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Interview no. 1514

Lorraine Wardy

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THE UNIVERSITY OF TEXAS AT EL PASO INSTITUTE OF ORAL HISTORY

Interviewee: Lorraine Wardy

Interviewer: Alejandra Diaz

Project: Hispanic Entrepreneurs Oral History Project

Location: El Paso, Texas

Date of Interview: January 29, 2009

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Transcriber / Summary: Daniel Santana

Born in 1946 and raised in Mexico City, Lorraine Wardy moved to the United States at age 18 when she married a man she met in El Paso. Since then, she has lived in El Paso for at least forty years. Her three children, one girl and two boys, each became successful entrepreneurs in other industries. Her first business emerged after divorcing her husband; She opened a “surf shop” named Locals Only that sold the latest clothes, shoes, and skateboards. She was later inspired to start her own clothing brand that she successfully marketed in New York. She went on to open her own warehouse and also imported clothing that her sister who lived in Mexico City was unable to sell. Her clothing brand, named Opal, grew as a successful brand in both New York and New Jersey despite various complaints that the clothing she designed was too short. Wardy decided to leave the business at it began to expand excessively since it was no longer the small, family-owned company that she envisioned. Eager to go back to work, she was later offered a job in Tim Sarabia’s mobile toiletry business; Later, he sold his business to Wardy. The business operates by buying equipment made by porta potty designers and is rented out to patrons for various events such as church events, quinceñeras, and weddings. Thanks to the expertise from past employees the firm continued to thrive despite concerns that she did not know how to run the business. Some of the challenges she faced as a business owner was feeling belittled by others for being a woman. She also experienced advantages as Hispanic business because she is able to communicate in both English and Spanish to clients. Wardy foresees an improving business climate for future Hispanic entrepreneurs and urges that they become passionate about what they pursue.

Length of interview 108 minutes

Length of Transcript 52 pages

Name of Interviewee: Lorraine Wardy

Date of Interview: January 29, 2009

Date of Interviewer: Alejandra Diaz

This is an interview with Lorraine Wardy on January 29, 2009 in El Paso, Texas. The interviewer is Alejandra Diaz. This interview is part of the Paso del Norte Entrepreneurs oral history project.

AD: Good morning, Ms. Wardy.

LW: Good morning, Alejandra.

AD: How are you today?

LW: I'm very well. How about you?

AD: I'm good. Thank you. I'm going to start with some personal information. When and where were you born, Ms. Wardy?

LW: I was born in Mexico City. When? Nineteen hundred and forty-six.

AD: Where did you grow up?

LW: Mexico City. I went to school there. I was there until the age of eighteen.

AD: And then you moved?

LW: I got married to a man in El Paso. That's how I came here.

LW: You met him there in Mexico City?

AD: I actually met him here. I had an aunt that lived here, so I came to visit and I met him when I was about seventeen. And then he pursued it and went back and we got married in Mexico and came up here and settled here. So I've been in El Paso about forty years.

AD: You got married and stayed here and what did you do when you first came here?

LW: I was a wife. My family, my mother never worked and I was not intending to work. I really didn't have a very complete education. I did go to Europe for finishing school, so I speak French, speak English, speak Spanish. But I don't have higher than probably high school, I think, if you were to compare. And then I came here and I had three babies and was a housewife and a mom and a wife. He was a prominent El Pasoan and we were very social, so I had to tend to a lot of duties at home and entertaining and things like that. That was my life.

AD: So your education was mostly in Mexico City?

LW: Yes.

AD: Tell me about your children.

LW: I have three children. Let's start with the oldest, my daughter is forty-one. She lives in Aspen, Colorado and she runs a website for her dad and also writes an online magazine. The website is a commercial website, so they do sell out of there, and she designed it, started from scratch and that's what she does. I have a son who is forty. He buys and sells home, remodels them, and then he's also building some new homes in Newport Beach, California. And my youngest son, who is thirty-nine this year, he develops shopping centers all over the United States, all over the western

part of the United States, all the way to Portland, Washington, Utah, Montana, places like that. All my children are entrepreneurs and they're successful, thank God, and all live outside of El Paso. Never will come back— to live, anyway.

AD: Why did they leave?

LW: Actually, I got a divorce about when the children were twelve and eleven, ten. And we sent them to military school in Carlsbad, California, especially the boys. And once they saw the surf and the blondes, they never came back. They basically grew up there in their later years, high school and college, and they built their friends there. And my daughter wanted to go help her dad because he had an interesting business, too, so she went to Aspen for that.

AD: How do you think you being a businesswoman influenced them to all be entrepreneurs, too?

LW: When I got a divorce, I was devastated. I had never worked a day in my life. I didn't really have a career. I had no education. So by kind of accident, we opened a little store selling Vans tennis shoes because the kids liked them when they went to California and bought them there. And nobody sold them here. So we decided that might be a good opportunity. So we opened that little store. We only carried shoes, and then eventually, moved and carried all sorts of beach sportswear, we called it like a surf shop. That was very common in Phoenix and Los Angeles in the beaches. And my children came to work every day, so instead of babysitting them and having a job that I left them at home, they came with me. I picked them up from school, and they spent the afternoon and we sold shoes and skateboards and all sorts of crazy stuff and on weekends, the same thing. So they grew up in that atmosphere, and I think both their dad and myself

are hard workers. I actually learned to work from my ex-husband, who would get up in the middle of the night to go redo the store because it would be better and he had this idea. So I would just get up and go with him. And I think that's kind of like the work ethic I discovered. And I think my children inherited that from both of us. They never talked about getting a job. My son had a job while he was going to college, but after that, it was what are we going to do in our own business? So they were always entrepreneurial in spirit.

AD: What language did you speak when the kids were first born when you moved here to El Paso?

LW: At my home here in El Paso?

AD: Yes.

LW: I spoke English, but at home in Mexico, my parents were both immigrants. My dad was born in Massachusetts of Lebanese parents and immigrated to Mexico and opened banks. So we had family banks with our family last name. And my mom was born in Syria and also of Middle Eastern parents, and moved to Mexico when she was six. So they both married in Mexico and my dad graduated from Cornell University and he was very comfortable in English. So my mom spoke English and we spoke a lot of English at home. But my schooling was in both languages, both English and Spanish. When I came to El Paso, I spoke very good English. Of course, it's improved with time, but I really was quite comfortable in English.

AD: You had no problem adjusting to the language?

LW: No, not at all.

AD: Tell me more about your parents. What is the name of your parents?

LW: My family was Jose Aboumrad and we had banks in Mexico called Banco Aboumrad. And when the government took the banks away, that's when we lost the banks. And my mom was Widad Nasta, and again, she was a housewife, and that's it.

AD: What happened after you lost the banks— after your dad lost the banks?

LW: Well my dad by then was gone. It was my brother and my cousins and parts of people in the family that had interest in the banks. The government paid the banks back. We, at that point, my mother had decided that the boys would get that part of my dad's inheritance and we would get some property. So I really don't exactly know how they ended up, but I know they covered them. The banks were privatized for a while and then there was no private banks. Now I think there is back, but then I'm a little disconnected; I'm not quite sure.

AD: Were you already here when that happened?

LW: Oh, yes.

AD: How many brothers and sisters do you have?

LW: I have one brother, older, and then a younger brother, who lives in Mexico City. They both live in Mexico City. And my sister, who lives here in El Paso.

AD: I'm going to ask you first about your business, your store. What was the name of that company?

LW: The name of that store was Locals Only. And my ten-year-old came up with that name. He said, "I've seen it on the beaches in California, Mom, and I think that's what we should call it." And then, also, the children were the ones that decided what kind of product we should carry in the stores. And they went with me to market and they chose what they wanted to carry. And we were very successful because of that because the kids were in tune. In those days, the length of the shorts determined whether you were going to be selling them or not. If the shorts were too short, the kids didn't want it. If they were too long— different times, the shirts, sometimes, the Indian madras shirts were the "in" thing, and then the next year might be the t-shirts with graphics. So the kids seemed to have a third sense, they were the customers. And then for marketing, they would wear the clothes to school. They went to and Mesita and Coronado. And that afternoon, all the kids came back and said, "I got to have that shirt." So we were very successful because of our marketing program. Now, today we laugh because it was so cool, but in those days, it was kind of survival. It was tough. It was not the easiest.

AD: How do you do it? What was the process for you to think about the product that you were going to bring and then doing it? How did that happen?

