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Antonio Rico

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THE UNIVERSITY OF TEXAS AT EL PASO INSTITUTE OF ORAL HISTORY

Interviewee: Antonio Rico

Interviewer: Alejandra Diaz

Project: Hispanic Entrepreneurs Oral History Project

Location: El Paso, Texas

Date of Interview: January 30, 2009

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Transcript No.: 1513

Transcriber / Summary: Daniel Santana

Raised in Juarez and El Paso, Antonio Rico describes how his upbringing contributed to the establishment of his business, Electric Systems Engineers, Incorporated (ESEI). Rico attained his Bachelor's degree in electrical engineering from UTEP despite some difficulties resulting from having attained his K-12 education in Juarez and some struggles to improve his English-speaking skills. He was drawn to engineering under the prospects that it was a "career of the future." His current business, ESEI, provides IT services, telecommunications, networking design implementation, and project management. He was encouraged to start his own firm based on his experience working in telecommunications in Juarez and began his firm during an economic recession in 1994. His target customers were El Paso's utility companies and then later maquiladoras in Juarez. Some of his best clients included GECU who, in 2006, signed them on to a major contract to build a GECU building. Mr. Rico also considers the company's 15-year existence as a major success. He believes that his business is something that his children could potentially inherit; yet he would rather allow his children to find their own calling. He does not feel that he has encountered any challenges to growing his business as a Hispanic since he has worked with various people. Rico also describes his involvement in business boards such as those that employ 8-A government contractors. He describes future prospects and plans for the expansion of his company. Rico encourages future Hispanic business owners to become more involved in business organizations and to be careful of their business decisions.

Length of interview 63 minutes

Length of Transcript 32 pages

Name of Interviewee: Antonio Rico
Date of Interview: 30 January 2009
Name of Interviewer: Alejandra Diaz

This is an interview with Antonio Rico on January 30, 2009, in El Paso, Texas. The interviewer is Alejandra Diaz. This interview is part of the El Paso Del Norte Entrepreneurs Oral History project. Good morning, Mr. Rico.

AR: Good morning, Aly.

AD: I'm going to start with some background information.

AR: Okay.

AD: When and where were you born?

AR: I was born in El Paso, January 28, 1957.

AD: So it was your birthday?

AR: A couple days ago, yeah.

AD: Okay. Where do you grow up?

AR: I grew up in Juárez – in Ciudad Juárez and I attended school all the way to high school in Juárez; then, I moved to El Paso and attended UTEP.

AD: Okay. Tell me more about your life in Juárez.

AR: Actually, it was a very normal life, I guess. I went to school. I went to a Catholic school and then to a public school. I helped my mom in her business.

AD: What kind of business was that?

AR: She sells clothes out of her house, and she's still doing that at seventy-eight, so I guess she's in pretty good shape. So all my life, I was involved in helping the family in one way or another, you know, helping my brothers and sisters. I am the oldest of five, so I was kinda like the person in charge of a lot of things.

AD: Can I please have the name of your parents?

AR: My father was Antonio Rico, who passed away several years ago, and mother is Consuelo Costañeda de Rico, like we say in Spanish.

AD: Okay. And what do you do when you're working with your mom?

AR: Basically, I was a collector. I would go around the city and knock on doors and hopefully get payment, or break fingers. No, no. (laughter) So that was my job, and deliver clothes whenever somebody needed more and that kind of stuff.

AD: Okay. What did your father do?

AR: He used to be in the bail bond business. He used to have an agency out of the house for quite a bit before he passed away.

AD: Okay. Were you involved in that, too?

AR: No, not with him. I was exclusive with my mother.

AD: Okay, and tell me more about your education.

AR: I attended UTEP and receive a Bachelor of Science in Electrical Engineering back in 1980. [I] did most of my prerequisite courses to sign up for the MBA, which I never did because then the family came, and the business came, and there was no time to do that.

AD: So you got married right after?

AR: Not after, but four years after I graduated.

AD: Okay.

AR: So I spent a little time having fun and just being myself.

AD: So tell me, what was the difference for you coming from high school in Juárez, and then UTEP?

AR: There was a big difference, especially because of the language. I have a kinda interesting story. I was born in El Paso, and I didn't have the Mexican citizenship. At the time, for some reason, I almost didn't get my high school diploma because I was a foreigner in Mexico, so I don't know how my mother finally arranged so that I graduated. When I tried to register in the school in Juárez, they said that I had to pay like foreigner. So it was actually less expensive for me to attend UTEP than it was to attend that school in Juárez because I'm not a Mexican citizen; I'm a U.S. citizen. So that's why, in a lot of ways, it's one of the biggest reasons why I came to UTEP. As far as engineering, my mom once said, "That's the best thing that you can study. It's the career of the future." So I didn't argue with her. I just signed up. The biggest challenge was the language—learning and understanding. In a lot of classes, I had a lot of problems with English, but I've always listened to Mexican TV and Mexican radio. I mean, I'm sorry, U.S. TV and radio, so I had an ear for English, and it was not very difficult for me to learn it. I haven't been able to get rid of my accent, and I don't think I ever will, but as far as the language, I've been able to really learn it well. I can write and read English very, very well, and that's something that I've done since I graduated. I noticed that my English was not very, very good, so I made it a point to read more in English, and better material than today. I found that publications

like The Wall Street Journal, like Harvard Business Review, have helped my vocabulary quite a bit because they're much higher-level publications. So I do that as part of my continuing English improvement because I learned at UTEP that that was my biggest challenge, and I don't think—and I am convinced—that there's no way that you can succeed in the United States without mastering English. It's just impossible.

