

1-30-2009

Interview no. 1511

Leroy Candelaria

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Recommended Citation

Interview with Leroy Candelaria by Manalo Sanmiguel, 2009, "Interview no. 1511," Institute of Oral History, University of Texas at El Paso.

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THE UNIVERSITY OF TEXAS AT EL PASO INSTITUTE OF ORAL HISTORY

Interviewee: Leroy Candelaria

Interviewer: Manalo Sanmiguel

Project: Hispanic Entrepreneurs Oral History Project

Location: El Paso, TX

Date of Interview: January 30, 2009

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Transcript No.: 1511

Transcriber / Summary: Patrick Driscoll

Leroy Candelaria is the founder of Biotech Pharmacy, Inc., he was born in Barstow, CA in 1959; he grew up in Long Beach, CA before his family moved to Belen, NM; he graduated Pharmacy School in 1983 from the University of New Mexico with a specialization in radio pharmacy; his mother was a housewife and his father retired from the U.S. Post Service, his father's search for work required the family to move often; at home Spanish and English were spoken. Mr. Candelaria explains the service and products that his business provides, specifically drugs that are radioactive; describes when and why he started his own pharmacy; explains that he had opened nuclear pharmacies in the past for others before starting his own business, his first job was with Newmed, Inc.; recalls working at Nuclear Pharmacy, Inc. in Albuquerque before moving to El Paso; explains how he decided to go into business after he felt comfortable with his experience level. Mr. Candelaria describes starting his business in Las Vegas and El Paso due to the monopoly of Syncor International; gives details of funds and amount of time it took; describes how his service is for diagnostic imaging for hospitals and outpatient centers; mentions business aspect was difficult not the technical field; recalls Syncor International filing nuisance lawsuits against him to maintain monopoly. Describes relationship with business partner and attorney John Boettiger. He recounts cost to start up in Las Vegas; describes current structure; attributes luck to business successes they were in Las Vegas before the population boom; details alliance with all three manufacturers in his field to provide better service; explains how business affected family life; covers issues with employees and challenges experienced as a Hispanic business owner due to discrimination, hired non-Hispanics to reach certain customers; defines his target market as the southwest; covers issues with El Paso as a market, uses Las Vegas facility as a showcase due to notoriety. Mr. Candelaria recounts business tactics, such as purchasing camera equipment and leasing it to create a market for their products in El Paso; lists recognitions received as a Hispanic businessman; describes risks and difficulty a new business. Mr. Candelaria expresses that he views himself mainly as a pharmacist that hired qualified individuals to carry the business aspects; Mr. Candelaria closes by stating the climate for Hispanics in business has improved since he started due to Hispanics being in more in key positions now, and stresses the importance of supporting local businesses.

Length of interview 56 minutes

Length of Transcript 28 pages

Name of Interviewee: Leroy Candelaria
Name of Interviewer: Manuel Sanmiguel
Date of interview: January 30, 2009

This is an interview with Leroy Candelaria on January 30, 2009 in El Paso, Texas. The interviewer is Manuel Sanmiguel. This interview is part of the Paso Del Norte Entrepreneurs Oral History project.

MS: Mr. Candelaria when and where were you born?

LC: I was born in May 1959 in Barstow, California.

MS: Where did you grow up?

LC: I grew up in Long Beach, California until I was thirteen, and then we moved to Belen, New Mexico.

MS: Tell me a little bit about your education.

LC: I graduated high school from Belen High School and went to college for three years at Southwestern Community College in Keene, Texas. Then I applied to pharmacy school at the University of New Mexico, at which point I graduated 1983, with a specialization in radiopharmacy.

MS: Can you tell me a little bit about your parents? What were their occupations?

LC: My mother was a housewife and just a mother and caregiver. My father had a lot of different jobs. He ended up retiring with the post office.

MS: Is that the reason that you were moving across the country?

LC: The reason we moved across the country or from California to New Mexico specifically is for the job. My dad was following jobs.

MS: Let me ask you, what language was spoken at home?

LC: At home, it was Spanish and English. My mother primarily spoke Spanish. My father spoke English and Spanish.

MS: Both of your parents are from Hispanic descent?

LC: They are.

MS: Did your parents or anyone in your family operate a business?

LC: No.

MS: Let's talk a little bit about your business. What is the present name of your company?

LC: Biotech Pharmacy Incorporated.

MS: Can you describe your business? What's the number of employees? What is the product or service that you provide?

LC: Primarily, the products we provide are radiopharmaceuticals or basically drugs that are radioactive in nature. We're basically a pharmacy that specializes in selling drugs that are radioactive.

MS: How old were you when you decided to start this business?

