just, I just don't feel like I'm in the middle of the storm and I know eventually, I'm gonna land somewhere. But I've given up trying to figure out where that's going to be and I'm just holding on.

Unknown Speaker 4:12

Okay, so since you had the close down completely where you

Unknown Speaker 4:16

seek any kind of funding really through like PVP

Unknown Speaker 4:21

or any kind of government grants.

Unknown Speaker 4:24

So we

Unknown Speaker 4:27

originally were going to apply for the EOD dl line, I think the first one that came out and I got to a screen in which it was asking me for, for my personal assets to be attached to a loan. And I stopped backed out of that loan. The PPP because we have really been building the business and haven't been paying ourselves. The PPP plan, for me wasn't really an option because it was based on two and a half times. Your payroll and if you're not paying yourself you don't have a payroll, it's two and a half times nothing so the PPP was not really an option. We were able to go in after the IAD dl loan was updated for self employed people and apply and get some money from that as a loan and we will have to pay back. I think it's 3.75% interest and it's a 30 year loan it takes a year before I have to make my first payment. That was was actually kind of was great news but at the same time, the laws and I believe we had voted on it in November but this change is started taking place having to do with with excise tax. And excise tax for me is the tax that I pay on tobacco products that are Purchase before I even sell them, there's a tax that I have to pay, which is North Carolina's 12.8%. Well, prior to 2020, once you got your tobacco license, you got your tobacco license for life, you do have to file reports and make payments as well as all the other taxes involved. So now there is this new law for folks that have their excise license, that we have to get a new license starting July 31. So I have what like four or five more days and in order to get that license, I have to be up to date on my excise tax payments, my sales and use tax payments, and my aunt my personal income tax payments, which most of us right now have filed an extension to file and pay our personal income tax. So I am scrambling like crazy right now to get all of that together. And probably what will happen is this loan that I got is going to now go to pay all of these taxes so that I can continue to be in business on August 1. So it's, it's kind of been like a blessing and a curse going back at the same time. And I think other businesses are running into the same thing to. It's been heartbreaking for me right now to watch my friends who are bar owners get loans and they're running out of money before they're open, they're able to open their businesses. We thankfully are a retail store. So not really a bar don't serve any alcohol. I do have a space for people to congregate. But I was just able to remove some of the chairs in my building so that they were six feet apart and reduce my capacity, but I'm still able to be open. Versus there's some bars right now that aren't at all and they're running out of money. So,

Unknown Speaker 8:06

in that bar space of business, not necessarily your bar, but kind of like the other group of business owners you would be able to relate to. So, like through all this, obviously, I would say bar so, one of the most hard hit groups from all this, have you found yourself drawing closer to that community? And if so, in what ways?

Unknown Speaker 8:33

Oh, definitely. So one of my dear friend Danielle bowl and bowls tavern, she and I are co hosts with a Tim Beeman on a podcast called the less desirables I've been involved in. She has been involved in Tim has been involved with the Dale Cole virtual village which is an individual or group of individuals that have put together a way to raise money for folks that are bartenders and waitstaff in Winston Salem that are at work. They've done some music venues where they've hooked up a band up to the back of a truck and they pulled that truck slowly down the streets in Winston Salem, so that people can like get out of their houses and listen to some music and have sold bracelets and the proceeds go to different bar owners downtown. So talk I am able to talk to Danielle at least once a week before we do the podcasts, but most likely it's like three or four times a week. And she is very involved with not just her business, obviously but all of the other bar owners and restaurant owners downtown.

Unknown Speaker 9:57

Okay, I'm

Unknown Speaker 9:59

like through code I know you mentioned that you're a relatively new business still. But did it allow you to like, kind of take a step back and reflect on what your business model is, and allow you to look at new routes for the future and you think through like, what to do with your business, and then it gives you the opportunity to make those changes.

Unknown Speaker 10:21

Yeah, so definitely gave me time to reflect and think about like, why do we do this? Why are we here? Why, why are we running this business? Because when it started, it really was a, hey, my husband's a cigar smoker, he's gonna retire one day, let's have a business that helps pay for his cigars. Then I quit my job in corporate America and decided, Okay, I want to manage this business and fell in love with the connections that I saw people making. There's been times that I've witnessed conversations and people change their minds about things or Sometimes not even changing the mind, but just listen to someone else's perspective. There's, there's something about a cigar that slows down your mind and your lips. It's like a speed bump in between gives you time to listen to someone else's perspective. So I was able to, as I sat at home lonely for a couple of months, really think about why why are we doing what we're doing? And I definitely have a passion for creating community. So it's, it's, if anything, it's just given me more dry love to make it work into move forward. And we are trying to move forward at this point in time. I've got something in the works right now that I can't really talk about yet. But yeah, it definitely gave me time to think about why I do what I do, but also to create a kind of a future contingency plan. So if I Creating community and selling cigars. That's kind of a vert

that's a brick and mortar location, a brick and mortar kind of business plan. But we have to be ready to switch over to an online presence. If this ever happens again, so is developing a better website now and getting all the inventory loaded in so I can push it over to the website. I don't really want to have to compete with other online retailers, because that's not really what I'm selling. I'm selling an experience. But I have to have that set up to either go completely to or to subsidize if we were if we closed down again, or who knows what will happen next, but and I think probably everybody right now is trying to think outside the box and move quickly into what else can I do to either change permanently or to make it until we get to that point where we know where our new normal is.