LW: I don't know. I think that God gives you gifts, and I think you have to recognize them. Not everybody has the same. And not everybody's good at everything. It seemed to me that, at the time that I opened my little store, my husband was in retail in El Paso. He was a very successful, very talented retailer, his name is Amen Wardy, and he had a beautiful store in El Paso. I helped him a little bit, in the dressing room sometimes, or with customers, and learned to determine, that what customers want is what you need to get, not what you want. And I think that when I opened my

stores, it was something that my children came from California with all these— When they went to visit their dad after we were divorced, they came in with all these piles of clothes and they wore them to school and every day, mom, everybody wants to know where I bought it, where they can get it. Well, nobody had it. It was tremendously exclusive, only because we just didn't have a store that carried them here. It wasn't that the clothes were expensive or exclusive; they just didn't fit in the Sears Roebuck mode or Dillard's. It had to be something interesting and different. So I think I recognized that because— First of all, retail was the only business I had ever been even close to. And secondly, it seemed to be an easy way to get in there with just shoes, which is what we tried to do. Rented a little wall in the bicycle store and just put our shoes there, and it was not a big expense, it cost me \$200.00 a month to rent this wall. We outgrew it in two months. They basically kicked us out because we had too many shoes and too many people and too many customers. And the customers that we had were not buying bicycles. After all it was their business and we kind of felt like intruders after a while. So we moved, and when we moved to a bigger location I told my children— we had board of director meetings— I said, “We can't survive on just shoes. What else can we do?” And my two sons and daughter said, We know what to do, we're going to go get Maui and Sons and Town and Country and this brand and that brand and that brand. So we found out where those markets, those markets were very specific. They were in Long Beach; they were not in Los Angeles, like you would go to a fashion market, or New York, just in Long Beach. And when I went, usually it was the weekend and I took the kids out of school and went. Okay mom, you're going to buy that hat and I saw—

AD: So they traveled with you?

LW: Oh, yes, they traveled with me. And all the vendors were kind of curious. They thought it was the cutest thing because my children were twelve, eleven, and ten. And all four of us would go to market. And my little ten-year-old would say, “Mom, you got to get that hat. You got to get that hat.” And I said, “What is it about that hat?” She says, “We’re going to sell that hat.” I don’t know if you remember, you might be too young, there was a hat that was the legionnaires hat. It looked like a little painter’s hat with flaps. We must have sold 10,000 of those hats in those days because it was the hottest hat, and it was expensive. The people that created the hat were selling it for \$36.00. That was the first time we bought it. And then later, other people came up with copies, and then they were \$10.00, \$12.00. But the first hat was \$30.00. It was horribly expensive. And the kids bought them like they were going out of style.

I think that was the success of our business, the kids were involved. They not only went and bought the merchandise, but when it came in, they wore it, and then they displayed it on themselves and did the marketing. And then the kids came back. So when my children left, when they were older— We were in that business five years. When they were older and they started to leave for California and went to school and stuff, I felt it was time to close it. I didn’t have the same pizzazz to run the store. I’m a generation later. So I started manufacturing at that time, I figured I needed something else to do. So the manufacturing was also a fluke that came out of nowhere. And I started with one pair of pants and one jacket and took it to New York and people liked it. We had a great fit. Always paid attention to detail, certain details that are important. I had been on the receiving end, you know, I had been on the store side, and I knew that when you go to market, What do I ask people? What do I ask a vendor? Besides how much it is and what’s it made of, how does it fit, who does it fit, when’s the delivery, all this stuff. I knew all that lingo from being there. So when I went to market on my first little trip, I had one pair of

pants and one jacket. And this lady comes up and says, “Well, you don’t have anything to go underneath it?” I said, “Like a t-shirt?” She says, “Yes, a t-shirt.” “Of course, with the same rhinestones?” “Yes, absolutely.” So our line started being developed by the customer. So pretty soon, we started expanding. I was in that business 18 years, and very successful. I still look back and I don’t know why. I didn’t know how to sew, I couldn’t make any patterns, never had time to go to school and learn that. Again, it had a little bit to do with fashion, which is what my husband was in, but also, he didn’t start it, I did. It was my own taste, and people liked my taste. I think they liked my colors, they liked my choices, and again, I think those are little gifts God gives you because I ran the business like a business and then I went in the design room and changed my hat and put on a design hat. And then when I felt like my ideas were dried up, I would get somebody to come and help me, somebody new, fresh, that didn’t take anything away from my company to have somebody else come and say, “Why don’t we start with this?” And we would innovate.

We did t-shirts for a long time to go under our jackets, but then we started with shirts, and the shirts were very successful. And little by little, we would do something. And I think sometimes, when you start a business on a shoestring, which is what I started with – I borrowed \$8,000.00 to buy the rhinestone that went on the first items, and after that, I didn’t borrow again. But if I had to buy a computer, it was like, what comes first, the fabric or the computer? Or going to New York or the fabric? There was always a little bit sense of tight budget. And I think that allowed us to run a very tight little ship, watching our fabric, watching what we did, how we delivered it. But it was easier for me to contract the merchandise out than to have my own manufacturing company. We had a lot of employees, but they mainly made samples, and once the samples were finished and determined that it was perfect, then the patterns were

made and all of that was sent out because the manufacturer would tell me, “I will make the pants for you for \$5.00 a pair or \$10.00 a pair.” That was easier for me than to run payroll, and I knew what it was going to cost me at the end of the day.

AD: What made you decide to go from having your own store to actually you creating the clothes and all that?

LW: When I had my own store, there was a man here in town who was good friends with an uncle. And my uncle told me that this man had said to him, “Why don’t you ask Lorraine if I can make some jeans for her store?” And I said, “Uncle, I can’t use that many. We have a fashion store and maybe twelve jeans at a time. How can I ask a manufacturer? It’s easier to just go shop for them and buy them at another brand.” So my sister wanted to make sweaters in Mexico City when she was there, and she said I need to export them. They’re too expensive for Mexico. They’re made with Spanish yarns and beautiful imported yarns and they’re really beautiful sweaters, but I don’t think Mexico will consume them. She said, “I need your help.” I said, “Okay, what do you want me to do?” “Open a warehouse; distribute the sweaters, that sort of thing.” So I always felt like she really needed the help to get there. She was not married, she was single, and I felt like I had had a little different break. So I said, “Okay, I’ll help you. But if I’m going to help you, maybe I should do something, too.” Because my store was kind of now by the way going. And I said maybe I’ll do something, too, and that way, we can share the expenses of the warehouse and the phone and the secretary or whatever. So I thought maybe we’ll make jewelry or belts or bags. El Paso has a lot of labor. It might be a good product to make. So I remembered the man with the jeans. So I went over to see him. I said, “We have booked a booth in New York and we are ready to go with my sister’s sweaters, but I would like to take something of mine.” He said, “What do you want to

do?” I said, “I have no idea. I’ve never designed a thing in my life, but I know that I think I would help her and help us if we maybe shared.” He said, “Why don’t you go and think about it and then come back tomorrow and tell me. I can do anything you want.” This man turned out to be the best pattern maker in the city. And so I was really very lucky. So I went home and I got all my favorite jackets and the color of this one, the shirt of that one, made the back of this one, like that. I put them up in a board and I said this is what I want. So after he designed that jacket – it was a fabulous jacket, it’s still on the market today. I should have patented it. But anyway, it was very easy jacket to wear for any age. So then, he tells me, “What do you want to do about the bottoms? Do you want pants?” I said, “Yes, I do.” He said, “You know, there’s a new fabric, it’s a stretched denim, it has Lycra. And we can make some stretch pants.” And I said, “Well, only if you make them to fit like a ski pant. I don’t want them to stretch sideways because it’ll make people look fat.” So if you stretch them down.” He says, “Oh, I never thought of that.” I said, “But I want you to make me a pattern that fits a woman like me, not too thin, not a skinny size two, but somebody that’s a little more mature.” He said, “Okay.” So he made everything, and then off we go to New York.

I had seen some rhinestones that I’d never seen before, big, big rhinestones, and that was while I was in market in California for my store, so I ordered them. We put them on this jacket and went to New York and my sister had her booth in her name and everything. And since I only had these two little jackets, one in dark denim and one in washed denim with the rhinestones on them, I put them in the corner. And so people would come and see her sweaters and they were really beautiful, and so they would sit and write an order and they would say, What is that thing hanging on the side? And I said, “Oh, that’s some friends of ours brought these outfits. What do you think?” “Oh, I think they’re stunning. Rhinestones on denim? How interesting. Okay, let me get some.” So we

ended up with four hundred orders. I called this man and I said, “What do I do? How do we get the fabric?”

AD: You were not prepared for that?

LW: No. I never thought— I thought she would do sweaters and that’s it. So we called him back and he said, “Don’t worry about the fabric. I’ll provide the fabric. You worry about the rhinestones.” I said, “Okay.” So we’re going all over New York, buying rhinestones. Please send them COD; please send them COD. Because we needed like \$10,000.00 worth of rhinestones, to cover all those orders that we had just sold. So I was like, How are we going to pay for them? So I went to the bank. I had been in business already six years, and I always was careful with my credit, always. Always paid my bills on time. If I went without eating beans, I paid my bills on time. So I went to my banker and I said, “I have this new little project.” And I showed him the orders and I said, “Went to New York, started like a fluke. All of a sudden, we’re in business and I need \$10,000.00 tomorrow because all these rhinestones are coming in and I don’t have any money.” “Oh, no problem. I don’t have to go to the board for such a little amount of money.” Signed, gave me the money, paid for the rhinestones. And we were doing everything out of my house except the man had a manufacturing company. But I didn’t have an office. So he starts delivering the jackets so we could start sewing the rhinestones. It was like it’s time to make the donuts. We would sew the rhinestones by hand.