LC: I started the business in 1993, which makes me early thirties, I suppose.

MS: Why did you decide to go into business for yourself?

LC: I thought it was something that I could do better than it was currently being done in the area.

MS: What kind of experience did you have in this area?

LC: I had opened up nuclear pharmacies for other entities or other corporations in the past. I had done it five or six or seven times before I did it on my own.

MS: Let's go a little bit into detail there. You mentioned five or six corporations. Can you provide the name of a few?

LC: My first job out of college in 1983 out of the nuclear pharmacy program was with a company called New Med Incorporated. They wanted to open up a nuclear pharmacy in the Dallas/Fort Worth area. From there, they opened up a second location in San Antonio, Texas.

MS: How long were you employed by New Med Inc.?

LC: I was employed with them about two and a half years.

MS: How many radioactive pharmacies did you open up for them?

LC: Two pharmacies.

MS: Two pharmacies, one in Dallas, one in San Antonio?

LC: Yes.

MS: And after that?

LC: After that, I relocated to Albuquerque, New Mexico and did some consulting work in the area of nuclear pharmacy and did some part-time teaching at the University of New Mexico.

MS: How long did you stay in Albuquerque?

LC: I stayed in Albuquerque for approximately two years, at which point I moved to El Paso.

MS: The consulting that you did then in Albuquerque, for what company was that?

LC: It was for the main radio pharmacy chain at that time, which was Nuclear Pharmacy Incorporated. There's been a variety of acquisitions and name changes since then, but the name was Nuclear Pharmacy Incorporated.

MS: Around what year was this in Albuquerque?

LC: That was approximately 1985.

MS: Why was it that you decided to go into business by yourself?

LC: I'd done it for other people and the fact of the matter is I made a lot of mistakes for other people. Did the best I could, but it wasn't perfect. After doing it five or six or seven times, I felt comfortable enough to do it on my own with minimal mistakes.

MS: What kind of mistakes were there, if that's okay with you?

LC: A lot of start-up issues. It was a field in its infancy so there were a lot of dynamic changes at the time and the majority of my mistakes were just lack of experience

in business, for the most part. The science was the easy part. It's the business that was a little more challenging for myself.

MS: How did you determine the need for Biotech Pharmacy here in El Paso?

LC: The need was already established. There was an existing radiopharmacy in town, but it was a monopolized industry. There was only one player in town and they abused their monopoly privileges, so to speak. They took advantage of the situation, which created an opportunity for someone else to go in and create a better mousetrap and charge a more reasonable price.

MS: What was the name of this company?

LC: It was Syncor International.

MS: How did they take advantage of being a monopoly? Can you go a little bit into detail about that?

LC: They overcharged and underserved, to simplify it.

MS: Who or what encouraged you to open up Biotech Pharmacy?

LC: The community had a lot to do with it. There was a lot of physicians, or purchasers of radioisotopes, that were unhappy with the price gouging.

MS: How did you know about this situation?

LC: The situation was brought to my attention from a group of radiologists out of Las Vegas, Nevada who contacted someone who knew me as a radio-pharmacist, in another field of pharmacy altogether. They were contacted and asked if they knew anyone that could create some relief for their radiopharmaceutical purchase

in Las Vegas because they were being taken advantage of and they wanted to know if competition could be brought in. Someone referred them over to myself. I went to Vegas, visited with the radiology group and that's pretty much the beginning of it.

MS: What were you doing at the time?

LC: I was working at the hospital in Providence in the pharmacy department.

MS: Did you need funding to start?

LC: Yes.

MS: How did you go about finding the sources for those funds? Was it family, friends, any type of loan?

LC: It wasn't loans. It was pretty much savings. I knew I had been wanting to open up a business for a couple of years so I'd been working two jobs and saving for this opportunity.

MS: How long did it take you to save that amount of money?

LC: Four years, five years maybe.

MS: Did you begin your business with any kind of business plan?

LC: No, not really.

MS: You never formalized a business plan?

LC: I never formalized a business plan. My business plan was pretty simple in that sell the products for more than what I bought it for and keep your fingers crossed and hope for the best, pretty simplistic.

MS: Let's come back a little bit for us that are not very familiar with the product that you sell. Can you describe it a little bit more in detail?

LC: The product that we sell is used in diagnostic imaging and what happens— it's the opposite of an X-ray. An X-ray will shoot X-rays through your body and have a plate of film. It'll take an image of your skeletal structure or whatever, basically attenuates the X-rays. In our field, nuclear pharmacy, we inject an isotope that's tagged or attached to a drug that is organ specific. Let's say you want to look at the liver, you will attach this isotope to this drug that goes to the liver. The drug acts as a carrier to transport the radioisotope to the liver at which point they get between two plates of film— I'm simplifying the camera basically— and the camera takes a picture or the organ actually takes its own picture.