AD: So you went for engineering because of your mom, or were you—

AR: Yeah—

AD: Or were you interested—

AR: Well, back in the day, engineering was kind of the man's field, for whatever reason. Men were expected to study engineering, and we have a very good math background in Mexico, and so when I graduated from high school, math was one of my favorite topics, and so engineering, math—it's all the same. And my mom said, "You're good with numbers. You ought to try engineering and try electrical engineering because it's the career of the future." We didn't have a counselor or a vocational advisor or anything like that, so I just followed my mom's advice, and it worked out pretty good, pretty good.

AD: So tell me the present name of your company.

AR: The name of our company is ESEI; it actually stands for ElectroSystems Engineers, Inc. We're in our fifteenth year. This year we're celebrating our fifteenth anniversary. We're very happy. Even though I'm the sole owner of the company, this is not just a one-man company, can't be. We have several employees that are critical to it, to the success of this company.

AD: And, tell me more about your company.

AR: We are a telecommunications engineering and IT services company. We provide services, or solutions, in four areas—primarily telecommunications infrastructure, design and implementation, networking, design implementation and management. What we call information solutions, basically helping our clients with information transfer, and what we call data (integration??). And, lastly, technology solutions—just basically being an advisor to our clients in any aspect of technology they’re considering. If they are considering technology against another one, we can help them decide. We can help them with project management. We can guide them through the life cycle of a project, and so those are the four areas. Our mission statement reads that we provide our clients with the technological edge they need to communicate their operations locally or around the globe. That is important because the communicate part, or the connect and communicate, is basically taking them from the beginning of a project all the way to the end, and then manage it. First, we connect—that’s all the infrastructure, all the cables, all the radios, all the infrastructure that they need.

AD: Oh, so you do that, too?

AR: Yeah. That’s the telecom engineering part—where we come and design, and specify, and we tell them how to run cables. Sometimes, we even run the cables, depending on the scope of the project. And the communications part has to do with moving data to the right user; not just having me put in a server, but making sure that they have access to it. So that’s what we do. It is kind of a big mission for a company our size, but we feel that that’s what clients are looking for—a one-stop shop.

AD: So how many employees do you have?

AR: Right now, we’re close to twenty people in this company. We actually grew at one time quite a bit in markets where we were not necessarily very savvy, and we

grew to about eighty people. Then, we shrunk back to about twenty, which is a number that we feel very comfortable with for the kind of project that we handle.

AD: Can you talk more about the growth that you had?

AR: Yeah, it was with the military. We had a certification that allowed us to obtain sole source contracts from the government. That was very, very good. Where we failed as a small business was in creating value—real value—that, even after this certification expired, that we had an opportunity to develop more business, but we didn't do a good job of that. We just concentrated on doing what the government hired us to do and forgot to really build value. That's what we've been doing the last year and a half. Right now, I'm happy to say that we're back at being a technology company—very focused in what is the infrastructure and the networking, and the network management, and now we have some very real services that we're promoting and we're beginning to see some positive results, so that puts us in a position where we bring something tangible to the client—some very tangible services that will benefit the client in a way or another. So that growth was, in my mind, a little bit like a mirage, not real. It wasn't real. I never felt it real. Today, even though we're much smaller, even though the revenue is not as large, I'm very happy because now, like I say, we have a potential to go back to some old clients and bring something very tangible to the table.

AD: So how did you decide to come up with this business?

AR: I had the great opportunity to work for El Paso Electric and El Paso Natural Gas when I first graduated from college—two wonderful jobs. I never had any complaints about those two companies. I learned a lot, but while I was working there, at those places, I would always tell myself that there was something else outside in the world. I had the business bug. I've always had it, since I was very, very young. I was in college, and I was thinking that I had to have a business, and I really believe that it comes from my mother's side. She's a businessperson, and

I can't think of anything else to do than own a business. I enjoy this; I feel comfortable. We've had some very good years. We've had some very bad years, and to be honest with you, I wouldn't change it for anything. It's me. This is what, I guess, I'm supposed to do.

AD: And, what encouraged you to do this type of business? Well, you have a background in engineering.

AR: Right. Actually, when I worked for El Paso Electric and El Paso Natural Gas, I was doing telecommunications engineering, so that's my field, that's what I learned to do, and as an engineer, that's what you offer— your knowledge, your experience. So, I think, it's just natural for me to do it.

AD: So do you see a gap in the market or something so you decided to go for it?

AR: No, a lot of people talk about how you have to do a business plan and you have to really understand the market. At the end of the day, Aly, it's all about wanting to get out and build a business. I know there's a lot of people in academia, in the business world, that tell you no, you have to do this. A lot of consultants tell you, you have to do this, you have to—. One night, you're nervous thinking about it and you just want to do it. The next day, you just get out and do it, and nothing is going to stop you—nothing is going to stop you. If you really have the business bug, you're going to go pursue it. It's a challenge. It's something that you're born with. I think that I had some wonderful projects that I was working with for El Paso Electric and El Paso Natural Gas, and I learned a lot, but nothing has given me as much excitement as owning a business.

