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Interview no. 1515

Tanny Berg

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THE UNIVERSITY OF TEXAS AT EL PASO INSTITUTE OF ORAL HISTORY

Interviewee: Tanny Berg

Interviewer: Edmundo Valencia

Project: Hispanic Entrepreneurs Oral History Project

Location: El Paso, Texas

Date of Interview: February 2, 2009

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Transcript No.: 1515

Transcriber / Summary: Daniel Santana

Tanny Berg, born in Israel on May 1948, is a native of El Paso who graduated from UTEP with a degree in business. His parents were Jack and Sarah Berg who operated a novelty business called Jack Berg Sales that was established since 1952 during the Korean War. The family business thrived due to its proximity to Juarez, Mexico. Berg notes that Mexico's protectionist economy, which placed heavy tariffs on goods imported from the U.S., encouraged Mexicans to enter El Paso to buy U.S. goods that were not available in Mexico. His family spoke Spanish with their patrons, housekeeper, and friends. Berg mostly helped to run the family business as he completed his business degree and at times came into conflict with his father because they both sought to implement different business models. Overtime, they became a large supplier of electronics, especially for Hitachi. Berg owns Shalom, a real estate development and management company. His company's projects helped to bring in various merchants into the area such as Grandy's Chicken and Pep Boy's; they also constructed various shopping centers in El Paso. Mr. Berg considers that one of his company's greatest successes was purchasing a class-A property of seventeen buildings because it was the first time a local El Paso business purchased such a property. He advises future Hispanic entrepreneurs to see themselves as equals in the business market and to not be put off by family or the fear of having an accent. He hopes Mexican pride can be a stepping stone for succeeding in business because he believes the most successful entrepreneurs have cultural pride; Berg encourages Hispanics to build their own businesses and franchises and to stop being employees and to start becoming employers.

Length of interview 61 minutes

Length of Transcript 26 pages

Name of Interviewee: Tanny Berg
Date of Interview: 2 February 2009
Name of Interviewer: Edmundo Valencia

This is an interview with Tanny Berg on February 2, 2009 in El Paso, Texas. The interviewer is Edmundo Valencia. This interview is part of the Paso Del Norte Entrepreneurs Oral History Project.

EV: Mr. Berg, when and where were you born?

TB: I was born in Jerusalem, Israel on May 16, 1948.

EV: And where did you grow up?

TB: I grew up here in El Paso, Texas. I came here when I was three years old and I went through elementary school here at Mesita School, went to El Paso High School, and graduated from the University of Texas at El Paso with a degree in business.

EV: Who were your parents?

TB: My parents were Jack and Sarah Berg.

EV: What were their occupations?

TB: My dad was a merchant, here in El Paso, and my mother was a housekeeper—home keeper.

EV: Did your family operate a business?

TB: Yes. My father started a business when he came here in 1952 and he located on South El Paso Street and he operated a novelty business.

EV: Is that Jack's Sales?

TB: Jack Bergs Sales Company –

EV: Jack Berg Sales. Since 1952?

TB: Right.

EV: Did you work with him when you were a child?

TB: He worked very hard. I mean, he started with no money and he started this business in 1952. We were in the middle of the Korean War, here in America, and America was going through a transition after World War II. He opened his store—basically, it was a small store that sold general merchandise. I remember as a small kid that he would seven days a week pretty much from seven or eight in the morning until ten or eleven [o'clock] at night.. On Sundays, he would work a half a day and then when he came home he would do the books. He would do all the books for his business in the afternoon. I've found receipts where he took in four or five dollars a day after a whole twelve hours of work. It was hard, brutal work and it took a lot of sacrifice on the part of him as an entrepreneur. But I remember even as a little child, I mean, we had no housekeeper. My mom would join my dad to help him in the business and she would always take me with her. And so even as a little kid, I was down at the business, which was in the barrio. My first language was Hebrew, which couldn't be used here. So really, the first language that I could converse with people was really Spanish. My friends were all friends from the barrio that I had made because our business was there and we would sit and we would share comic books. All of us would sneak into the theater together. I mean, we got to know each other pretty well. So I grew up going down to the business pretty much every day, helping out in any way that I could, helping by mainly maybe putting merchandise that had been purchased into bags, entertaining the customers and making friends. As my dad's business

started to grow, making friends with the steady customers that would come into the store every day.