Unknown Speaker 13:00

So you've mentioned that sense of community that runs through your shop. Have you, like felt that through all of this, like have regular customers reached out and tried to help in any way? Or like, checked in on you guys are doing?

Unknown Speaker 13:16

Yeah, absolutely. We have the two months that we were closed, we were still able to mail cigars out and deliver them. I definitely have people reaching out to me, asking me to bring them a box of cigars or mail something to them. So thankfully, during the two months, we were closed, we were able to cover all of our operating expenses, just by mailing scars and delivering them during that time and I delivered to millenary. And at that when I was delivering that day, the lady said you can you can mail him it's okay and I'm like no gas is \$1 50 a gallon right now. I will gladly draft Mount Airy got me out of the house for the day.

Unknown Speaker 14:00

Just be able to virtually hug somebody

Unknown Speaker 14:04

hug from afar. I was it was nice to be able to see my customers again.

Unknown Speaker 14:11

For sure. Now that you're you're

Unknown Speaker 14:14

right. What's that?

Unknown Speaker 14:16

Are you back? Okay?

Unknown Speaker 14:18

We're back up and now we're at 50% capacity. So we're kind of climbing back up again, we're not financially at the, where we're used to. And I don't have the same amount of people coming in. But the folks that are coming in, it feels like they're intentionally spending more money. So I feel right now that you know, and there's people are afraid right now and until people are no

longer afraid, there's not a whole lot that I can do to make someone less afraid. And so I understand the filtering in and I'm actually appreciative of it filtering in because I'm not having to change Turn anybody away right now. I was afraid when we opened back up again that it was going to be like the gates have open and all these people are going to rush the door. And I'm going to have to say sorry, you can't come in. I've already got 10 people. So I'm kind of glad that it filtered in the way it did, because we haven't had to turn anybody away. And the people that are showing up are digging deep in their pockets and they're supporting local businesses and we really appreciate it.

Unknown Speaker 15:28

Okay, so what steps are you taking inside your business picture that customers are safe? Like, do you have certain like CDC guidelines or North Carolina guidelines to follow a specific year of ism.

Unknown Speaker 15:43

So we have these awesome filtration systems. We have three different smoking rooms and Each room has a huge vent filtration system in the room itself and that was existing. So during the two months, we were shut down. We closed We cleaned those really well we change the filters, I took all the mini blinds out and replace the mini blinds and scrub the walls down. All the chairs are about six feet apart, some of them may be a little further than six feet apart. So we've removed some furniture so that as people sit, they'll be away from each other. And then our humidor room, I only allow one person at a time in the humidor room and whoever is working and it's generally either myself or my husband every once in a while, his son will kind of fill in. But we're the only ones that are touching the cigars. So no one else has even touched a cigar in our humidor since about the middle of February. And then you know, obviously like cleaning surfaces and disinfecting surfaces but it's really impossible to smoke a cigar when you have a mask on. It's kind of like To the restaurant and you can't have a mask on to eat. So we're not asking people to wear a mask when they're seated. But as people come in, if someone comes to the door and they have a mask on, which most people do, I'll put a mask on before I go into the humidor room with them and handle all of the products.

Unknown Speaker 17:24

Okay, do you feel there's any restrictions that like you've been forced to take on necessary or your business?

Unknown Speaker 17:37

I think because we are such a niche market. I don't really know which recommendations I really have to follow.

Unknown Speaker 17:50

because technically, my SSA code which is the state identification code is the same SRC code As RJ Reynolds tobacco company, and RJ Reynolds tobacco company, this entire time has been an essential business. So I'm not really even sure I had to close for two months. I just felt like it was the right thing to do. And then I decided to group myself in with stage two. And we've just

followed the stage two requirements. But I've never really figured out where I was in that group of businesses in which of this the restrictions and things applied to us. Which made it kind of hard and making the decision to write because it's almost easier when it's very specific and you know that you fit inside this certain group that Okay, that's what I have to do. But when you're not really any of those things, there was a lot of

Unknown Speaker 18:58

I guess, questioning

Unknown Speaker 19:01

From our customers about what we should do or shouldn't do, now, when when bars were closed, there was the argument of you're not a bar. You shouldn't have to close. But at that time, I felt like hey, nobody knows what's going on with this. And I feel a social responsibility to close. I feel like that's the right thing to do. Even if it's not the right thing. For my purse strings, I felt like it was the right thing to do just to be a leader and an example in the community.