AD: So how did that happen? The transition between having a job and then deciding, I'll do it.

AR: Well, it happened over a period of time. Fortunately, I have a very supportive wife. That was the toughest one because we already had a family when I said I want to go on my own. Mainly, I could have planned better. Maybe I could have done a better job of finding out who I was going to work for and what I was going to do, but it just happened. To be honest with you, it just happened. I can't say that I took very specific steps. I just did it. I just did it. And, would I do it differently? Probably. I'd probably put more thought into it. Maybe some of the ups and downs in this business have to do with not really looking at how to start a business, how to plan, but like I say, this is what I'm supposed to be doing.

AD: So when you first started, did you start that on your own?

AR: Yeah. I had a couple of other people that kind of joined me later, but I bought them out since. They still are in business. They're doing very well, thank God, but I kept ESEI. This is, to be honest with you, I've always felt that this is my company. I built it. I'm the one that put the sweat equity and the risk, the one that really risked the most.

AD: So how do you get the funding?

AR: Ah, savings. Savings and just getting in the act, and so that's it.

AD: So you never borrowed money?

AR: No, no. No, I don't like to borrow money. Right now, even though we've had a slow year—2008 was very slow for us—we're still debt free, don't owe any money to the bank or anybody like that, and that's the way that I administer myself. Even personally, I hate that because it's a drag and, just like it's a drag for individuals, it's a drag for businesses. Once you have debt, things get a little bit more complicated.

AD: So you think it would be important for someone starting their own business?

AR: No, no, I wouldn't say that. It would be important for Antonio Rico because he wouldn't feel comfortable. Other people know how to leverage that and sometimes it's important. I've been in that before. We have a very good relationship with one of the banks here in El Paso that helped us when we won a big contract with the government, and they helped me finance the implementation of the contract. And so, yeah, I was in debt for a while, but the first opportunity we had to pay, we paid it off and, again, we don't owe money. That's the way that I run business.

AD: So what were the economic conditions back then, when you first started the business?

AR: Very good question. Actually, it was a recession—1994, that's when I finally opened ESEI. Actually, we had opened it before, but full-time operations didn't happen until '94.

AD: Tell me about that. When did you first open?

AR: We started the business with some other engineers in '88. Then, we kind of moonlighted for a while. The moonlighting businesses don't really work. You have to really dedicate yourself to building the business. So for about six years, the company just kinda went here and there. We did a couple of small projects at night. But then—

AD: I'm sorry. Did you have a job while you were doing this—?

AR: No. Oh, yes, yes. Between '88 and '94, I did have a job.

AD: Oh, okay.

AR: And, so by '94, the company was in a file cabinet, and we had kind of put it to rest. So, when I decided to go on, I just took it out of the file cabinet and opened it up. So, '94 was a recessionary year. The economy was not doing very well. Not as bad as it's doing right now, but it was not doing well, and I learned since that recessions are good times to start a business.

AD: How so?

AR: Because you need to market yourself a lot harder, and when the boom comes back, or the growth comes back, people remember you, and that's what we're doing, right now that we're in the middle of the recession. This is a bad one. I feel that this is a bad recession. I don't really think, that as a nation, we grasp how bad it is. The things that I hear on TV, the things that I read in the paper, make me believe that we're just trying to do something for it to get going, and it isn't. And so I think it's going to be a lengthy one, and we're preparing for that. We're very, very cautious. We've cut our costs back down as much as we can, but we're marketing a lot. We're going out trying to find new clients and promoting ourselves, but that's what a recession does. And another thing that it does, it allows you to (refocus??) your business in very specific areas where you can make a difference. Okay? And that's what we're doing. We're going to concentrate in the design, implementation, and management of telecommunication and IT infrastructure.

AD: And how can you make a difference there?

AR: Well, hopefully, by being more process-driven, bringing more expertise to the table, but the most important thing, and this is something as technologists we always want to do, is to not come and offer technology for the sake of technology, but to really, truly understand the business of our clients so that we can help and deliver. Again, like I say, connect and communicate their operation around the

globe. What that means is that, whatever information they need, wherever they need it, we can deliver.

AD: Okay. So you were talking about marketing different people. Who were your targets before, and who are your targets right now?

AR: In the past, when we first started the business, it was going to be the utility market exclusively, but—

AD: Because you were familiar with it.

AR: Yeah, exactly, because I understood it very well. But this is a difficult market. We're not in that market—El Paso. So when you talk about the oil industry—which we had a lot of expertise in—well, that's Houston. So, if somebody needs a telecom engineer, well, they find them in Houston, they don't come to El Paso. Likewise, with the electric utility business, most of the big utilities are not in the area, so we're shifting a little bit. You have to understand that the El Paso market is not a market that has strong parallels. In other words, we don't have huge hospitals. We have a lot of healthcare, but not huge hospitals, other than one or two big hospitals. We don't have a big banking industry. We have a little bit of everything and lot of small businesses, small- to mid-sized businesses, so right now we're just talking to people. We just started some work with a couple of maquiladoras, and that is one vertical that I can see working for us.

AD: Maquiladoras, in Juárez?