AD: Who would?

LW: I had a partner. So we sewed them by hand. Fingers were raw. My living room was full of needles and threads. And the pants shrank more than he thought they would shrink. So we’re ready with the rhinestones on the

jackets, I have all this money invested, the jackets are ready and the pants are too short. So it's like, What are we going to do? And everybody's dying, and I said, you know, again I think those are the gifts that God gave me is you got to learn to resolve the problem and resolve it quick. I said, "You know guys, I have \$10,000.00 on a loan that I owe the bank. If I don't ship this merchandise, I'm out of business. Not only out of business, I'm out \$10,000.00. We have to figure a way." So what we ended up doing is we took the size sixteen pants and made them size four, and lower. So we redid the big sizes. So even though they were still a tad little short, they would fit. So the biggest size would fit medium size and so we recut the big ones. And we shipped them. So we were answering the phone in our store, in the Locals Only store, but since we didn't have a brand either, so we called it Opal because the stones had opal on it, opalescent stones, and that's what was our brand and that's what ended up being our brand for twenty years. So we didn't want to answer the phone, Opal, because it was Locals Only. And then Locals Only because it was Opal, so we would answer — in New York, again, I had seen people answer, "5471," so that's what we answered, the last four digits of our number. Then they would say, Is this Locals Only? "Oh, yeah." "Is this Opal?" "Oh, yeah." So this customer calls, we had just shipped the boxes. A lot of customers in New York and New Jersey because that's the first show we did. And she says, "I just got my shipment of pants. Can I talk to somebody about them?" And I said, "Just a minute, please." So I give it to my partner and I said, "I can't take the rejection. I just can't. She's going to say they don't fit; they're horrible." So he gets on the phone and says, "This is Opal, customer service." And she says, "Well, I just got my shipment and they are the most fabulous pants I've ever seen. I put them on my customer. They took them immediately." She says, "But they're a little short. Can you make them a little longer next time?" And he's going like that on the phone (gesturing). "You want to reorder? Okay." Every box we shipped, every box came back with a reorder. They

couldn't keep them in the stores fast enough. We must have sold a million of those pants. They looked like ski pants, but they were in denim. They were wonderful. And that was the creation that came up out of nowhere.

So then of course, you have to worry about next season. We had five seasons, resort, spring, fall, summer, and every time, there was a market you had to go and show something new. So what are we going to do now? And of course, the man that was manufacturing for us only made denim, so that's all we did was denim, denim in colors, denim in blue, denim with rhinestones, denim with lace, denim with this. And then all of a sudden, it was like that was the style. Well than that style's starting to die and we started to [think], What else do we do? I had 150 employees at one time. How are we going to keep them fed?

AD: Did you get an office by then?

LW: Yes. I had a factory. I had a 33,000 square foot factory and a lot of people.

AD: So he went to the factory and worked with you there at the factory?

LW: No, no. I opened the factory myself, with my partner for a while, and then I bought him out. But we were on the cover of Bloomingdales, that outfit is ours, and we were in magazines and shipped all over the world. We had a distributor in Brazil. We really had a great time. By the eighteenth year, I just couldn't do it anymore. It was really too stressful. I reached my PITA principle, I think. I really was never educated as a designer. When NAFTA came, it was like a very good thing for us because we did our own label, we could go do it anywhere in the world we wanted to without a problem. And we did it in Mexico until we ran into some snags because of lack of really infrastructure in Mexico. So we started going to Hong

Kong. And that was very interesting, but in Hong Kong, it ended up being that we were making little groups. And it was fine, but then we started making more and more merchandise there, and we started to have to do it earlier and earlier, like a year ahead or two years ahead, start from designing the fabric and the colors. And I felt that was over my head, that my little tiny cottage industry that I started in El Paso was growing way over my head. So I decided to close. I couldn't do it the way I knew anymore. We were very successful. We didn't owe any money. We had money in the bank. And I told my daughter, "It's time." I don't want to go to Hong Kong and spend ten weeks there and design and wait for samples and take huge risks because when you do it over there, the quantities are huge. It's no longer the little business that I envisioned. And I really didn't envision myself any bigger. So it was time. I couldn't sell it because it was my name, my designs. So all I had left was sewing machines. I got rid of those, but as a business it was not an ongoing business.

I decided to retire and not to work anymore. That lasted two weeks, I got so depressed. I rested, I took naps, I took more naps, more naps, and then I said, "What am I going to do with my life?" So I prayed, again, a lot. And I said, Lord, I don't care if you send me to the Peace Corps, but find me something to do. And I'd never really been employed. So I [began to] ask people, I'm looking for a job. Doing what? What do you want to do? You've been a designer; you've traveled all over the world. What do you want to do, sit behind a bank or sell cosmetics at Dillard's? What do you want to do? I couldn't envision myself doing anything, either, like that. And one day, I walked into a friend's office and he deals in real estate and his real estate agent had brought him Sarabia's. And he says, "This is a good business and this, that, and the other." He said, "Aren't you look for something?" I said, "Not Sarabia's. Portable John's? Me? Are you kidding? No. No, no, no way." He says, "Well, it's a good idea. I wish I

had my nephew, my son, somebody to do it, but you know I only do real estate.” I said, “Well, okay I’ll take the papers.” But in the meantime, while I was praying I had made my little wish list. I didn’t want to travel. I didn’t want to design. I wanted a business I was running. I wanted something that really fit with the community. Because I had never been involved with the community. I had always traveled too much. I didn’t want a business that competed with Sam’s and Wal-Mart. And so when I brought the papers home and started looking at my list and what the business did, I said, well, it’s closer than I ever thought. So I called the agent and I said, “Okay, let’s look at it a little more.” He says, “You want to go down and meet the owner?” I said, “No, not yet.” I said, “Let’s look at it.” It ended up that it was interesting enough for me to spend three months looking at every aspect of the business. I must have looked at every paper Mr. Sarabia had in his drawers, other than his undies. I looked at everything. I was so scared to make a mistake. I was scared to make the investment and not like it. So I spent a lot of due diligence time. And then finally, he wanted to sell the business and the building together. And I didn’t like the building. The building was very small and I knew that it was going to give me trouble later. But he didn’t want to sell it separate. So I prayed again, and I said, Well Lord, if this is what you mean for me to do, then take the obstacles off. And if not, then bring them back on. So I went down there, I started talking to him in March, and this was in July. And I went down—

AD: What year was that?

LW: Two thousand and one. So I charged myself in the office and I said, “Okay, Tim” – Tim Sarabia was his name, a very nice little man, about 70 years old, ready to retire, and I said, “I’m ready to make a deal with you.” I said, “I’ve looked at everything. I’m excited. I think that it might be a good business for me, but I want the business and no building.” So he

turns around in his chair, and we'd been talking about it for four months and he didn't want to do that. He looks at me and says, "Okay, we have a deal?" I said, "We have a deal." He says, "You know, of all the people that have ever been through my office—" Because he tried to sell the business for four years, his son passed away in the business, very depressing time for him. He says, "Of all the people that have come through here, you will do a good job with this company." I said, "Why do you say that?" He says, "Nobody's ever asked me the questions you ask me. Nobody's ever looked in my books the way you've looked. Nobody's come and sit here for hours to see what happens on the phone. Nobody's ever done that." I said, "Well, I was scared to make that decision. That's why I did it." He says, "You'll do a good job and you have a deal. And I'll worry about the building." So I called the agent and I said, "Okay, I think we have a deal." he says, "I could have sold that business one hundred times if he had just let me sell the business without the building." I said, "Well, maybe it was timing." But I really do believe – I love this business. I absolutely love it. You'd think it's crazy that I am in the kind of business I am, but look at it as a clean business. You go outside, nothing smells. It's wonderful. But you asked me also, what's the difference between starting and buying. I think buying a business, I'd never done that. I had always started, Locals Only from scratch and manufacturing from scratch. I think if you buy a business that is a well run business, that you don't have to resuscitate it from the dead – this company, for example, was the best company in the portable sanitation business in El Paso, way behind the times because it was run by a man who really lost interest five years before, but it still was the best company in town. If you wanted a portable toilet, you wanted a Sarabia's. You didn't want Brand X, you wanted Sarabia's. It was the best known, the best way it was run, even though I felt that there was a lot of room for improvement, which was also important because I didn't want to buy a company that I had nothing to do there. I really wanted to take it and

maybe polish it more and whatever it took to do. But I bought a good company. Mr. Sarabia, I think at one little time got a little bit jealous. Oh well, I was going to do that. I said, “You know, I’m glad you didn’t do it,” because what I really wanted to tell him is that if it hadn’t been that you did such a good job I wouldn’t have been interested. And I bought a great company, I just made it better. And hopefully, if I sell it somebody, somebody will have the ability and the room to see that there’s potential to even improve it more, that I did from here to here, and maybe somebody can come in and do from here to here.