MS: Who are your clients?

LC: Our clients are anyone with a nuclear medicine department or nuclear medicine capabilities. It could be a hospital, it could be an outpatient imaging center. It could be a cardiologist that has a nuclear medicine camera. It has expanded more into oncological purposes in that the new technology now is PET, or positron emission tomography imaging. We provide the isotopes for that, which is a fluorine 18-based isotope. So at that point, I guess oncologists would also be a customer if they have a PET camera also.

MS: Did you have any technological issues to deal with at the beginning?

LC: No, not really. I thought the technology was actually the easy part. At that time when I opened up in '88, I had already been doing it for six or seven years, felt

very comfortable with it. It was a new technology, that I had kept up with it and the science was actually the easier part of the whole business opportunity.

MS: What major obstacles did you encounter during the start-up phase of your company?

LC: My biggest obstacle was litigation, being sued by the pharmacy in town, or Syncor International, or the people who had the monopoly. I was in litigation with them for probably twelve or thirteen years, [they were] trying to maintain their monopoly.

MS: What were the grounds for this legal process?

LC: Well the grounds varied, but it was a moving target for the most part. It was more of a nuisance lawsuit designed to slow you down or distract you or close you down in the event that you can't afford to financially subsidize your legal bills.

MS: So how did this come about? You opened the doors in 1993, right? How long did it take for them to—

LC: It took about two years when they started litigation. The first litigation probably lasted five or six years. Then they sued again, lasts another five or six years. I think the last one lasted three or four years.

MS: Is it all settled then?

LC: At this point in time it is. It is behind us, yes.

MS: How did you deal with all this legal process?

LC: The industry or the company that I was competing with was very well known for these types of tactics, so I had anticipated getting sued. At which point I brought in a partner who is an attorney to try to minimize my legal bills since I expected to have some of those.

MS: But at first, you started this business all by yourself?

LC: No, I had a partner and he was an attorney. It was from the ground floor, one of my partners, minority partner, was an attorney.

MS: Can you name him?

LC: John Butterder (??).

MS: And both of you started this business in 1993?

LC: Yes.

MS: And you provided the funding or did he also provide some—

LC: He provided some funding, but because it was a minority portion, it wasn't a lot. It really took us about \$100,000 to start the pharmacy in Vegas. I think John owned 15 percent, so I think he put in \$15,000.

MS: You providing the rest?

LC: Yes, and from there the profits kind of funded the rest of the opportunities.

MS: And at present time, there's three partners?

LC: At present time, it's a very complex web of entities and partners that we have. At this point, there's probably 150 employees, probably 12 corporations, many locations, very, very complicated structure.

MS: But you remain the majority owner?

LC: I remain the majority principle owner, for the most part.

MS: Now let's talk a little bit about the growth and civilization phase of your business. Can you tell us what factors helped your business grow and expand through the years?

LC: The major factors that really allowed us to expand, or succeed, I guess in any of the pharmacies were pretty much dumb luck; being at the right place at the right time. What I mean by that, for example, Las Vegas, Nevada. In 1983, when we opened up Las Vegas, Nevada, they probably had a population of 200,000 people, and now there's 2 million people. So anyone that was in Vegas in 1983 flourished even if they weren't very good at what they did just because of sheer volume. We like to think that we were pretty good. We flourished even more so, but that was luck. I didn't expect that. Other pieces of luck that worked in our favor were alliances with manufacturers. There are not a lot of manufacturers in this field, there are probably three main manufacturers of isotopes and at that time our competitor was aligned with one manufacturer exclusively, which shut out the other two. So in a monopolized situation, you got two manufacturers that aren't selling anything in Vegas or Albuquerque or El Paso. And the other two want to sell something so they obviously worked with me very closely to make sure I was successful in the markets that I opened up. They also gave me exclusive distribution rights to their product lines, which allowed me to get my foot in the door at many institutions.

MS: Can you name those three manufactures, including the two that you worked very closely with?

LC: At that time, they were called Bristol-Myers Squibb. They were aligned with Syncor or Cardinal. There are a lot of name changes in the last fifteen years.

MS: Cardinal Health is the official name?

LC: Cardinal Health is the current name. At that time, it was Syncor International, but Cardinal bought them out. BMS is being bought out by Lantheus, and even before that, they were somebody else. At that time, BMS and Cardinal were aligned with each other, leaving out GE Healthcare and Meloncrat, or Tyco Healthcare. Once again, their names were different in the past, too. There has been a slew of acquisitions in this field. They had products that they could not sell in these markets so they worked very closely with me.