AR: Remember, El Paso, Juárez is—if you have a maquiladora in Juárez, you have something in El Paso. So, in the area, yeah, we look at it as being in the area. That could be a good vertical for us, here, in the area. Okay? We're beginning to data center design, and we're also following very, very closely the green initiative in technology, which is going to be very big for us, and we can then get into

designing more energy friendly data centers, computer rooms, telecom rooms, and so forth. So that's another area; and, there are a lot of people that use that. So we haven't really pinpointed what market we're going to get. Right now, we're just saying we're trying to take over the El Paso area, the El Paso–Juárez area.

AD: So what was the initial reaction of the community when you first opened the business?

AR: Well, you know, people in the community always celebrating, especially, you know El Paso, they celebrate small business because we're a small business town. I can't say that I know what the reaction was, but I got involved right away with Chambers of Commerce, back in the day, and so that's how I started to meet some people. One reaction that I did get from the community is that they didn't understand what I did. Okay? And, that should have been a very good indicator that I needed to change, that I needed to be more focused in just one area. I think my business was not very well received more because people didn't understand what I did, and so it took us awhile to get there. Today, we're in much better shape. We actually have services that we have designed exclusively for El Paso.

AD: So when you first started promoting your business, people don't understand you?

AR: Yeah, over their heads, over their heads, yes.

AD: Well, being a technology business and all that, do you have any technological issues at the beginning?

AR: No, no not really. Remember, consulting is offering what you know. It's doing the work that you understand. So no, we didn't have any technological issues that I can think of.

AD: So do you ever formalize your business plan because you told me, at the beginning, that you didn't have one? Like, a specific—

AR: No, what I've gotten a little bit better at is the strategy part, and I say a little bit better because we just had to make another major adjustment, but we're always looking ahead at what's coming, what's coming, and right now we have a very strong strategy. We know where we're going. We're still trying to define what services are going to be our strongest suite of services, but at least we have a direction and we're getting better. I use something that I learned some time ago, that I really like, and that's the balance score card, and it's a management tool that really helps you project where you're going—project your costs, your investment as you grow.

AD: So we're talking about a major adjustment?

AR: Well, yeah, when we finished those big government contracts and when it ended and we realized we didn't have anything else in the pipeline, so we had—

AD: So what year was that?

AR: That was last year.

AD: Oh, okay.

AR: So last year was not a good year. This year is better, like I was saying, simply because we at least have some services to offer. We have redesigned our services. We have redesigned the company completely. In a lot of ways, it's a lot like starting a new business, which to be honest with you, that's where I like to be. I'm very good at starting businesses, I guess. So I'm restarting my company. It is exciting. So I'm having a lot of fun.

AD: So that comes from the finalizing of the contracts?

AR: Yes, like I say, we realized that we had spent a lot of time with those huge contracts and not really selling more. We were just doing, instead of doing and selling, and so now, we have a full-time sales engineer helping us to develop the business. We have very, very specific and well-designed services, and so from that standpoint of view, I think that we're going to be in much better shape. We may not have the revenue levels that we had at one time, but I think we're going to be able to bill for our services at very competitive and very professional salaries—no, I shouldn't say that—we will be very competitive, but at professional-level rates.

AD: Correct. So what do you think was your biggest lesson from that?

AR: I think that the biggest lesson is sometimes, to me, is that sometimes I don't pay close attention to what's going on. You know, I dream a lot and I still do. I'm fifty-two years old and I'm still dreaming, and so sometimes instead of dreaming, I need to be looking at the numbers, what the company's telling. You know, just keep the finger on the pulse of the company, and sometimes I think that what happened to me is that I was not paying attention. I was not paying attention. Times were good, and I had some very good people working and once those good people left, it put us in a difficult situation.

AD: You took everything for granted and—

AR: Yes, and the other thing that happened was it took me awhile to really understand what had happened. I think that for a period of about a year, I wanted to save what I had, and really, what I had to do back then was to say, "Okay, let's redo it, let's reinvent ourselves." So I kind of wasted a few months, there, that I shouldn't have, I shouldn't have, but I mean—

AD: So, on that note, what is the major obstacle that you have faced during all these fifteen years?

AR: Just keeping customers coming. I think that I am not a very good salesperson. I always need someone helping me in that arena. I'm not very good at picking up the phone. Even people that know me, and calling them and telling them, "We can help you with this." I'm a little bit shy in that respect, and so keeping the opportunity pipeline filled has been difficult for me, and I don't know that I'm ever going to change that. I think that that's me; I, somehow, don't know how to sell. I can't do it.

AD: But, I'm guessing that you deal with that by hiring other people who do that for you?

AR: Yes. And I also force myself to make phone calls—to call people and say, "Yes, we can help you with this," because to be honest with you, we do have some very good qualifications and experiences. We have people that are very, very sharp. You met Jose. He's a young engineer who started with us as a student engineer, and now he's helping with some pretty sophisticated engineering work for a large wireless carrier, and we travel all over the place. So that gives you an idea that this small company in El Paso is actually working nationwide with large corporations, and we're doing a very good job. So there are really no obstacles, other than the ones that we place in front of us. I really believe that there's no reason why a business can't make it, other than lack of attention like what happened to us, but once you get down to it – once you get on your knees and start struggling really hard—things happen, things happen, so I'm very optimistic about it.

AD: And tell me more about your nationwide contracts.