I think starting a business is tough. You got to have a lot of passion, a lot of patience. You got to really see the demand out there for the product. I see stores that open and close in two months. And I say, “Why would they even open a store?” I saw a kite store in El Paso, a beautiful kite store. They must have spent a fortune on this place. But what are you going to do with it? That’s my opinion. Why would you open? Put the kits on the Internet. Don’t sit there waiting for a customer to come in and buy a kite, because it’s not going to happen. Funny when we closed the factory, we still had a lease and we still had people, so we decided, my daughter and I, to go into home linens and home furnishings. We made bedspreads, the most gorgeous bedspreads you’ve ever seen, magnificent duvet covers and the pillows and the fringe and the skirts. They were movie star [quality]. And a customer came to see me one day and she says, “You know, Lorraine, I’ll buy probably 100 outfits from you in a year, and I’ll buy one of these in five years.” And I started thinking and I said she’s right, Why do I want to go into this? It takes me longer to design a bed than it does to design a collection. And the collection I’ll manufacture 2,000, 3,000, 10,000 jackets and pants and shirts and the bed I might make two. So all that effort for one bed, and then you can’t get the price. I said, “No, I don’t think so.” I think that when you want to get into a business, you really have to consider the market. What’s out there?

What's it going to take to create a demand for it? Somebody asked me once if I did a market study when I did my clothes. I think in clothes it's different. You're a woman, I'm sure you love to shop, you go to the mall and you see a blouse you like, does it matter if it says Hannah Montana or if it says Mary Jones? (ringing) You like the shirt; you're going to try it on. If it fits and it looks good, it's the price you want to pay, you're going to buy it. And it doesn't matter. In this case, you got to market each of the stores, but the stores are always looking for something new. They always want to make the next discovery. No, I would not do that with something else, but in clothes, I didn't think I needed to. And it turned out that I was right. You don't need to make a market study to see how many dresses you can sell in this country.

AD: How do you get the booth in New York?

LW: Again, I had been there for so many times with my husband, not with my store, but with my husband to buy. So you know who the booths are and you know who does that and who the reps are because they were reps that sold to us. So I knew the way to get in from the other side, from a buyers side, not a sellers side. And it took me a little while.

AD: But you got it.

LW: Uh huh.

AD: So you think that your husband's social network helped you to initiate, to start that?

LW: No, not at all because the merchandise that I made and the things that he did were so different. He was very high end. He would go to Europe and buy European designers, like you see the runways in Milan and places like

that. And when he went to New York, he bought from Oscar de la Renta and Valentino and way up there. I was down here. I was more – I can't say cheap stores, but I would say more Nordstrom's than Neiman's. We sold to Neiman's and Saks and Bloomingdales, but we weren't up there in the price category that he used to do. In those days, I wasn't talking to him, we had just divorced. It was a war. Now we're very good friends, but it took a while.

AD: Who were your clients, besides those that you mentioned during that time?

LW: When we went to market, usually the way to sell, the best way to sell is either you do it yourself and get a booth, which we did initially. And then after that, we would get a representative in Atlanta, in Los Angeles, in New York, in Dallas, and Florida. And these representatives all had our samples, so they would have their own clientele; they knew the little stores, the stores like Tres Mariposas or boutique like stores like that, or the Dillard's and the Niemen's and the Bloomingdales. And the buyers would come to their showrooms and they would show our merchandise, and that's how they would get the stores. And of course, you want that store to come back and come back. We created a great following. If you get on eBay today, there's still clothes of mine, and I've been closed ten years. And they still say *Fabulous Opal Designs by Lorraine Wardy*, \$2.99, mind you, but they're still there. I'll show you while we talk. I laugh myself because I see this and I said, My God, I should buy them back because I don't have any left.

AD: You didn't keep any?

LW: I gained a lot of weight and none of my clothes ever fit again, so I got rid of them. And I saw them the other day and I started laughing. And I said,

“Oh my God, they’re still in there.” So ask away because I know you’re on a time constraint, too.

AD: I was going to ask you, when you got all those orders and then you were working from home, how was the transition for you to go from home to buying a factory?

LW: It was very slow. One day I woke up and I stuck myself with a pin, a needle, and I said this is it. So we went out looking for a location. And I found a little tiny house on Wyoming that they wanted \$100.00 a month, month-to-month. And we rented it. What if next month we’re not in business anymore? Again, it’s going back to a tight, tight budget. And so we were in that little house for maybe six months, shipped out of there, which became impossible. Now we had three sewing machines instead of one and then we moved under the Texas Bridge and we moved into a little bigger room and now we had a six-month lease. And then we grew and then the man where we were in, had additions to that building. It was weird. If we needed more space, he would just make a hole on this side and here it is. And we needed more space and he made another hole. So that office was like a catacomb type thing. Then I bought my partner out early in ’92, like March of ’92. In July of ’92, we suffered the worst fire. Everything burned, but everything that was merchandise. No machines burned, no patterns burned. The patterns were in a room by themselves with the door locked. The fire didn’t touch it. The machines just got a little bit of sawdust on top and water. But all the merchandise burned.

AD: How did that happen?

LW: I think it started in the alley. They were saying that maybe somebody either threw a cigarette in the trashcan where there were a lot of plastics and it started smoldering little by little. By 9:00 at night the flames were

huge. So I thought my world was over, I really did. And I was never really very conscientious of our insurance. But my partner had been in insurance in his early years and he had insured us to the gills. And the insurance company came and said, Well we think maybe it was your partner in retaliation. I said, "No because he knew how much insurance he had bought. I didn't know." But I had lots of business insurance and moving insurance and this insurance. So the insurance company was very, very fast and they wanted me to move in a hurry because they would have to pay me for loss of business. So they helped me move and so I moved on the corner of Cotton and Texas.

AD: Was it bigger?

LW: Yeah, 33,000 square feet. You know where House of Foam & Fabric is? We had the second floor. It was like a New York loft. It was wonderful. You could see 360 degrees of windows it had in that place. It was terrific. So we were there about ten years.

AD: How many employees did you have by then?

LW: In the biggest time, we had 150, then went from 25 to 150.

AD: When did you decide to grow it more and more, depending on the demand that you had?

LW: I can probably tell you the growth in this company easier than in that company because I'm closer to it now. It's been a while since that one. I'm in the portable sanitation business and I provide the type of service that when you have to have it, you have to have it. When you got to go, you got to go. And with that kind of philosophy in mind, when a customer calls me and I don't have it, I'll get it, which grows my

inventory. And let's say if I need more portables and I'm out of them now and I need to get more— Well, almost every 200 units, I need another truck. So it's like a little circle. You get the demand and you have to complete it. So I never say no, because I feel like if a customer's putting his trust on me to provide him that service, I need to be there when he needs me, not only 24/7 service, but if he needs stuff that maybe I didn't consider buying before, like the courthouse, for example. The general contractor that's doing the courthouse is a customer and has been our customer from the beginning. And we started slowly and slowly, and then pretty soon, he needs units that he can put on each floor of the courthouse. And they pick them up with a crane. Or if they are advanced enough in their construction that now they have an elevator that they can transport the materials, they can put this unit in the elevator, too, which is actually a bathroom that is transportable because he doesn't want his employees to waste time coming all the way down to use the bathrooms. Well El Paso, as you know, doesn't have that many high rises, at least, not in my timeframe that I needed them. Usually it's two or three-story buildings, that's it. Well, he needs eight of these units. I called my vendor, got them here immediately, made the investment in the product, and satisfied my customer. And I think that's how you grow. You can't grow ahead of yourself. I can't tell you how many units I'm going to have in three years. I might have less, I might have more, but I've got to go to the demand. And the only thing I worry about is that when they need a portable unit, they'll call me, not another company. So that's my goal is to give that loyalty with my customer going that they're really satisfied, that they enjoy doing business with me, that they like the way we answer the phone, that it's easy, not a complicated thing to do business with Sarabia's. He wanted a unit for a party, all you have to do is call, tell them the address and done. And I think that goes for any business, because this is like a widget. I think I'm successful in the portable toilet business, but you can't look at it as portables. You can look at it as any business. They all have

their idiosyncrasies, they all need something different, but really in the end, that's the way it is.

AD: What were the advantages of keeping the name?

LW: Cost, one, but maybe that might not be No. 1. Like I told you, when I was looking at the business, I had never even considered, never even looked at a portable toilet in the street. I didn't even really know these things existed. But when I started looking into it and I started looking around, anything I ever saw was Sarabia's. And when I asked friends, "What do you think?" "Oh, you mean like a Sarabia's? Is that what you're thinking?" I said, "What do you think if I bought a portable toilet company?" "Oh, like a Sarabia's?" So I felt that it would be maybe to the best advantage to leave the name. Plus, we had a lot of units out there already with labels. The trucks had those names. We really didn't have the money to change it either, so I was glad it could stay.

AD: Also, you got the previous recognition of a name, like a brand.

LW: Yes.

AD: Could you please describe the whole business? Because I've seen how you have the blue sanitation and the portables and all that. What are the differences?

LW: Do you know how the business works? Do you know what exactly we do?

AD: I do, but could you explain it, please?