MS: You mentioned market size and manufacturers. Can you go a little bit more into detail as how do you come about establishing that business contract?

LC: We didn't have a business plan so we were flying by the seat of our pants in Vegas. Then it ended up that our business plan evolved into establishing a niche in the marketplace for providing services to outpatient imaging centers. In the early '80s, most imaging was done by hospitals. By the late '80s, everything had gone out of the hospitals into the outpatient arena. So once again, dumb luck played in my favor, in that I was in the right time and the right place with the right niche because the outpatient arena is very well suited for our type of business in that a physician's office is really nothing more than a small businessman, just like I am, versus a hospital, which is more of a larger corporation which is in line with the GE, Tyco, Meloncrat, Cardinals of the world. That being said, the manufacturers are always bidding on national contracts for these large institutions. More luck that played into my favor was that the big contracts were

being won by the manufacturers who were being shut out of these markets, so they allowed us to be their exclusive provider of their national contracts in these areas. So that got our foot in the doors in a lot of the hospitals, but the outpatient niche, I think, really served us very, very well because it allowed us to get a very close one-on-one type of relationship with the end-user, specifically the physicians, if that makes sense?

MS: It does. Describe to me your successes that you have experienced as a business owner.

LC: Describe the various successes?

MS: Yes.

LC: My primary goal when I opened up the pharmacy was really quite simple. It was just to provide myself a job where I can have a decent income and have a little bit of control in my life. It has evolved since then into something else, but the successes, I guess there are lots and lots of small successes. I can't really think off the top of my head any major turning point. We likened ourselves more like pit bulls attacking the big bull. We kind of start working on one ankle, snap that ankle, and then go on to the next ankle until the whole bull drops. Didn't do anything spectacular. It all kind of crept up and then before you know it, you became a fairly large organization, but no major successes I can think of, but just a lot of really small, small victories.

MS: What do you think has contributed to your success?

LC: The biggest factor is the fact that God was in my favor, on my side and provided everything that I needed personally. It's the people; I'm surrounded by a lot of very brilliant individuals who are very loyal and hardworking. They're the ones that make the entity look good, not so much myself, but the people that I'm

surrounded with that have been the greatest thing that's ever happened to me. I have the good fortune of having people, very talented, like working for us.

MS: Has family played a part in this group of people that you have been so lucky to be surrounded with?

LC: No, outside of my wife who helps with the bookkeeping, I don't have any family members employed by Biotech Pharmacy. Now that being said, obviously the family unit, my home unit, took a big hit and probably taken a few years off my life and it was a very difficult process the first five years. Looking back, it looks easy, it looks different, but at that time it was very brutal and it was not a lot of fun. The family, even to this day, probably gets taken advantage of by not having as much time together. The business comes first type of thing. It's a sacrifice for the whole unit, and to do it right, one really needs the support of your wife and kids, and fortunately, I do have that.

MS: On that note, what have been your disappointments?

LC: Very few, there have been very few disappointments. I've been very fortunate for the most part. My biggest disappointments are HR issues. Where you put a lot of time and energy into someone who does something that they shouldn't be doing and they don't fair so well and it's painful to watch someone go down the wrong path. We have had a few employees that have struggled in their lives. We really take the business kind of like a family, for the most part, at least I do. I take it very personal when someone, an employee, suffers or struggles, and I've been disappointed with a few employees that have taken the wrong fork in the road.

MS: Can you provide an example of that?

LC: We've had a couple of employees that had drug issues and we tried to help them out and couldn't. It's not a lot of fun to watch someone be self-destructive.

MS: What challenges have you faced growing a business as a Hispanic?

LC: The main challenges, from my perspective, as far as being a Hispanic businessman, is in the early '80s it was a little more challenging to get someone to take you serious, number one. Number two, being a Hispanic and not having the experience from the family unit in any of these things. You're really kind of left by yourself, so you don't get a lot of help from family. You don't have a lot of family support because, to be honest with you, my family's not educated, so to speak. So there's no financial help. There's no personal help. There's no advice. You're pretty much going solo for the most part. In the Hispanic culture unfortunately, there's not a lot of places to ask for. There weren't a lot of— there's more now than there were at that time, but there weren't a lot of Hispanic support groups for people that were successful Hispanic entrepreneurs at that time, and if there were, sometimes they wouldn't help you.

MS: As a business owner, have you ever experienced any discrimination?

LC: I believe I did, yes.

MS: Can you elaborate on that?