AR: Well, telecommunications, it's a big word. Telecommunications is a service that, even though it is required here in El Paso, it's required everywhere, and we really live by our mission of connecting and communicating companies locally around the globe, then that means that we had to go outside the El Paso area. I've always been a big fan of selling outside the El Paso area because that's really creating an economy. You bring money from the outside to the community. You pay salaries, but it's not money that just circulates. You're bringing it in from outside, and I enjoy working for that. Besides, that's where the really large contracts are, the lucrative opportunities are—the large projects, the large installations. Like I say, El Paso is a small to mid-sized business city. There are some big businesses, but we need to go chase some of the bigger opportunities elsewhere. I have built a very good relationship with this company. It's now more than—almost ten years old, and we've done things, you know, little bit here, little bit there but right now they have a need for us to come and evaluate microwave radio systems, and we're doing that. As a matter of fact, we were in Maine and New Hampshire only a couple of weeks ago, and now they're talking about taking us to California. Even though this is work that could be done by other engineers, I get involved because microwave radio is my expertise. I enjoy it. I love getting out of here and traveling and going and seeing sites and that kind of stuff. So we're having a lot of fun. We're delivering a very good service. Yesterday, we met with the client, and they're very happy. They are going to give us more work. It's part of that talent. I believe in selling with results, and that it's very easy to sell more services to an existing client because they trust you because they like what you do. This company trusts that we can do the work.

AD: So do you have the mentality of going outside and bringing money from the outside since you started the company?

AR: Um-hm, always, always. Most of the work that we've done, and part of the reason why few companies know us in El Paso, is because we've done most of our work outside the El Paso area. And we'll continue to do that.

AD: So how do you get the nationwide clients? How do you contact them, or how do you—

AR: No different than the small businesses. It's all relationships. It's just finding out who the person—the decision maker is, who has the need, and then just calling out and telling that person what you can do for them. Other times, it's recommendation. Somebody that knows you says, "You know, you ought to work with this person." As a matter of fact, this wireless carrier came to us through a recommendation. Ten years ago, somebody said, "You know, this person understands the Mexican environment." They had to clear some spectrum across the border and so we helped them do that. We actually found the decision-makers in Mexico and we found who could relocate those links and we negotiated a settlement. So it was a recommendation, relationship. Business is all about human beings. People say that the Internet—it is about face-to-face meetings, it is about shaking hands, you know, people really liking you and trusting that you can do the work.

AD: Correct. So your clients around the U.S., do you go often to visit them, kind of making sure that a relationship—

AR: Yes. In El Paso or outside El Paso, we try to go out and visit with our clients regularly. It's very important, very important.

AD: Um-hm, okay. So what factors do you think help the growth and the expansion of the company?

AR: I think that the biggest factors have to do with your expertise. The more you develop those expertise, the better that you can be at providing the service. So we spend a lot of time, and money—lately especially—in training in different areas

and certifying us in different services but it has to do with just growing your technical talent.

AD: Okay. So which years do you consider were the best financially?

AR: Ah, I think that 2006 was a very, very good year—2006 and part of 2005; '07 was all right.

AD: Was it because of your major contracts?

AR: Yeah, one contract in particular.

AD: Correct. Describe any major successes that you have experienced as a business owner.

AR: Well, that big contract that we had for a period of time. I enjoyed it a lot because it was challenging, but in general just to be able to say that I've been in business for fifteen years is always good. There are always challenges, and I'm sure that you've talked to other businesses and they tell the same thing. You have good years, you have bad years, and then you have really bad years. There's nothing you can do about it. It's just part of the economy and part of the cycle. So just the fact that I can say that I've been in business for fifteen years and am still in business is a success, I think. I really believe it. We have had a lot of people come to visit this company. Every small business will tell you that the biggest challenge that we have, among the biggest challenges that we have, is to keep people for a long period of time because, whenever bigger businesses come to town they take all the talent from the small business because we cannot afford the big salaries, the big benefits, but you just move on. And, we have has a goal—a strategic goal—to become a generator of leadership. If we're not going to keep the employees here, we want those employees to go to bigger opportunities. We don't want them to just leave us. In the past, we've lost some people that I felt

had gone to jobs that are not as good. Okay? So we failed to either give the right work—put them in the right place—or we failed to hire the right person. We don't know that, but our strategic intent now is to make sure that if somebody leaves the company it's because they're going to something better, something bigger, we really to generate true leaders here at ESEI. We're still working on it, but I'll let you know, in a year or so, if we've gotten there.

AD: So how do you do that? By training, by—

AR: A lot of training. Giving them the opportunity to work on their projects. We do not work over the shoulder of anyone. We let them do what they have to do and then we just look at the results, and we give them feedback we're look—okay, what is the next step. We involve our engineers in deciding what the future of the company is going to be. They know where we're at; they know where we're going, and notice that I always say, "We," even though I own the company. It's 'we' because it won't happen only with me. I think that every employee is part owner of the company, and whenever they feel part owner, things happen very, very well because they've connect; they feel what's going on in the company. Right now, we have a lot of people that really have taken ownership on the decision making, so they really work hard to get the company through this difficult time and back on its feet.

AD: Do you think that, that is something that you have learned through the years, or—

AR: Yes—

AD: Is that—

AR: Oh yeah. No, no, you learn that through the years, and I learned it at El Paso Natural Gas and I learned it at El Paso Electric and I learned it even at ESEI. It's just the know-how that you just have to pick up throughout the years. Of course,

after fifteen years in business, hopefully I'm a little bit smarter about it than when I started.

AD: So what are the disappointments that you have, that you've experienced?