LW: Yes. Portable sanitation started maybe fifty years ago. Somebody designed bathrooms in wood because they felt there was a need. What do you do? We no longer have the prairie out there, so any time that you get two or three people together outdoors, even one person, they need a facility. They need a facility to do what we all do. And funny that everybody thinks it's a funny business, but it's something that we all do. It's a normal human affair. So we buy the portable units made by manufacturers in the United States, mostly, that have dedicated their lives to improve the actual unit, make them lighter, make them easier, make them larger, more comfortable, better vented, whatever it is. So we, as a provider, buy them readymade from suppliers. Then we rent them to construction, remodeling, sports parks, wakes. We've had units in churches because they have – God forbid – the tragedies that we've had in El Paso, like a Kailee [Carly] Martinez, where they expect thousands of people in this church, they don't have the facilities. We rent those. Weddings, picnics, anywhere that you have anything going outdoors that there's no facilities, that's our customer. However, when I took the business over, maybe it was my fashion background, Mr. Sarabia really had a lot of old equipment, (ringing) really old equipment that I inherited, patched up units, units that were really by that time, maybe the sun had faded them. And we started marketing to these events and parties and I started taking these units that had been in construction, and construction workers are notorious for graffiti, and pretty nasty graffiti inside. You can't really remove it. You can always see it or the shadow. It's kind of sad because they really ruin our equipment. Then I started thinking, how are we going to do this? So I have the business of parties and weddings of maybe higher economic status with these units. So I decided that instead of confusing the units with my drivers and my people, we should make another label, another totally different label that this is clean and blue and it's not Sarabia's, that it gives the appeal that they're always clean. And so we started with Blue Sanitation. I created the logo, I got the little

dolphin off the computer, and I created the whole thing and then the label. So we went down and bought brand new units and we called them Blue Sanitation. And we used those units until they're no good anymore, not nice, and then we convert them into Sarabia's, then they go to construction. And they never go back. When we buy new units, we usually buy new units for Blue Sanitation. And those are the units that if you need a unit at your home for a graduation, that's what you would get. You never get a unit that's been out in the construction field. And that gave us also a marketing edge.

The unfortunate part, I think that for our business, a toilet is a toilet. When you see it out there, it looks the same as the next guy's, as my other competitor's. But it's the effort we put into cleaning it on-site. We have power washers on our trucks, which our competitors don't have, we use good chemicals, we don't dilute them, and then, to boot, I don't want you to think that the portable that you saw down the street at the construction site is what I'm going to go clean up and take it to your house. So it is also a marketing ploy that we have to change the reaction of the people. And we've had Blue Sanitation probably four years, maybe five, and it's only now that people are starting to realize what it is. People thought it was my competitor, or they didn't understand the difference. And I just didn't want Sarabia's real big to go, let's say, to a food and wine festival because it didn't look that good.

AD: So you wanted to make that difference, separate those two.

LW: It was a tough decision because it's expensive to market two different names. The labels are different, the marketing material is different, but then the events are different, so it was okay.

AD: I was also reading about the hand-painted portables that you have. Can you please tell me about—

LW: When I bought the company, I was just telling you that we had the oldest units ever, and maybe it was my fashion sense, I used to drive around to see the units. And a lot of times I used to stop and open them and look at them inside. And people would think I was crazy, but I was really seeing what kind of service we were giving that customer. And the old, old units that are around— that you've seen around and I think you can see a few here, they look like little huts, are the oldest units we have. But because they're so old, they're also very heavy and they're great units for our windy weather, especially when they're up on top of the hills. They don't tip over as easily. So Mr. Sarabia wanted to keep them, conserve them because like I told you, they're making them lighter and lighter. And I wanted to keep them because I really couldn't afford to change them. But I didn't like the way they looked, so I decided I was going to wrap them like you wrap cars with graphics. But it was so expensive to do that that I decided it would be better to maybe keep the money local. I had a friend, the art teacher in, I think she's in Ysleta, that sent me some mural artists. And they're the ones that painted my units. And they were so successful; I got recognition all over the country. Nobody had ever done that, ever. So I got write-ups all over the place. And people calling me, what kind of paint and how did you do it because we want to do it and we want to have a contest. I didn't think it was going to be a good marketing ploy. I never thought about it that way. I just wanted my units to look a little better.

AD: Did that influence the business, too?

LW: I think so. I think it gave us a little better recognition and who would ever write about a portable toilet company? You don't hear about things like that, but I was in the social pages in El Paso, the *El Paso Inc* wrote about

us, the *Times* wrote about us, and I think that certainly helped. I don't think there's anybody in El Paso that doesn't know that I own Sarabia's and that we're changing, that we're changing our look and everything about it. So it did help, but we only had 280 units painted, but we did it that one time, it took us about a year to do them, and then we have not done it again, and probably won't do it anymore. They fade, they scratch, and plus, the newer units don't hold the paint. So it was just a little interim thing that we did there.

AD: It helped the purpose. So how many units do you have right now?

LW: I think we have close to 4,000.

AD: From both Blue Sanitation and Sarabia's?

LW: Probably, yeah.

AD: And how many employees?

LW: Thirty.

AD: Do you have just this office?

LW: That's it.

AD: I was going to ask you, too, when you first bought the company, did you have to borrow money, or just with your own funds?

LW: Mr. Sarabia always told me that there would be no bank that would lend me the money to buy it because his collateral was all junky equipment. So he felt that nobody would finance it because I didn't have any experience

and any real collateral. So he decided he would finance me, but I had to give him a third of my purchase price, which is kind of what I would have to give the bank, anyway. So he financed it for me. I still had to come up with the money.

AD: What were the major obstacles that you faced buying this business?

LW: Not knowing anything about it. I think the drivers knew that. I had the greatest workforce because Mr. Sarabia, like I told you, had lost a son and really didn't have the *animal* and the passion to work it. So the drivers said, As long as you don't close the door, we will handle the customers, we will take care of the business. So they were like little entrepreneurs, each one of them. And they knew I didn't know anything about the business, but they were so scared that I would fire them, and I was so scared that they would leave me with this new company that I had just invested a ton of money in and I didn't know anything about it, that we kind of, all of us walked on eggs for a long time. And any time I wanted to make a change, I could feel that they were looking at me like, *Pobre, esta no sabe nada*. It took me a while. But then I started going to conventions, I started educating myself, I started talking to my vendors, I started talking to other people. I became a board member of the Portable Sanitation Association International. I started traveling, learning from other people out there, not my competitors, but people that didn't have anything to do with me. And one day I came in and I wanted to make some changes in our company, and that day they said, *Senora*, whatever you say. And that day I felt I had gained their confidence. It took me ten months.

AD: Why do you think it was that you got to that point?

LW: I think it's important with your employees that you never make promises you don't keep. I told them that I was going to replace the trucks, not ever truck the same year, but one or two, three trucks at a time. They saw that. They saw everything that I promised I would do, I was doing. Sometimes, we had some little drawbacks. Financially, we couldn't do it that month, but we could do half of it. Earned their respect, basically. Let them know that they had a good leader that cared. Because I cared a lot about my employees. I feel like my business starts from outside my door forward. Because I don't drive, I don't deliver, I don't pump, I don't clean them, I don't drive my trucks. I don't do anything. I just sit at my desk and make sure they have business. That they have jobs that they can continue to be employed and that I have the money to pay them. And today, I have a guy that I inherited from Sarabia's, he's been here eighteen years. And then my other drivers have been here five, seven, four. By attrition, sometimes, they leave, but overall, I keep my staff pretty close. I don't like changes. I think knowledge is power. The more you're in a company, the more you understand it and the better you become.

AD: Why do you think that keeping your employees is important for the business?

LW: I don't know if you've ever had this feeling, but every time you call the dentist, he's got a different receptionist. And you start thinking, So what happens? Is he a bad person? I don't know, you start thinking all these things. Where it's so familiar, Hi Janie, this is Mary. I need an appointment again this year please. You know, it's like my girl that does our bidding and our contracting with the government; she's been here five years. Oh, Martha, you're still there. Or the girl that does the receptionist, familiar voice, the drivers, familiar drivers. Oh yeah, I know Mario, I've known him for years. Oh yeah, he's cleaned my portable here, and when we moved to the West side. I think it's important. I think that that

continuity with the trucks, with the location, they know you, you know them. It's almost like the families grow with you. You know their children.

AD: It builds the relationship with your customers.

LW: I think so. Actually, my foreman today was with me for eleven years in the factory and he followed me. I have three employees that came from the factory back to work with me.

AD: And then you know them and you trust them, too, so it's good for you, too.

LW: Yes, absolutely.

AD: What do you think sets apart your business from other businesses?