LC: Sure, there are many times when I would walk into or try to negotiate a contract or try to sell our product and be shunned, in my opinion, for being a Hispanic or minority, so to speak. There are some parts of the country I suppose that really, a lot less today than there were twenty years ago, but there were still some parts that people just wanted to do business with like-minded individuals, I suppose, to put it nicely.

MS: What parts of the country did you experience this?

LC: I experienced some in El Paso when I first came down. When I first came down to El Paso, I felt that the business leaders at that time were predominantly non-Hispanic. The majority of the business leaders and administrators and people who have the authority to push business our direction were non-Hispanic, quite frankly. What I found out was they prefer to deal with a big corporation from out of town than they would to buy locally from a Hispanic. They felt more comfort in that for reasons that are their own, I suppose. It has changed a lot now, in that there are more Hispanics in positions of authority. So that's not the case today, but it certainly was twenty years ago.

MS: How did they go about and manifest the discrimination? Was it systemized? Was it on a personal basis?

LC: That is a hard question to answer because obviously they don't come out and say, I'm not going to talk to you because you're Hispanic. Basically, what they do is they won't talk to you and they won't give you an opportunity to negotiate or even try and get the business. Basically, you're just shunned for the most part. What I did to combat that was I hired people that were non-Hispanic to talk to them. So I figured if they don't talk to me, we would hire someone that they would talk to. Part of our sales and marketing ploys were to hire like-minded individuals to talk to people they are compatible with to open the doors and give them the opportunity to make the sale.

MS: Currently, how large is your sales and marketing team?

LC: We have probably seven or eight sales marketers.

MS: Have they given you any feedback for this discrimination? Has it continued through the years?

LC: I haven't noticed it as much because now we're diverse enough that we put the right tool for the right job. What we do is we try to align—and I hate to use ethnicity in any of these things because sometimes it's not that, sometimes it's just that they get along better. But we try to put the right person in front of the right opportunity.

MS: Does your company enjoy any advantages of being a Hispanic-owned business?

LC: No, we have not been able to capitalize on any government, state, city, county contracts because of the minority ownership.

MS: Have you applied for the said contracts, the government contracts?

LC: We have applied for government contracts. We haven't been overly successful with government contracts; one of our weak points for whatever reason. We do have some, but for the most part, we're not very successful in that area.

MS: And the percentage of Hispanics that are your customer base?

LC: Off the top of my head, 20 percent maybe.

MS: On a scale of one to ten, how do you rank your acceptance into the local business community?

LC: Currently, probably seven.

MS: What would take you, or Biotech Pharmacy, to a ten?

LC: Probably more involvement in my part and more on the community side of things here. I travel a lot, so I don't spend a lot of time here, but I think if I got more involved, it would probably push it up to the next level.

MS: Have you expanded your market beyond the local area?

LC: Yes.

MS: Can you elaborate on this?

LC: Our market plan is really simple. We limit our facilities to the Southwest and our goal is basically to be the southwest nuclear guru, so to speak. We realized a while back that everybody wants to be in California and everybody wants to be in the East Coast because obviously that's where all the people are at. Not many people are interested in the Southwest because there's not large population groups and everything's really, really far. In our industry, distance is a very key thing because our isotopes expire pretty quickly. Fluorine has a half-life of 110 minutes, a little shy of 2 hours, which means if you go somewhere that's four hours away, you've got to produce four times the amount of product. So it's not real desirable, a real easy place of service so to speak, but it's where we're from, we like it. The other thing also is that the major manufacturers are generally interested in the big markets: Chicago, LA, Houston, New York. Very little interest in places like El Paso or Tucson, although Phoenix has actually developed into a large city and Vegas is quickly becoming one also with world name recognition, but for the most part, the Southwest is pretty ignored. So this is our niche, is the Southwest. We like it here. Culturally speaking, we fit in very well. It works for us and we want to be here, whereas no one else does. So it's like the old baseball adage, "Hit it where they ain't," and that's exactly what we're doing. Because of that, we have minimal competition and our likelihood of being successful, we believe.

MS: What are the most important markets in this Southwest region?

LC: The most important markets in the southwest are going to be Phoenix, Vegas, and Denver. We have presence in Phoenix and we have had a presence in Vegas for a long, long time. Phoenix is the largest market that we service and I believe it's the fifth largest city in the country. Vegas is a very large city and continues to grow, but more importantly, Vegas has world name recognition. Everybody knows Las Vegas. There's a nonstop flight to Vegas from just about everywhere. Everywhere in the world, I suppose. What it's done is opened up a lot of doors for us, in that we have a lot of people in our industry who want to go to Vegas to visit our facility. Because of that, we made our Vegas facility our show site. And we have a lot of people from, not only all over the country, but from all over the world coming to visit our facility and see how we designed it, put it together. Part of it is because we did a good job, and part of it is because they want a side trip to Vegas. But either case, it's been very good from a marketing standpoint and has put us on the map to the point where the manufacturers want a presence in Vegas. And obviously, I've always wanted a presence in Phoenix. So those are the two most influential cities that we're in.