AR: I think that, without a doubt, the biggest disappointment that I have, is that I haven't been able to maintain the company at the constant level that I always dreamed. I thought that by now I would have a very strong business, that I wouldn't have the ups and downs. I don't know if I'm exaggerating but I'm getting tired of ups and downs. I would like to have a more stable business.

AD: Okay.

AR: And again, I think it has to do with the fact that I was not, at one time, really paying attention, and I wasn't creating the right values for the company. I wasn't building services; I wasn't just focusing the company the way that I should (the way that it used to be??). That's my biggest frustration, but it's a frustration with me—not with anybody else, just me. I think that I understand very, very well that I haven't really led the company the way that it's supposed to be led, but that's my own thing and this is when I think at night, and think, What am I doing wrong? I think that I'm my worst critic, to be honest with you. Not that I'm a perfectionist, but I see other people succeeding and I say, "How come my business is not at that level?" And that's always going to bother me. Somebody told me, you're growing older and you're going to get the day when it's too late, and you're still going to be criticizing yourself and you're not going to be happy, but I always demand more of myself. I don't know if every small businessman/person/women is like that. I am. I am, and maybe because of that I haven't really seen some of the successes that we've had because we've had some big successes, but I always say, "How come we don't have this? How come we don't have that?" And I'm always working on it.

AD: It's never enough.

AR: Never enough, never enough. No.

AD: Tell me more about those successes that you were talking about.

AR: We had, like I say, two years were very successful, revenue-wise. We had a couple of very good contracts, very important contracts that we were able to land. We built some very interesting projects in west Texas and New Mexico and Arizona for some of our clients. We have built very interesting projects for El Paso Electric, here, locally. The GECU building—we designed and specified the cable plan for it. So all the cables that transmit data, voice, we designed that, and that's very rewarding. We have a very complete portfolio of completed projects that we can brag about. We have developed, lately, some pretty interesting capabilities. We're offering new service. It's new to us. There's already plenty of competition in El Paso, but what we bring is the ability to manage network (remotely??) that we can help clients make sure that they manage their IT infrastructure because it's expensive, so we help them with that. We just landed the Hudspeth County, so from here we manage all the computers in Sierra Blanca, Texas, and all throughout Hudspeth County, and that's exciting. So those are successes that we always like but, like I say, you're always thinking—and let me go back. The biggest success—we're in business after fifteen years, so that is still going (snapping fingers). We've never been in bankruptcy, we've never—

AD: Fifteen and counting.

AR: Fifteen and counting, exactly.

AD: That's really good. What role has your family played?

AR: I hope that I play more of a role in their lives than they played in the business. I'm definitely a family man. I enjoy being with my wife and kids, especially the kids because our job is to raise them and hopefully give them the right values. So Lorena and I worked very hard when they were younger and still—now that they're young men, we're still working. But my family has been very supportive. They like what I do. They see me happy, so they're happy, and they would love to—both of my kids have expressed interest in continuing the business after I'm done and that's very encouraging. So from that same point of view, I'm building a company for the next twenty years, not for the next five or six years—whatever time I have left in productive years. But, if they really want, they can come and take over. That would be great. They'll talk about its success. No, I hope that I have played a role in their lives because that's just the kind of family we are. My family is a big success in my life—big time, big time success. We're very, very happy.

AD: So are your boys involved in the company, right now?

AR: No, they're not. No, they're not. I believe that they need to go find their call, whatever that is. I'd like for them to go and see other places, know other companies, learn other trades, and then they'll be very prepared to come and take over ESEI and give it a different perspective. Not mine.

AD: Bring new experience?

AR: Yes, because what if I have the wrong perspective and then I give them that, but what if they go outside and they learn from other companies, successful companies, hopefully and then they come and apply that to my business. Then, the other more important thing, I want to make sure that they really want to do it and not that they just take over the business because it fell in their hands. They need to want it. Businesses don't succeed if you don't want the business to succeed. You have to want it. So they're not involved in the business per se.

Antonio has done some work here but, no, it's not good for the son of the order to be—he needs to go and get that experience somewhere else, as far as I'm concerned.

AD: Do you think that being Hispanic has made you face different challenges as a business owner?

AR: You know, I—no. I have worked with a lot of people and from all walks of life. If you bring something to the table, it don't matter what color you are. First, here in El Paso—I think that El Paso is very open when it comes to backgrounds, but even outside—I've worked in places like California, Arkansas, Washington, DC. I've worked in Texas, New Mexico, Arizona, and I've never had, really, I've never felt that I was not welcome, especially after a while of working with these people. There are people who have expressed things. Because I tend to be personal with clients, I like to really know who they are, their families—and one person invited me, one time, in Dallas to his house, and he told me when we were having dinner, “You're the first Mexican that comes to my house as a guest.” I knew that I had gained his respect. So no, I never felt that. I don't treat anyone different just because of a color, and maybe if they do, I can't tell if they're treating me differently. I just treat them with respect and that's what I get back. For the most part, I don't have, really, any instance where I felt that I was being treated differently.

AD: Do you do any business with a lot of Hispanic people?

AR: Not a lot. I think that we do have, of course, Hispanic clients, and I enjoy it, but we have a lot of clients from, again, different backgrounds.

AD: And, as a business owner, have you experienced any kind of discrimination?