EV: Did your father have any—you said that he did the books—did he have any sort of education or training in regards to administration, management?

TB: My dad had no formal training. He had basically been an employee his whole life when he came to Israel and actually Palestine in 1932 and he worked for a company there as a delivery man there for a company that sold cooking oil. But he kept records of who he sold and what he sold and handed them in to his boss. So when he came here as an entrepreneur and started his own business, although he had no formal schooling, he had had a lot of practical, hands-on experience in learning how to operate a business. And it was the school of hard knocks. He learned by making mistakes and then doing it right and making mistakes and doing it right until he finally—by the time I was even just a little bit older, five or six or seven years old, he'd become very proficient at running a business just on his own.

EV: And you mentioned sometimes your mother or many days she would go and help out—

TB: My mother had—

EV: What role did she play within the business?

TB: My mother had the experience of having worked in an office, when she was younger, before she got married. So she applied that background. She knew how to type, she knew English. She applied that background to working with my dad, and supported him, and helped him and she went down and she was down at the store every afternoon. After she fixed up the home, she would come down to the store with her children, me and sister. Primarily me, my sister eventually ended

up staying with a lot of friends but I was more interested in staying in the business. So I remember day in, day out coming down with her and especially at Christmas which was a big season for the business. So even as a six-year-old, seven-year-old, or eight-year-old, I learned how to help in selling the toys. Or a lot of the items that we sold that were given as Christmas gifts by people mainly from Mexico who were shopping in El Paso.

EV: How was the business at that time in downtown, in that part of town?

TB: Well, I think a synonym for entrepreneurship is learning to take advantage of opportunity and, I think, in that time, Mexico—you have to understand El Paso and the border as a unique market because Mexico having come through their own revolution in the early beginnings of the twentieth century was a very protectionist country. It was a country that aimed itself at helping to insulate Mexican businesses that were starting to grow. Mexico's economy, at that time, was based on agrarianism. It was based on agriculture and so Mexico enacted a law in its first congress that said that any product coming into Mexico was subject to 100 percent duty. And the reason it did that was to protect Mexican manufacturing, Mexican agriculture and as long as the rest of the world was agricultural, Mexico—a tomato is a tomato and a cucumber is a cucumber and Mexico protected its industry. But the world was changing and yet Mexico's laws didn't change. So when the world began to come up with new inventions after World War I and World War II, inventions that you and I take for granted today, nylon and plastic and electronics, transistors. When those new inventions became very prevalent in the world, Mexico's protectionist system still made it difficult for items made of plastic or made of nylon or electronics to get into Mexico without being subjected to these 100 percent duties. So imagine things like nylon hose or plastic pens, refills. All of those items could not go into Mexico unless you were willing to pay 100 percent duty. Well, if my dad's business opened up, the opportunity was there. If somebody walked into my dad's store and wanted a ballpoint pen, that my dad would sell for fifty cents, they could pick it up for fifty

cents and take it to Mexico. Whereas in Mexico proper, Mexico City, there were no ballpoint pens and there were no nylon hoses. It was virtually impossible to import those goods into Mexico because Mexico's protectionist system has pretty much precluded the ability of an average Mexican importer, which they didn't even exist, to bring those commodities down to the Mexican market. So it became very lucrative for somebody in Laredo, McAllen and El Paso or Calexico or any of the border communities to just open a business and Mexican nationals would come in and buy these new quote-unquote inventions, take them down to Mexico and there was a steady market. And as long as Mexico did not adjust its system and as long as Mexico made it virtually impossible to import these new inventions into Mexico, the business became very prosperous for an American to just locate on the north side of the border, legitimately sell their goods to somebody walking in off the street, and watch that person avoid the Mexican system, legitimate system, and get the products down into the hands of the consumer in Mexico City or Torreón or Monterrey or Guadalajara or wherever. So my dad's business was very advantageous in that regard. By opening his store, he sold things like creams and nylon hose and ball point pens to Mexican nationals who bought them in quantities and then took them to Mexico and resold them to the consumer who was hungry for that product but who couldn't access it. And that business grew and grew and grew, really, through twenty years until I finally decided that it was time for us to move on into something else.