MS: Which years would you consider to be your best, financially speaking?

LC: I would say the last five years have been pretty phenomenal.

MS: Can you elaborate on the reasons why?

LC: We got into the cyclotron arena about seven years ago. Cyclotrons are a big machine that produces radiation or radioactive materials, which allow us to get into the manufacturing sector. We transformed about seven years ago where one of the businesses we have now is a cyclotron business, which is not necessarily a pharmacy so much as it is a manufacturer. That is a very expensive industry to get into. It probably runs three million to four million dollars to put in a cyclotron. We had some rough times when we first put in the first few because it was some major expenses going out and very minimal revenues because it was a

very new technology. It's still in its infancy. PET-CT imaging is just barely starting to take off, but seven or eight years ago, there wasn't even a PET camera in El Paso. As a matter of fact, we put in the first PET camera in El Paso to try to kick-start the business and that's one of the strategies that we use to sell our isotopes. We didn't want to be in the PET-CT imaging business, but in El Paso, they were sending all their patients somewhere else. So we got a mobile camera, put it in here. They started using it and also started taking off, and the reason the last five years have been doing very well is because the funding of those cyclotrons are behind us and the revenues are now starting to creep in because the sales are very, well and they have been picking up and continue to do so.

MS: Let's talk a little bit about this PET camera. What were the reasons that you put it here in El Paso?

LC: We put it here in El Paso because we had a cyclotron, which we spent \$3 million on, and we weren't selling a lot of doses because the technology was so new. A PET camera is required to use our isotope, and at that time, there was not a PET camera in El Paso. I want to say about seven years ago. So obviously, there were zero doses coming into El Paso. We decided that someone needs to put one in and so we bought a PET camera, put it in, and then we leased it out to a couple of hospitals in town and a couple imaging centers. They used it. Eventually the referring doctors liked the results of the procedure and the information they were getting. It's a very phenomenal procedure in technology. I mean it's really changed how oncologists treat their patients. I mean it truly is a thing of beauty. So once they have the camera in town, then someone else wanted to put one because they needed to keep up with everybody else and the technology, etc. El Paso was a little bit slow in the technology side of things. They were doing this in Phoenix, we were doing it in Vegas. In El Paso, struggling, but it did take off eventually.

MS: How do you go about financing for this project?

LC: That one, we got that funded by GE Healthcare, there finance sector. I guess it's GE Capital. We had to hire someone who was very good in the area of finance to make a very good proposal or presentation to the capitalists of the world.

MS: About the cyclotron machine, how did you finance that?

LC: It was 100 percent financed through capital companies. GE Capital, I believe financed the first two and then the other two were financed by some third party finance company.

MS: Have you done business in any part of Mexico?

LC: No.

MS: To what extent have you been spotlighted as a Hispanic business leader?

LC: As far as spotlights concerning, I guess it will be the Hispanic 500 Fastest Growing Companies. They have some kind of Hispanic 500 list and we've been on that list for the last seven or eight years, I suppose. Every once in a while there's an article in the paper reflecting our business. The first article came out when we opened up. I think [inaudible] a couple more after that one was when we made the Hispanic list and another one when we brought in the PET camera; so a little bit of newspaper, a little bit of magazine.

MS: Do you see yourself as a business leader?

LC: No.

MS: Do you see yourself as a pioneer?

LC: I don't really see myself as a pioneer, but it's kind of evolved to be something like that in our industry anyway.

MS: Are you a member of the El Paso Chamber of Commerce?

LC: I'm a member of the El Paso Hispanic Chamber of Commerce.

MS: Has this association been beneficial to you?

LC: No, not really.

MS: How would you characterize this relationship with the Hispanic Chamber of Commerce?

LC: There really isn't any relationship. I participate just because I feel a need to participate, but our field is so unique that there's really nothing that can really add to us for the most part. We don't solicit business from people. We don't have an open door pharmacy; you can't walk in here to buy an isotope. I mean there are only a handful of people who can buy it. There are a lot of regulatory issues and restrictions, so to speak. So ours is fairly hi-tech in that people who are using it, know where to find it.

MS: A little while ago, you mentioned that nobody took you serious at your start-up phase. Can you elaborate on that?