LW: I don't know because I don't know other businesses. I know that sometimes I see other businesses fail, and even though I'm not in there office inside with them, I don't know the inner circle of it, I think that it's lack of personal attention. We send out mailers to our customers. You'd think we were De Beers diamonds, we have to let them know what's new. So we have a new sink or we are doing a service a different way. And it's like it's a toilet, who cares? But I think it's kind of cool that they keep me in front of them. (ringing) This is what we sent out this Christmas. Actually, we didn't send it for Christmas, and I'll tell you way. Every year we send out a Christmas card that is cute, has something about portable toilets and it's funny and we have some calendars made. And by the time we make the Christmas cards and we mail them, it's an awful lot of money. We are going to have a grand opening here in April, and I hope you come. It's going to be just three hours, mariachis, a little food, and

some fun. Our staff and I have a meeting every Wednesday, so we all decided to not send out Christmas cards this year and save our money for our opening. But we did send this out right after. We had just moved, so we took a picture of all our staff. But also in there, I wanted to tell my customers that we have all those trailers back there that are available to them that we do rent to, for example, to Lowes when they remodeled the bathrooms or Wal-Marts or places like that. And a lot of contractors have not seen them. So they're photographed in the back and it tells a little bit of this and that and what we do and why the advantage and just keep our name out there. I think our business today is more driven on customer service than on anything else. Do you get a little bit upset when you go somewhere and somebody gives you attitude?

AD: Yes. All the time.

LW: And you say, "Why?" For example, you're in Target and you know the owners of Target are on TV every day doing these fabulous ads. They pay a ton of money to advertise the company. They want you in the store; they want you to go there. They want you to enjoy all the research they've done and all the fabulous designers that they were able to bring in at \$20.00, but you got a designer jacket or you have the sheets or whatever. And then you go in and you go to pay and the cashier is having a bad day and makes your experience horrible. The taste in your mouth about Target is bad, and the owner doesn't even know that. Maybe bad training for their employees, or maybe the girl just had a bad time. And I think today, it's all about the experience. I notice myself at my age, I get very short (snaps fingers). If I walk in somewhere and they don't take care of me properly, not because of who I am, just because I'm a customer, I get turned off and I might not go back. So with that in mind, I want my customer to have the best possible experience. Sure, I don't answer the phone all the time, and sometimes I've answered the phone and I'm not

the nicest, and I can kick myself because I think, That you've got to do this. You're competing for their money and for their business and they can go spend it somewhere else. And you got to make sure that they come to you because they enjoyed it.

AD: Do you train your employees to have better customer service?

LW: I do. I do. We try, yes.

AD: Can you tell me about your clients? What kind of clients do you have?

LW: In this business? You name it. Churches, bazaars, wedding, quinceañeras, construction, remodeling, people that go hunting, people that go to the lake, people that had a bathroom breaking in their office and their water main broke, the water department, the Electric Company, the City of El Paso, the parks.

AD: How far do you take your portable units?

LW: It all depends. If it's a one-day event, I'll travel all day, if necessary and they need my equipment, as long as they pay my driver and they pay us our expenses. If I have to go twice a week, then I've got to be really careful. I won't go past two-hour's drive, so depending on where that is. We've gotten asked to go to Sierra Blanca, we go to Van Horn, we go probably close to Las Cruces. And we don't want to go any further because then you can't really service it.

AD: How is that?

LW: I started to tell you how the business runs. So we rent a portable toilet to a company, we fill it with toilet paper and we put a chemical in there that's

really not a chemical, it's a deodorizer that really all it does it cover the odor as long as it's covered under water. We go service it once a week, twice a week, every day, three times a week, depending. Very common is once a week or twice a week. We usually feel like one unit per forty employees is about average because then you have forty employees five times a day, five days a week, that's two hundred times. Think of what your bathroom at home would look like if you used it two hundred times without cleaning it. And this one doesn't flush. So that's about as much as you can use it. So they have a capacity. Then we send our trucks, which are called pumpers, it's a truck that has a tank in the back. The tank is divided into two, it has half water and the other half is waste. So what our tank does is it's outfitted with a vacuum pump and it has a wand. So what we do is we put the wand in the vacuum inside the tank and it removes all the waste and it goes to this part of the truck. Then the other side of the truck is clean water. So then we refill that tank, we clean it, we freshen it up and everything, and then we refill it with water and the deodorizer. And that's it. When you're done using it, we pick it up and bring it. You really do nothing, nothing. As a customer, you do absolutely nothing but use it. You don't need to put the paper in; you don't need to do anything like that. And that's really the whole business. But amazingly enough for me to have a driver there every Monday morning, I need ten people in the office to make sure he gets there at 10:00. And people outside to make sure the transmissions are working, tires, and all of that.

AD: What do you think are your main values to run this business?

LW: My main values, what would you mean by that?

AD: I would say as a boss. For example, some people have said I'm very honest and I want my customers to know that I'm very honest. That's along the lines I'm talking about.

LW: First of all, like I was telling you, we're in a type of business that we're not a— To give you an example of something, we don't sell toys. If you don't need our toy today, you might need it tomorrow, you might need it the next day. We are like *now*, a *now* type of business. And this is something I instill to my employees. We're in the service business and we're here to service. Honesty, of course. I don't like to gauge anybody. I don't like to be gauged myself. Somebody calls me and they say, for example, the different charge if the driver is on the route and he needs to do a service for somebody, he can do it for, let's say, a minimal amount of money. But if that same customer calls me another day when my drivers not there and I got to get a driver and send it over and I explain that to the customer, that I'm going to have to charge him more, but then make it understandable to the customer, why I'm charging him more. I think that I give my employees a lot of leeway. They are kind of their own little bosses in their departments. Every department falls like a domino. Whatever this one does has an effect on that one. But they each are responsible for what they do and they have the liberty to come up with different ideas and different concepts and then develop them. And I think that that keeps somebody excited.

AD: It helps the business, too.

LW: Oh, yes, definitely. I can't think of everything. I have to have my intelligent people think too. (ringing)

AD: Could you please describe your major successes as a business owner, I would say not only on this one, but the past ones that you've had?

LW: I've never looked at them as majors. I used to come up to my office when I had the factory and there was a ramp, there were no stairs to come up. And as you walked up the ramp, it used to be an old dealership in the '60s, then you could see this very vast space that had no walls, so it was 33,000 square feet of a vast space with windows 360 degrees, and people were very impressed and they said, Oh my God, Lorraine, this is so glamorous. Aren't you impressed with what you've accomplished? And I would laugh because when I used to go up the ramp, all I could think of is, My God, 150 families depend on me, depend on my talent, depend on my ability to be able to sell product, so we can come back and sew it and sell it and ship it and get paid and pay them. And it was not a success, it was not glamorous, it was a constant worry to keep up stuff.

AD: You felt responsible for everyone?

LW: Yes. This business is a very simple business. You have to know what you're doing and you have to learn and there's tricks to the trade, like any other business, but really, it's a simple business. I'm in this business twenty-four hours a day. Twenty-four hours a day I think about it. I go home, I turn my computer on, I think of ways and means to keep the marketing going. What can I say this time? What can I do? What new invention can I create for this summer? What can we do to keep it exciting, keep it going, not only for myself because I get bored too, my employees, but it's also a concern. I don't want to let go of any of my employees. I don't want to have to shrink my staff. I don't want to have to do any of that. I don't count big successes. We've done movies, but so what? I think it's an everyday process. Just staying alive is a big success for me. Not any particular thing.

AD: On the other hand, do you have any disappointments?

LW: No. No. No, or maybe I've never see them like that. Some things are not timely. They don't happen because they're not timely. Or they're not meant to be.

AD: Do you think you have faced any challenges as a Hispanic business owner?

LW: More than others?

AD: Yeah.

LW: Probably at the very beginning. I remember going to the bank to borrow money to open my surf shop and the banker telling me, "Honey, a surf shop in El Paso?" The word, "honey," kind of stuck because I don't think he would have said that to a guy. I don't know that he considered me Hispanic. I don't know that people ever considered me Hispanic. My name is Lorraine, and that's because my grandmother, who came from Boston, had three nieces that were Lorriane's over there and came to Mexico and she didn't have any Lorriane's, so she had to. Growing up with a name like Lorraine in Mexico City was tough. So when I came here, it was like I was home. And then Wardy was not Mexican. So I don't know that people connected that I was Spanish because my English was okay. I never saw that. I saw maybe problems like that, only because I was younger, naïve, maybe not experienced. After I kind of proved myself a little, and I think that the only thing that helped me prove myself was my credit (ringing). I could go to the bank and the banker would look at me like, okay. And they would do some research and they would say, Oh wow, let's look again here. Instead of, *Aye pobrecita*, flighty and on top of that, doesn't pay her bills and crazy ideas like a surf shop in El Paso, *por favor*. Or a manufacturing company? She's going to be a

designer now? But I think that there's got to be a backbone to what you're saying. It's like digging a little and saying, "Ooh, wow." It's sad but that's the way our society runs. And I don't think it has anything to do with being Hispanic, being whatever. I think us Hispanics sometimes think that we are mistreated because we are Hispanics. But have we really sat down and compared how Anglos are treated? They're treated the same, the results are the same. We just sometimes put that little title on Hispanic. I don't think so. I don't think I ever felt it.

AD: When it's convenient.

LW: Yeah. I think it's more convenient. Do you find that? Have you felt anything like that?

AD: I personally haven't felt discriminated or anything for being Hispanic. I think it's just everyone's different.