Unknown Speaker 19:33

Yeah, and like,

Unknown Speaker 19:35

that definitely makes sense. Because I feel like a cigar shops. Definitely. It's hard to think about what it fits in.

Unknown Speaker 19:43

are, but people do congregate in the shop, because people congregate.

Unknown Speaker 19:51

Yeah. So kind of looking to the future now. Are there certain restrictions you've had to implement that you think you'll be effective? For a while, like let's say there's a vaccine that comes out in a couple months and there's no longer or distancing. Are there things that you've done that you would like to keep regardless?

Unknown Speaker 20:11

I think yes. I think the policy that we created, just having whoever's working, handling the cigars. I think we'll keep that in. Definitely. I think that's just a great idea. I don't know. I think cigar lounges probably should have done that all along. And there may very well be different lounges that don't allow you to touch anything. But yeah, I think we'll continue to do that. I look forward to the day where we don't have to wear masks anymore. Although most of the time when I'm sitting at top leaf, I'm sitting in one of the chairs that's away from everybody and we're not masked because we're smoking. We are smudging the air with tobacco.

Unknown Speaker 20:56

We feel like we may be doing our part

Unknown Speaker 21:04

Okay, so also kind of looking forward again, do you feel that there's any circumstances where you would have to shut back down?

Unknown Speaker 21:13

Like you mentioned,

Unknown Speaker 21:15

you weren't really able to follow like a state guidelines. If you didn't know where you're at in, though, is there a certain set of circumstances under which you would feel you'd have to shut down

Unknown Speaker 21:26

if either myself or my husband got sick

Unknown Speaker 21:31

because it is a family run business, it would be I would think, impossible

Unknown Speaker 21:38

for it not to spread between him or her or his step, our son that works.

Unknown Speaker 21:45

And it is such a small building. I think if somebody got sick, that would definitely, we would have to shut down for 14 days or whatever the quarantine time is now. And that's scary because there's not a backup plan for us to somebody that we can call and say hey come run our business for 14 days so you

Unknown Speaker 22:07

feel that

Unknown Speaker 22:09

you would be able to survive through that with like the delivery and shipping of cigars

Unknown Speaker 22:15

I think so where we are now I believe I could go strictly to an online and be fine that's not where we want to continue to be that we've got plans to go to be bigger and better. But that bigger and better would then put us in the same classification as a bar

Unknown Speaker 22:37

which is very scary because

Unknown Speaker 22:38

I'm watching what's happening to the folks right now that just have a bar so yeah, it's it's anybody's guess right now it's a we're, we're all in the same storm together completely different boats and we're all gonna land completely different places.

Unknown Speaker 23:00

Okay.

Unknown Speaker 23:02

So when when we look

Unknown Speaker 23:04

like at how COVID is here, where we have so many more cases than anywhere else in the world, what do you feel is contributing to that? And from that, do you feel that shutting down your not just your business businesses in general hit anything?

Unknown Speaker 23:27

I think there is such a divide in our country politically, that it really doesn't matter at this point who is in charge and who creates the Edit of what we're supposed to do? Only 50% of the people are going to listen. It would have been nice to to to have shut down everything and required masks at the beginning for everybody but even if that requirement is in place, not everybody gonna do it. And I think that comes with, you know, we live in the land of the free and and those freedoms are fantastic and great, but other countries that don't have those same freedoms when they make a new law or create an edit or give instructions for how to fight the COVID I think there's a greater percentage of people in other countries that listen

Unknown Speaker 24:27

and it's not so much of a political divide. It's

Unknown Speaker 24:34

and like I said earlier like I am, I can freely admit I don't know anything about what's happening right now I I can listen to everyone's opinions and I'm so glad that I have a place where and I do I listen to the people that think it's a conspiracy I listen to the people that are are doctors. I've got three doctors that come in to talk leaf and we sit around and talk about this So

Unknown Speaker 25:03

I just don't know. I just don't know. I just don't know.

Unknown Speaker 25:09

I don't think I have a great answer at all for that because I just I am so unsure. And I'm so comfortable in my unsureness like, I'm not letting the lack of information create stress in my life. I know that change is uncomfortable. And I'm uncomfortable right now, but it's I'm kind of good with the uncomfortable uncomfortableness because I know there's gonna be other person. I'm old enough to have been through the hills and valleys of life so many times that the change is still just as uncomfortable but it's not as scary.

Unknown Speaker 25:55

Oh, certainly seems like even though

Unknown Speaker 25:57

I'm

Unknown Speaker 26:00

Like you're okay with everything, taking proper precautions to keep people safe. And I think that's really important. But not all my questions. So are there any thoughts that you had? And you wanted to share?

Unknown Speaker 26:16

I don't think so. I think we pretty much covered probably more than the questions you asked me.

Unknown Speaker 26:25

Yeah, we went through pretty quick so I'll stop the recording a

Unknown Speaker 26:30

couple more housekeeping.

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