LC: The hardest customer to pick up in any new business or location that we've opened up is the first customer. Everyone's reluctant to take a risk on an unknown entity, so to speak. They're very comfortable, even though sometimes they're getting gouged; at least they know what they're getting. Picking up that first customer is very, very tough. So it's a challenge to convince them that you're going to treat them right and you have the skill set and you have the

backup of the manufacturers to perform the job that you're trying to sell to them. That being said, there were people who wouldn't talk to us just because we were really micro-small and we started off with one, then two, then three people. It's very hard for anyone to take you serious in the hi-tech world because everybody knows the Cardinals, everyone knows the GEs, everyone knows the big manufacturers, but no one knows Biotech. That's changed, now we're actually the big name in our area, in the Southwest. Everybody knows Biotech and they put it up above GE or Cardinal or any other big manufacturers and now everybody talks to us. Actually, we're the first ones they talk to now. But initially, yeah it's hard to get your name out there to get someone to give you an opportunity or chance. So you're kind of begging for an opportunity and you're very thankful and I'll always remember the first handful of customers that bought from us because I'm eternally grateful to them giving me an opportunity.

MS: What would you say was the turning point?

LC: There have been a lot of little turning points, and I guess the first major turning point was Vegas being successful. Without Vegas being successful nothing else would have happened. For some reason, Vegas gravitated to our style and our product line and it flourished and it's been really the cash cow that's sustained the rest of the opportunities.

MS: Looking back on your business, what would you have done differently?

LC: Probably wouldn't have got into it. People looking back say well you're lucky this, that and the other, and the fact of the matter is it was that hard the first five years. It was painful and stressful and I probably would not have done it. That being said—I'm sorry, what was the question again?

MS: Looking back on your business, what would you have done differently?

LC: What would I have done differently? I don't know if I could have done anything differently. I would have preferred to have been better capitalized. I would have preferred to have been more experienced in the areas of law. I would have preferred to have had stronger relationships with the manufacturers at the onset. I'm not so sure there's anything I could have done to change that, personally, but did the best we could and we got a little lucky.

MS: What dreams do you have for the future?

LC: My dream's very simple, I just want a job. I always just wanted a job. I like what I do and I still enjoy getting up and going to work everyday. If I can do that and provide an opportunity for my kids, that's probably my ultimate goal. If my kids go to school and they're employed by Biotech Pharmacy that would be a dream come true for me.

MS: When did this goal of providing a job, a decent income, come about and how did this turn into being Biotech?

LC: The goal of just having a decent income is really just having a job because pharmacists make a decent income, no matter what they do. But having a little control in your life is really the ultimate thing and how did that turn into Biotech Pharmacy. Well it turns out there was a lot of people that were looking for an employer who would treat them like an individual and a person and give them the luxury and the ability to flourish and benefit from that flourishing. So the fact that we've been very generous with our partners, our employees, and I think provided a very good and safe work environment. I think is really kind of lead everything to take off by itself. I don't consider myself an ambitious person. I don't even consider myself a businessman. I really just consider myself a pharmacist. The problem, or not necessarily the problem, but the fact of the matter is that I hired people who are ambitious and talented and they kind of took

it and ran with it. All I did was provide them the opportunity and perhaps the funding to do so, and they kind of carried me and probably still carry me.

MS: You mentioned a moment ago that people are the main reason for your success. In the early years, how did you go about to ensure that you were surrounded with the right people, those critical five years?

LC: Hiring people that are likeminded. Hiring people just like yourself that have similar goals. Not just the goals and the work and the talent and stuff like that, but chemistry is such an important role when it comes to employees. You can have five superstars, but if there's no chemistry, you're going to fail. I'd prefer to have five people, even if they were mediocre, but they had the chemistry because if they have the chemistry they'll work as a team and succeed as a team. So I looked at individuals more in the aspect of chemistry. Obviously, the credentials and all that are nice and good and stuff like that, but to be honest with you, you can teach anybody to do just about anything if they got half a brain, but the fact of the matter is the chemistry's not so easy. So, hiring the right mix of people that could work and function together as a team was probably the key.

MS: You mentioned as well about human resources and the human capital development of your employees. How does this come about? How do you develop an employee into a family member as you put it?

LC: First of all, it starts off with the hiring process. If you hire the right person, your likelihood or chances of bringing them into the family fold are going to be greater. From there, it's the chemistry. If you have the proper chemistry and you notice that they share the same characteristics of their hard workers, they're honest people, I prefer people who are family oriented, people that have the right values, that makes life a lot easier because you have a lot less HR issues at that point. So it pretty much starts out from the hiring process and from there it kind of just evolves because everyone's pretty much the same for the most part. We all

want the same thing. We all want to have a little bit of control of our life. We all want to have a job to go to that we enjoy going to. We all believe that the family unit becomes number one.