LW: I used to say, for example, I hate to pinpoint, but maybe in my lifetime a Hindu, an Indian person, they have funny ways of speaking English. You never think of them as being too smart. Yet, perhaps there's a brilliant doctor who's a brain surgeon and whatever. And you turn around and you say, Wow. So I look at you and I say, she is so lovely and so smart and doing her master's, and on top of that, Hispanic. Wow. I think that the wheels are turning to that direction.

AD: So it's beneficial?

LW: I think so. *Esta de moda.*

AD: Do you know if you have a high percentage of Hispanic clients?

LW: In El Paso? Probably 90 percent.

AD: Do you think that's an advantage for you, too?

LW: I think so because people call on the phone, they don't say, *Senorita, habla espanol?* They say, *Oiga, necesito un baño, mandeme un toloido.* I think that, yes, I think it's an advantage. I see for example, kids from Juarez, a lot of kids from Juarez speak perfect English and perfect Spanish and have a perfect command of both cultures. I don't know if you fit in that category because we do have several steps here. We have the Chicano, we have the Mexican-American that really was raised here, doesn't even speak Spanish – grandma speaks Spanish but they don't because they really wanted to focus on English and don't know anything about Mexico, but the grandparents came. So that's a different person. But somebody like me that was raised there and really understands *posadas, Los Reyes* and everything about the Mexican culture, all of it, the mariachis and the songs and I watch *telenovelas* every night. I'd rather watch the Mexican channel. Isn't that funny? So I'm really true Mexican. But I'm also, on the other hand, I totally understand how to do business in El Paso because I've been here so long. If I went to do business in Mexico, I probably would fail because it's just a different thing. But I've been here a long time so I understand both. But sometimes, I don't understand the Mexican-American, that doesn't understand me because I'm Mexican. So it's a little bit different, but there's a huge, I think huge advantage for me to have a command of both, where a lot of people in El Paso have restricted themselves (ringing). Either they don't speak English or they don't speak Spanish or they refuse to learn the cultural end of it, and then they're at a disadvantage because you can only deal with one person. I'm just real comfortable with Anglos, and super comfortable speaking Spanish and saying jokes in Spanish. And I think it's a benefit and it's a benefit for anyone, especially here in our border to expand their

horizon and do both. Because it's easy. they're not in Boston trying to learn Spanish, they're here.

AD: On the border. One a scale of one to ten, how would you describe the acceptance of the business in the community?

LW: My business in the community? I think people were shocked when I bought it. They said, How could you do that? I come from glamour, remember I come from Paris, New York. I think people had to take a second look because this is what some people have told me, We know you're not stupid, we know you're a good entrepreneur. Why are you buying that company? So instead of saying I can't believe she bought it, it's like, let's look again. There's got to be a pony that waste. I called my sons immediately because they're entrepreneurs and they're kind of, I think, a little uppity. And I thought they're never going to agree for me to buy this. So I called them and I said, "What do you think? I'm thinking of buying a portable toilet?" "Wow, Mom." Well, they're both in construction, kind of. "That's a great idea. Do you think you would ever want to expand into California? Maybe we can open—?" I was totally surprised with their reaction. My daughter was a little bit less excited about it, but she felt that if I felt that it was a good move for me, she would support it. I had an aunt who is from Mexico City who has that *abolengo* type thing. She says, "I would be embarrassed to tell people that you own a company like that." And I said, "Why *Tía*?" "Why would you want a business removing human waste?" I said, "Because it's a business. It's like any other business. It's like removing trash." "Oh no, I would be embarrassed, Lorraine. I would not do it. I would not do it." Later, she's now gone, but later, she came to understand and she was my biggest champion.

AD: She was okay with it?

LW: Yeah. I think I changed the way people look at this business in many ways. Because before I bought it, I would have never rented a portable toilet. Why? Why have bathrooms at home? But people have come around to say, we can have good facilities without have people in our home, which some people don't want, especially when you invite your college friends or you high school friends and they bring friends and other friends. You end up with all these strangers in your home. So people do it and now they accept them because the quality of the units are better. So I think we raised it a notch. The whole perception of the business in town I think is different today than when I bought it.

AD: What would it take for you to consider doing business, for example, in Juarez or some part of Mexico?

LW: First of all, I could not do business in Juarez. I can't take my trucks back and forth. Before that, I hated going to Juarez. I would go to dinner. I loved it. But going to Juarez in the traffic and— I would avoid it at any cost.

AD: Have you been considered a business leader?

LW: Yes.

AD: Do you consider yourself a business leader?

LW: No.

AD: Why?

LW: I think that those titles are self-serving. You do the best possible you can do. I've been called a good mentor for women, go and speak to them and inspire them. When you're in the trenches, you don't see that. If you inspire other people because they're looking up to you, I'm thrilled, if it's a positive inspiration. I don't do it because of that, and I don't recognize that in myself. I think other people have to see it in you. You're just there, day by day by day, like I told you. I just want to save my business; I want to make sure I don't have to let anybody go. These are very strange economic times. I have no idea how it's going to affect us as our business, but I'm sure it will at some point. That's what I worry about. I don't worry about being a leader and a mentor. If I am and I can help someone, happy. But no, I get up in the morning like you every day, brush my teeth, shower, put my clothes on, and come to work. And hope I have a salary at the end of the month. That's what I get concerned about.

AD: Tell me about your experience with both the Greater Chamber of Commerce and the Hispanic Chamber of Commerce.

LW: It's a little disadvantage because I was chairwoman of the Hispanic Chamber just two years ago, very intimately connected with our Chamber, very, very proud of all the services and products we do. The Greater Chamber, I was connected with them, I think I was on their board maybe ten years ago, and I am a member of both chambers, but I'm not as familiar with the Greater. But from the outside, what I can determine, I think the Greater Chamber does a wonderful job for the vision of our city. I think that they look further past our borders to bring in people, to enhance our community, to do all of that. And I think they do a good job. They do a good job with Fort Bliss and people like that. The Hispanic Chamber is specifically concerned with small business. They don't go out to look and see if they can bring ADP to El Paso to give work and create jobs. They want the people of El Paso to be ready to get that job when the

other chamber brings them. That's the best description I can give you of how I can see both chambers. There's been talk, Why do we need two? I think that, even though the Hispanic Chamber is not only for Hispanics, it is a minority, Hispanic, women, all these titles, but it's devoted to small business. And the Chamber, although they do small business, too, I think they try to encompass too much, but they do a great job in the visionary end of it.

AD: Have you been helped by them, or when you first started, your first business or this business?

LW: I didn't know they existed. I didn't know that I was in the HUB zone when I was a manufacturer. I was not involved in the community. I would come to El Paso, design my wares, make sure I had my samples. I went to New York to buy fabric, I went to Los Angeles to buy fabric and buttons, then I went back to sell. I went to Atlanta, went to Florida, I went all over the place. I was in El Paso a week at a time, two weeks at a time. Cindy Ramos, who was at the time, with the Greater Chamber, came to see me, "You got to belong." Fine, here's my check and that was it. Never was I involved. So I didn't know they did anything. But I didn't need them. I really didn't need them. I didn't work with the government; I had no contracts like that, nothing. When I bought Sarabia's then yes, DBE and disadvantaged business and HUB and certifications and then yes. But then I was more connected. I've always been kinda connected with Cindy, and by that time, she had moved to the Hispanic Chamber. So that was my first. And then I belonged to the Greater Chamber only because I think it's good for my business. But I don't attend.

AD: How about now that you say you're more involved in the community, what kind of community activities do you do? For example, you're

involved in the Board of Directors, was it, the Hispanic Chamber? What else do you participate in?

LW: I'm on the board of the Better Business Bureau. I'm on the board of the Junior Achievement of the Southwest. I belong to Builders Association and all of those guys, but I really don't do much. I come to work every day, run my business. And I don't like going out at night anymore. So I'm not real social. Go to luncheons and meetings, but I like being here. I like taking care of business.

AD: Just to end this interview, the final reflections, I'm going to ask you some questions. Looking back on your business, what, if anything, would you have done differently?

LW: I often thought about that and I thought maybe what I should have done years ago is gotten really, really courageous and built my brand. My name, Lorraine Wardy, maybe put some money behind it and do a big campaign and open my own stores in Vegas, in Phoenix and Florida, in my better markets. But I was scared. I was scared of not being able to produce enough merchandise to keep them going. And of course, that has always been hindsight. I never thought about that when I was in it. That might have been something that maybe I should have done. But I think there's a reason why you don't think things at the time because maybe they're not supposed to be. So I really don't have any – you asked regrets, right?

AD: Yes.

LW: I don't have any. Could I have done things different? That's the only one I could ever think of.

AD: What dreams do you have for the future?

LW: Retire comfortably one of these days.

AD: And go back?

LW: None of my children will ever come to El Paso to take over my business. My businesses, neither the manufacturing company nor this business was ever created for them because they have their own dreams and their own ambition. Someday I want to make sure that when I sell this business or do something with it, that my employees are well taken care of because they've helped me build it. So I want to build a great team that if someone ever comes to buy this, they'll keep them. Or maybe they themselves will buy the business and keep it for them. That's my big realization, other than going to play with my grandchildren.