AR: No. No, again, maybe I'm not paying attention. I don't look at that. I just go and tell someone this is my service, and if they want it, they'll hire me. If not, well, they'll go somewhere else, but I've never felt that. No, no. Maybe it's there, I don't know. I just don't know.

AD: Do you think that your company as being a Hispanic business has enjoyed any kind of, I don't know, advantages?

AR: When I talk about the two years that we had with the government, those contracts came because we are a minority-owned business.

AD: Oh, okay.

AR: Okay? We had that certification. We don't have it anymore.

AD: Why?

AR: Because it's a program that only lasts—certain years. Nine years.

AD: Are you talking about the certification or the contract?

AR: No, the 8a certification. It's called the 8a.

AD: Oh, okay.

AR: We didn't really use it—only about a couple of years—two years, but it is a certification that allows you to have government contracts sole sourced to you. In other words, they just give them to you because you are a minority company. So yes, I've definitely got advantage of that. We haven't really exploited that, as other companies have, because if you see our web site, it doesn't say that we're minority owned. That's not what we promote. We are a technology company,

made out of engineers, professionals, so in my mind, don't matter what color they are. We are a professional service company. But yes, I have taken advantage of those, yes. Yes, I have.

AD: So you think that now that maybe you're more well known, more solid, that's why you don't need that anymore?

AR: No, that's not part of our strategy. We're just more concerned with building expertise, building leadership, and building the right professional, than promoting ourselves as a small minority business.

AD: Correct.

AR: Actually, when people meet me, especially some large companies that we work with, engineering companies, after they've met me and seen my services they ask, By any chance are you certified as a small business. Then we'll tell them, Yes, we are. And that gives them some additional points when bidding, but we don't promote that because, again, we promote the fact that we're telecom engineers. We are IT professionals. We are experts in certain technical areas. So we don't promote that we're a minority business.

AD: Okay. Do you think at the end that gives you points instead of taking them away, the fact that you are certified as a—

AR: You know, it could be, it could be that it does, but at the end of the day, companies come to ESEI because they're looking for the technical professional, and if the government sometimes gives us points for it, well, so be it, but we don't promote it.

AD: Correct.

AR: I know that there's a lot of companies that do promote that, and I respect that marketing approach. That is not my marketing approach.

AD: On a scale from one to ten, how would you rank your acceptance in the business community right now?

AR: I think it's pretty high. I'm very proud to say that there's a lot of people that know me and have expressed respect for what we do. They respect the fact that we're a technology company; that we are working with companies outside the El Paso area. But also, I'm involved. I'm on the board of directors of the Hispanic Chamber of Commerce, and I work with a lot of people and I learn from a lot of people, and they know what I do, and so we share on the successes. Everybody has great stories to tell, as you are finding out, and from the standpoint of view of acceptance from the community, yeah absolutely, I think I have a very high level of respect from the community.

AD: And, going back to the maquiladoras that you were talking about, you're not doing any business with Juárez, right? Right now?

AR: No, the work we do with maquiladoras is always on the U.S. side, not the Mexican side.

AD: So you're not interested in expanding—

AR: Yes, of course. Yes, of course. It's just that we never really looked at the Mexican side. Even though it would be nice to work over there. Right now, we're not looking at it.

AD: Why?

AR: I think that—this is me—when it comes to IT, most of the decisions come from the United States, not in Mexico. Most of these maquiladora operations are tied to the corporate network, and so that's where the decision is made. Not at the maquiladora or the plant level.

AD: Correct.

AR: In some cases, it is, and so we always target the people in the IT environment, which is tied to corporate.

AD: Okay. So have you been spotlighted as a Hispanic business leader?

AR: Good question. I don't know. For some reason, I always stay away from the limelight, and I don't know if it's good, I don't know if it is bad, but I don't think that I've been highlighted—maybe once in the fifteen years.

AD: Tell me more about it.

AR: Well, like I say, I think, let me see—some time ago, we got an award, but it was not necessarily Hispanic. It's called the Future 15 Award that we got from the Greater El Paso Chamber of Commerce. This was some time ago. A lot of times, we get invitations to submit our information to be considered for awards, for recognition, but we don't do that, and that's part of my personality. Going back to always demanding—I don't think that I had done anything so special to really merit an award, okay? I think that a lot of the businesses out there—I see them do great things and I admire them, but I don't think—and this may be wrong—I don't think that I am at their level, and so I won't feel that I should be submitting. I think I'm shy. I don't like the limelight.

AD: Okay. So how do you think that your relationship with the Hispanic Chamber of Commerce has helped your business?

AR: I started working with the Hispanic Chamber of Commerce more to help their mission than to help my company. Now, with the new services that we're offering, to be honest with you, it's different because we have services that are more localized, so, now, all of a sudden, I have a lot of people to talk about what we do. But I like what the Hispanic Chamber of Commerce is doing. They have a tremendous focus on small businesses. There's a lot of organizations in El Paso that say we support the small business, and I'm sure they're doing a good job; I don't question that. But, being inside the Hispanic Chamber of Commerce, I really look at the passion that is placed in moving small businesses forward and, let me tell you, we're talking about small businesses in general, not just Hispanic small businesses. Cindy Ramos has really opened it up. If you look at our board, you'll see that there's more than Hispanics on the board. There's African Americans, there's Anglo people, there's—you name it, we have representation. The board truly represents the makeup of El Paso, and that's why I like that organization and why I participate in it, because there's a passion for small businesses. I am very glad that I'm, in a very small way, helping that passion, right? Fueling it. I really like it. I think it's good for El Paso. I like the [inaudible], the way that the board works, interacts. It's a great learning experience, great learning experience.