EV: And keeping at that time, and going back a little bit, what did you learn from watching your dad and your mom run the business as far as values in the sense of business administration?

TB: Well, my dad and my mom, both, were very honorable people and they were very honest people and were willing to put in hard hours and hard times. And I learned a tremendous amount of dedication and perseverance from them on how to make a business successful. My dad was extremely innovative, always looking around for what new item he could incorporate into his business. Always had great

relationships with suppliers, knew that he had to pay his bills on time, knew that he had to maintain a personal relationship, not just a financial relationship with all the people. Not just the people from whom he bought merchandise, but also the people to whom he sold merchandise. So he understood that there was a chain from supplier, through him, to consumer and that he had to play a proactive role in each element of that chain so that his business could become more and more successful. If he had taken one side or the other side and if he had been mean to the customer or mean to the supplier, one way or the other it would have affected his business. But understanding the synergy between his role and the ultimate production of a product that was gonna end in the hands of a consumer, understanding the complexity of how that all worked, innately because he wasn't trained that way, I think, assured his success. He was successful and he taught me that message of perseverance and understanding the thread. The thing I learned, in addition, because of where exactly our business was located, was that we have interpersonal responsibility, all of us, with our community. And so, while I was taking care of the people who are our customers, I began to have a—because my dad encouraged it—a great appreciation for their culture. And so it wasn't just a commodity being handed over to a non-entity, a number to a number. It actually became the service of providing something to a human being whose culture and whose background I began to appreciate, thanks to my dad—even until today.

EV: And so your family and the business integrated with the community that existed instead of just selling to them?

TB: Very much so. The family, the business, and I, specifically, very much became at one with the community we were serving. Even until today, in my soul I still feel probably more attached to it as a Hispanic than as an Anglo, which is why I got myself involved with the Hispanic Chamber of Commerce. Because it was easier and more honorable for me to associate as a Hispanic than I was as an Anglo even though, if outwardly, I may appear to be Anglo, inwardly I probably have more Hispanic sentiment than the average Anglo who lives in this community.

EV: And you mentioned that you had to learn to speak Spanish because—

TB: Well, that was my first language.

EV: – [inaudible] what you needed to do. Was that the primary—or what was the primary language spoken at your home?

TB: The language in our home primarily was German and some English. As we got more and more integrated to American—assimilated into American culture—English became our more predominant language. But in those first years when we first came here, Spanish was our predominant language. It was my predominant language. In our business, Spanish was spoken. Our housekeeper that we had at the home, once a week or however often my mom had her, was Spanish; and my friends were all speaking Spanish. They weren't speaking English. Today, I would have been an ESL student because I learned English actually going to grade school, going to kindergarten and first grade. So really, really, the predominant language in my environment, although maybe not in my home, but certainly in my environment, was Spanish.

EV: And did you have any other jobs besides working with your dad?

TB: Well, when I joined my dad it was after graduating UTEP. I had run a snack bar. I had done various small, little things. But really, my dad needed me and really from the time I was really old enough to actually help, nine years old, ten years old, it was almost a daily trek going down there and being at the store. I mean, even after school I remember going down and being at the store. And it wasn't that I worked there so much as that he needed me and I had to be there. I mean, I don't think that my dad envisioned that I would stay with him in the business after graduating college; but there was no question that even while I was going through college, when he needed me, he needed me. And especially during Christmas time when the business got really busy and he needed all the hands he could get

down there to help him run the business. So did I have other jobs? Yeah, I had other things I did but if I had any spare minutes it was to help my dad at the store.

EV: In what year did you take control over the—not the control, the leadership position in your dad’s company?