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

LW: Be prepared to do whatever it takes. I don't care if it's twenty-five hours a day. Be passionate about what you want to do, be totally convinced and do a little bit of market research, make sure that that business is going to be there, that what you're thinking is not just your own little dream and your own little prospect. I used to counsel for SCORE. People would say, My grandmother's enchilada recipe, I want to open the restaurant. I said, "Do you realize how many hours you're going to have to work?" "No." I think that you need to— Believe me, spending four months in Sarabia's before I bought it was not funny; it was necessary. By the time I bought this company, I knew exactly what I had to do. Every day, there were no surprises for me. None. I didn't open a drawer and find, oh my God, I didn't know about this. There was nothing I didn't know. Nothing. I think it's important to do that, whether you buy or you're starting. There's

a lot of maybe, things you don't know out there, but you want to know as much as you can. And don't lose sight of that. And remember that it's just harder to be your own boss, to own your own business, than to be an employee. People think it's easier, but it's not.

AD: Why?

LW: When you're an employee, you go 9:00 to 5:00 most of the time, depending on your capacity or your responsibilities. You can turn the key off at 5:00 and go home, enjoy the family. When you're an entrepreneur and it's your own business, it's twenty-four hours a day, all day long, twenty-four hours a day. My partner used to laugh at me. I used to see a show, maybe the Academy Awards or something really distracting. "Oh my God, look at those cuffs on that jacket. Let me draw them up because I'm going to go do them tomorrow." He says, "Give it up, it's Sunday." No, you're not going to give it up. You're just not. It's going to be with you. And if you have financial problems, forget it, you won't sleep. If you don't know how you're going to pay the payroll Friday, that's worse. It's constant. It's never ending. The beginning is a lot of effort to get it started. And then you start going and then you need more effort to it. And then you keep going and you need even more effort. And then when you grow, how are you going to stay there because it's hard to come back to make it smaller. Once you grow, it's like me— I have this huge property, huge expense, and what if business goes south? What do I do with all of this? It's not that easy to just pull it back and say, "Okay, I'm going to get rid of ten trucks, fire ten employees, and sell that part of the property." Can't do that. So the businesses I opened, I never gave it any thought. Today, it's easier to tell you what you need and require. When I started, I just needed a job. I needed to make money and support my children. I never thought about, Oh my God, I'm going to become an entrepreneur. No, I started one step at a time with no money, no investment, no SBA

loan for \$300,000, none of that. And it was one step at a time, one step at a time. But it was constant, constant, constant. Lots of pressure. The rewards are huge, but you got to be willing to be there to get there. I just went to a friend's business the other day, one of the most beautiful businesses I have ever seen. It's closed, out of business. What happened? I don't know what happened, but I can tell you he never once called me to tell me he had any new product in there. He never once called me to say, "How's your thing doing that I sold you six months ago?" I bought from him and never saw him again. And what a shame — *Capture that person*. That's a live one.

AD: How do you think the bad economy for 2009 is going to affect you?

LW: I have no idea. I think it's bound to. I think El Paso is certainly better off than most places. Just to begin with, our weather. If people are building, they're not stopping. It's not raining, it's not snowing. That's a wonderful thing. I don't think we've had store closures like Circuit City, I'm sure those employees are going to suffer. I think that we have some of that, but not as big as other places. No doubt if people don't have a job or they're scared of spending money, my business will suffer. Maybe not so many parties, maybe the events will have to pull back and not order as many units. Construction is down. Yes, that's going to affect us. How big, how bad, and how long, I don't know what to prepare for.

AD: Do you have a business plan for every year or something?

LW: No. I tell people they have to have a business plan. I don't have a business plan. You know why? Our business has grown, since I bought Sarabia's, probably tenfold. I had no idea it would ever be this big. So my business plan went out the window. I thought, Okay we'll grow a little, I was happy. The way I bought the business, I never intended it to

push and push and push so it grows, grows, grows. It just grew, and it grew because we gave good service and we continue to buy product and stuff. I have no idea where it's going to go from here. No doubt, Fort Bliss has helped us tremendously. We have the majority of the business in there. Very grateful for that. I don't know if Fort Bliss ends in two years, what is going to happen with us? I don't know.

AD: You never know, right?

LW: I don't know. I just think that we need to maybe keep an eye on maybe new opportunities, some diversification. I have a great opportunity that I think I'm going to start a new business.

AD: Do you want to talk about that?

LW: Yes. This is it.

AD: What's this?

LW: It is a product that you apply to the soil, and that is a piece of dirt with this product on it. So when you put enough of that product, it will be as hard as asphalt. When you don't put a lot of this product, it's just a dust control. For example, streets in Juarez that will never be paved, but every time you drive – think of a life-changing opportunity for somebody that lives in these areas where there's no asphalt on the street, but every time a truck goes by, their clothes are outside, they're drying in the sun. *Ay va el polvo*. This you put on it and you stop the dust. We are in a community that's dust. We're desert, we're dust. I discovered this because I need it for that side of my property. And I didn't know what to do and I've been researching and looking and asking. And I came across this and I called the factory, the company that makes it, and I said, "Why is it that nobody

in El Paso has ever heard of this?” He says, “Because I’m in Saudi Arabia and I am in Nigeria and I’m in Africa and I’m in Columbia and I’m in Peru, and I’m in all the places and El Paso, well no.” I said, “Well, I want to represent it because I think this has such validity for our area.” To me, that’s a little diversification. And let’s say business really suffers a little, I think that this has another way of me keeping my employees busy.

AD: I do have a last question. Do you feel the business climate today is better or worse for Hispanic business owners than when you started your company?

LW: I think it’s better.

AD: I would say the first one, your store and all that.

LW: Oh, better.

AD: Why?

LW: I think that Hispanics are in vogue. I think foreigners, different backgrounds—I don’t necessarily think Hispanics, but even blacks now are more, you know what I mean, more integrated? I don’t know. I think that, to be honest with you, I’m the wrong person to ask because I didn’t know I was Hispanic until a few years ago. If anybody asked me my background, I would tell them what my background is. But I never had a label. I’m not Hispanic. I’m born in Mexico. I’m Mexican. What’s Hispanic? So I never knew there was that kind of a label until two years ago. Before I was Lorraine. I need to open a business. I don’t know that I am a good example for you. I had a couple of girls come and see me when I had the factory. Brown Power. You have arrived; you have achieved success in your business. Help us, we are the Brown Power. And I looked

at them and I said, “What is Brown Power?” And they looked at me and said, Well, don’t you know Segundo Barrio? I said, “What’s Segundo Barrio?” I don’t know what you’re telling me. I didn’t have the same struggles. I came from a home and maybe a society in Mexico maybe far superior to what El Paso had to offer, not less, not down. I think life in Mexico sometimes is a lot more sophisticated. Doesn’t matter how much money you have. It’s just more sophisticated in thought. So you come here, you don’t feel inferior. You’re not inferior. I never felt inferior. I had customers of my husband in that fabulous store from east Texas that said, “He married a Mexican?” And I thought, how ignorant of them. Don’t they know where I come from? I never felt *machucada, ni pobrecitas*, they don’t know better. They don’t know better. But I’m not a good example because like I said, we have so many levels of cultures of Mexicans or Hispanics, in that sense, that some of them don’t fit the mold than others, even though we all speak the same language.

AD: Do you think that that’s because of how you were brought up? Because of your parents and your family?

LW: Yes. Absolutely. That’s all I knew. Not better or worse, but I couldn’t connect with what this girl was telling me. What are you talking about? You know the struggles of the Hispanics. I said, “What struggles?” I never struggled. I struggled because I have no money, I have no job, but I didn’t struggle because my skin was a little darker. It’s just not something I could understand. I understand it better now, but it’s more out in the open. Maybe in those days, nobody complained. Or I wasn’t involved, really.

AD: You were doing your own thing?

LW: When I went to New York, people would ask me, Where are you from? And I would say, ‘Take a guess.’ ‘Oh, you must be from New York.’ And I said, ‘Why?’ And if I would tell them I’m from Mexico. No. Well, I’m not blonde and I don’t have blue eyes and why would I look anything different than Latin. I could be anything. I could be Italian, I could be Columbian, I could be anything, but not New York.

AD: Is there anything you would like to add?

LW: No. Just basically the fact that I think being an entrepreneur is one of the most rewarding things. Nobody can fire you. Of course, you can lose your business, but it takes a lot. And I know that deep inside, if I had children at home and a husband, I would have a hard time because I love doing this. I go home and don’t ask me about cooking dinner. I don’t want to cook dinner. I want to sit in front of my computer, I want to dream, I want to create, I want to design. And if I eat dinner, fine, or I might just call and have take-out brought. I don’t have those responsibilities that most people have. But I’ve been able to devote a lot of time, and that makes a big difference. But not everybody can do that. But it is, I think if the entrepreneurial careers what you want— But I think you have to come up with a product before you come up with the idea of being an entrepreneur. You can’t just be an entrepreneur. You got to be an entrepreneur of something. And the something’s got to be right. Otherwise, being an entrepreneur won’t work.

AD: Thank you very much for your time. This was an interview with Lorraine Wardy and this is the end.

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DRAFT