MS: Do you provide training, counseling?

LC: We've had a few instances where we've had to provide some counseling, not very many. I haven't had a whole lot of luck with the counseling. Usually when it gets to the counseling phase, it's not good and it never fairs well.

MS: What advice would you offer Hispanics starting a business today?

LC: I would offer the advice of a couple things. One, depending the field I would definitely work in the field and learn as much of the field as possible. I don't want to say make as many mistakes, but unfortunately the only way to learn is by making mistakes, but you can't afford to make the mistakes on your own nickel. I would recommend working for a business you're planning to get into, learning as much about it as you can, and learn from the mistakes. You're going to learn mistakes while you're working there and that's something you're not going to carry on the new fold. From there, I would recommend hiring people that are trustworthy, honest and compatible with yourself, with the same goals in life. From there I would recommend not being greedy, share accordingly. If there's money in the bank, split it up. I think greed, from my personal perspective, is not a good thing. I think if you get greedy, people will recognize that and no one wants anything to do with you. The other thing is honesty. The fact of the matter is if you're looking for longterm business, you gotta be honest and you gotta do the right thing and you might take a hit on the business economically, but that's neither here nor there because in the long run it'll pan out. You can't have a shortsighted vision, from my perspective. You've gotta have longterm vision. You gotta do the right things for the right reasons, and if you work hard, do the right things for the right reasons, I say time is on your side.

If you're doing everything right, time is on your side. The other thing is patience. One thing you develop or I've developed is incredible patience because nothing happens very fast and nothing good happens quickly and nothing good happens easily. Unfortunately, luck has a lot to do with a lot of things. It's always good to have God on your side because it's a very, very big factor. You can be as skilled as you want, but you catch a few bad breaks and it ain't going to work out. Utilizing the resources that are available to you, education obviously, from my perspective in my field, it all starts with education. You can't do anything without the credentials. Finding areas that you're passionate about and gravitate towards that passion. And if you can find a niche, you need to look for a niche because if everybody's doing it, it's going to be tough to be successful. But if you can find a niche where someone is not taking care of their business or there's not a lot of competition, that's probably a good place to be.

MS: Do you feel the business climate today is better or worse for Hispanic business owners than when you started your company?

LC: I think it's better.

MS: Why?

LC: I think there are more Hispanics in prominent positions, in administrative positions. I think there's more educated Hispanics than there were in the past. I think the ethnic barrier is lessened as evidenced by our new president. I think a lot of these things have changed and I think a lot of it just really comes out to confidence. I think the kids now, the Hispanic kids, are growing, thinking, actually believing that they can be something. I'll be honest with you. When I was growing up, that's not the way I was raised. I wasn't raised to believe I could be successful. I was raised to believe I gotta be working for somebody. Not a lot of confidence in there. My confidence did not pick up until late in life, but confidence is such an important thing at a young age. The Hispanic youth, today

I think have a lot more confidence and there's a lot of bright kids out there, a lot smarter than myself, a lot more confident, that are going to be very, very successful. I just don't think Hispanics had a lot of confidence twenty years ago. I think it's picking up, but I really think that we've been kept down so much that we were led to believe that we could not do a lot of things and I think that's slowly going away.

MS: Mr. Candelaria, do you have any other comments or something that you want to say that we didn't cover throughout this interview?

LC: No, the only comments I'd like to say is that I'm a firm believer in giving people an opportunity. Not just Hispanics, but of any minority, or individual struggling in business because I can empathize with what they're going through and I make a very conscientious effort to give people that are trying an opportunity. As we buy things, I always prefer to buy from the local guy. I always tell everybody to buy local because what people don't realize is the money, if you buy El Paso it'll stay in El Paso. If you buy from GE, it's going out of town, it's going to Chicago and New Jersey, wherever they spend their money, but it ain't sticking around here. I do believe that we have to take care of ourselves because we live in our own little world and we suffer our own little economic struggles with stuff like that, but it makes life a lot easier when the people support themselves. Hispanics traditionally have not been great about supporting each other. I think that needs to change and I try to do my best. The reason I want to participate in this is if there's any bit of information, albeit how small or whatever, it will be helpful to someone. I'd like to be able to do that, help somebody down the road. It's our opportunity to give back. I mean there are a lot of things I think I can contribute or give back, not just to the community, but to the youth or the future leaders of the world, and I'd like to do that. That's something I think everybody needs to be doing. Anyone that has any fortune of being successful I think is blessed and should be giving back in some form or fashion.

MS: Mr. Candelaria, thank you so much for your time.

[End of Interview]

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