TB: Well, my dad’s situation, I mean, until I graduated college, until I got my degree, I mean, I was always down at the store but really, when I graduated college—and my degree was in accounting, but I never really thought about becoming a CPA, although I was encouraged to do so by the counselors at UTEP at the time. I think it was already, by then, it was a *fait accompli*. I was already convinced in my mind that I was gonna join my dad’s business. Now, that didn’t come without strife because my direction for the business and my dad’s direction for the business, obviously, weren’t the same. I mean, he had by that time been in the business for twenty years and he had a clear vision of where he wanted the business to be and to go. And here comes this college student with all of this education and a mindset separate and apart from where my dad had taken the business in the twenty previous years. So where the business had done very well for us as a family and had supported us well and made it possible for me to go to college and made it possible for us to live nicely in El Paso and grow here, I infused into the business my philosophy, my vision, which was dedicated to the success of the business, but not necessarily in congress with my dad’s thoughts.

EV: In addition to that, were there other factors that made you decide to go into business by yourself?

TB: Well, I always saw the opportunity. I always saw the opportunity of growing. My dad’s focus, although he had touched on it slightly, was in electronics. He had already set up some distributorships. I saw that in the early 1970’s as a great opportunity and so where he was kind of touching on it, I jumped into it with both feet. I mean, I basically picked out two elements of his business which I thought

was too broad. He was, at that time, in 1970, he was selling probably eight hundred or one thousand items. And it was so many items that I just felt we would be better served if we just focused in maybe two or three market categories. My direction was basically to focus on two market categories; one was electronics and one was hair care goods similar to Helen of Troy. And those two categories grew by leaps and bounds when I paid so much attention to them, although it created a rift between my father and myself. Not a rift in personalities, we loved each other dearly, but a rift businesswise between us where he wanted to maintain this broad based, non-committed business direction, here I was focusing on only two areas. As it turns out, in electronics by the year 1975, only five years after I'd grown the business, we became one of the largest Hitachi, which is a Japanese electronics company, we became their largest single store distributing company in the world, and the president of Hitachi came to visit with us. And so, we actually grew by just focusing on a market and deciding that that was the market we were going to exploit to the max.

EV: What is the name of your present company?

TB: Today, I own probably ten companies but the strongest of all those companies is the Shalom Group, or EP Shalom, really, which is a management company which today controls just at about a million sq. ft. of real estate. So today it's a real estate development and management company.

EV: For how many years have you had this company?

TB: In 1983, Mexico began talks, politically, about entering into an international treaty called the General Agreement on Trades and Tariffs. It was known as GATT. What GATT did as a treaty is it allowed it's signators, of which Mexico was to become one, the ability to lower their tariffs from 100 percent, which Mexico had maintained through all these years, making it possible for me to send all these televisions and radios and everything we were sending into

Mexico. Mexico decided to lower those tariffs to a maximum of 20.6 percent and Mexico did indeed sign—in Paraguay Mexico did sign the GATT treaty, in Asunción. And by doing that, Mexico, in my opinion, in 1983—or by 1986 when they signed the treaty, Mexico virtually made our business obsolete—the way I wanted our business to go, obsolete. So in 1985, even a year before Mexico signed, I decided to shut down our business and refocus on real estate development, which was always a love for me and something I wanted to do. So in 1985 we redeveloped our business into a real estate development company virtually overnight. There were three competitors that we had in 1985. One was (Sunland??) Supply Company, one was AB Company, and one was Border Tobacco Company. And of our three competitors, none of them adjusted. We switched to real estate; they stayed with their business, and virtually all three of them went bankrupt, one after the other. So they stayed with it and their business within the next four or five years, was no longer a sustainable business. So what we had from 1970 to 1985, during those fifteen years, in my opinion, ended when Mexico signed GATT and made it possible for Mexican entrepreneurs to import products directly to Mexico. That opportunity, the way that our business had existed, in my opinion, was depleting. And so it was time for us to look for a different direction and I chose real estate as the direction I wanted to go. And my dad joined me and so that's the direction we went.

EV: Yeah, I was about to ask about how your dad felt about that.