AD: So are you involved in any other organizations?

AR: Yes, I am the chairman—actually, I think the official title is President—of the El Paso 8a in Government Contractors Association. I've been there for a while. As a chairman, I think I end my term at the end of this year. Our role is to help promote 8a—which is that minority certification I was telling you about—8a and small government contractors in the area, to hopefully get better contracts, bigger contracts, to help them find the right decision-maker, to help them find the right agency or organization that can help them promote their own business.

AD: So does the 8a organization offer that certification, or do people have to apply for that?

AR: You apply for that with the SBA. That's a federal program. All the association does is associate or group, all of those 8a and government contracts in El Paso to hopefully have a stronger voice when it comes to government contracting in the area.

AD: Correct. Well, I just have some final questions.

AR: Okay.

AD: There's some reflections. Looking back on your business what, if anything, would you have done differently?

AR: I think that I would have, and actually, I'm trying to do, to be more involved in the decisions that I make. And when I say more involved, it has to deal with doing more study and really understanding what the impact of that decision could be on the business. A lot of times, I don't do that. The other thing is that I want to build a sense of urgency in the business so that if I don't look like—you know—having this commitment to something, then nobody is going to follow suit. So I would do that differently. I would always have that sense of urgency instilled in every employee in ESEI so that they can deliver faster, better quality, all that kind of good stuff. I guess it would be just focusing on the business and the strategy a lot more, and on the decision making, and just push the company to the limit, which I haven't done.

AD: So what are your dreams for the future?

AR: The next ten years are very well-defined for me. My strategic intent, as we develop our strategy, the main target is that, by 2013, we need to have somewhere

between forty and fifty professionals working in the community. Okay? And these are actual consultants, engineers that we would have. Why that number, don't ask me. It just came out of—but I think it has to do with the fact that I feel comfortable with the level of, with that size of a company, so I want to have somewhere between forty and fifty employees by 2013. So that's what's keeping me going right now. Together with our very strong set of services, we're highly professional, highly technical, and with clientele in, at least, the Southwest, if not a broader area—at least the Southwest, and that is Texas, New Mexico, Arizona. I like Nevada. I like Colorado. That's our sandbox.

AD: Is it in your plans to maybe open another office?

AR: We had an office in Arizona at one time and, yes, every time that you get a big engagement, away, you need to open an office so you can be closer to the client. So yeah, I definitely want to have offices in other cities.

AD: But that would depend on the contracts that you get?

AR: Absolutely, absolutely, and on the services that we provide.

AD: Correct. So what advice would you offer a Hispanic starting a business today?

AR: Well, I don't know that I would just offer to any Hispanic—to any small business, to anyone interested in opening a business, is to really, really define what you want to do, which is something I didn't do. And then, like I say, to be very involved—every decision that needs to be made, to be really careful about it. To define your services—something that I haven't really done in the past, and that I'm doing now, after fifteen years, now I say, “Oh my god.” So we're working on that, here. To get involved. To get involved with other businesses. To let everybody know who you are, what you do, and to be very, very respectful of your business and to do everything in the most ethical way possible.

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

AR: I wouldn't say that they're worse; they're tight. We're not in the best of times, but there's always opportunity.

AD: Do you mean that because of the economy?

AR: Yes, the economy, because we really don't know where we're going because we really don't know how we're going to fix this mess. From that standpoint of view, you say, now is not the best time. Well, at the end of the day, there's always opportunity. It's just that you need to go and find that opportunity. What service is, what clients are looking for? What can I do to help their bottom line? And if you figure that out, yeah, by all means, go (at it??).

AD: So you think that, right now, you're providing a service that sets you apart from other businesses?

AR: No. Yes and no, yes and no. Technology has a lot of competition. Everybody that is in technology is a competitor for us. What we're trying to do is just work more to help the client move the business, so we're trying to understand what their problem is, what their obstacles are, and then with technology we're helping them go over those obstacles. That's what we're trying to be—our differentiator. Right now, I can't say that we have a strong differentiator; we're working on it. Okay? There's a lot of companies that, like us, offer IT manage services—what we call IT manage services—or remote management. Lots of companies—big companies like AT&T do that, big companies like IBM do that. A lot of small businesses like us, even locally, do that service, but where we are having success is in the fact that we really understand the business environment. As a businessman, and because I am more involved, I understand what that other

businessman really needs to get their registers to ring. So we can provide better services, better focus, to what they need. And that, we want to be one of our differentiators.

AD: Okay. So I think I'm done with our questions. Is there anything that you would like to add?

AR: No, other than thanking you for the time. I'm sure that there's a lot of good people out there that you needed to talk to, and your spending an hour with me, is good. As far as the businesses in El Paso, I just wish them the best of luck because there's always opportunity. I think that we're in a very good situation, unlike the rest of the country, and we really don't have a lot of troubles. It's not as strong as it used to be, but we have a very good economy right now, here in El Paso, and we have a lot of opportunity. Okay?

AD: Well, thank you very much.

AR: Thank you.

AD: And, this is the end of the interview with Mr. Antonio Rico.

End of Interview