TB: What was funny is that at about that same time, America had decided that it was gonna create something called NAFTA, the North American Free Trade Agreement. GATT was getting no publicity. NAFTA was on the front page of the paper every day in 1985, 1986, 1987. And so because NAFTA got so much publicity, my dad believed NAFTA was gonna kill his business, which NAFTA had nothing to do with his business because everything he has was being imported from the Pacific Rim nations, from Japan or Korea or China. It was not product that was coming from Mexico, the United States, or Canada. But because

NAFTA was getting so much publicity, it was easier for me to convince my dad that it was time for us to change the direction of the company because he was fearful that NAFTA would ruin his business. In the end, NAFTA had nothing to do with the demise of the business—GATT did. But our business really did not go under. Our business selectively decided to move into a different community and that's what we did.

EV: And did you need any funding to expand or diversify or change your business from—

TB: Then?

EV: Yeah, at that time. Did you need any—

TB: It's a different world because when we were in the distribution business, we didn't borrow money from banks. We just basically bought merchandise, had credit lines with companies, and before the merchandise was to be paid for, we sold it, and so we paid our suppliers. We really didn't need banks. We grew, our company grew, and we were doing \$12,000,000 a year in sales. So we were doing a lot of business but it didn't require really anything more than a depository relationship with a bank. But when we decided to go the real estate business, the key word with real estate, the way I saw it, was leverage. So rather than putting down 100 percent of the value of the property, when you bought a piece of property you would put up 20 percent or 30 percent of its value and pay it off over a period of fifteen years. So in this new business, there was substantial borrowing and there was substantial banking relationships, all of which my dad really didn't have much experience. So bringing that and making my dad understand it in American terms that debt isn't necessarily an enemy if you know how to manage it; those were the challenges. And yes, at that point we needed to borrow money from banks in order to leverage properties and build shopping centers or develop

properties or industrial complexes or whatever else. Hotels or whatever we've done since then.

EV: Did you borrow from local banks?

TB: In the beginning we borrowed exclusively from local banks. In the beginning we borrowed exclusively from big banks. Local banks but not locally owned banks, so State National which today has become Wells Fargo, or El Paso National which today has become Chase. In the beginning, when you're just starting out, those are your national(natural??) lenders. As you get a little more savvy and older, you learn that there's good competition in El Paso between banks and there's great opportunities in knowing how to manipulate and maneuver with banks. We expanded from just using local large banking chains to locally owned banks, to regionally owned banks and the last couple of deals that we've done have actually—the last two deals we did were conduit lending loans where we actually went to New York and funded through New York, which aren't even available today with what's going on in the New York market. But our last couple of loans, actually, were sold on Wall Street. So we went from a little, locally owned, trying to open up a restaurant—that was my first deal that I ever did, was trying to open up a national chain restaurant in El Paso all the way to conduit lending in New York on Wall Street.

EV: Can you tell me more about that project, that restaurant?

TB: Early on in 1972, I befriended my mentor, a guy named Lou Gelfand who was a real estate developer, who I am still friends with until today. He knows I consider him my mentor but he turned me towards real estate. I already had invested, I already had a couple of little apartment complexes, two small units, eight or sixteen apartments. I don't even remember. From the time I was in college I bought those, six to eight units, eight units. And then this Lou Gelfand taught me that real estate is a good business and so he and I sat down in 1972. We plotted

out a strategy on how we were going to buy a piece of property. We bid on a piece of property that the United States government was selling in northeast El Paso as they were gonna split up something called the Castner Range and they sold out three parcels on Dyer Street. We chose one; we went after it. We lost it to Albertson's and today Albertson's has a store on that site. But adjacent there were two additional sites and we negotiated with the guy who won one of those two adjacent sites to buy it from him. And Lou Gelfand and I and my dad, the business, basically, bought an interest in an adjacent piece of property, this Albertson's. And through the course of time Mr. Gelfand moved to Colorado and I was here by myself in 1974 and found out that there was a fast food chain called Grandy's Chicken, which was a national, regional chain. They were looking for El Paso locations so we courted them and they actually decided to locate on our property that we had bought there. And that was my first venture going into a bank and asking for money so we could build this building so this chain could open their first restaurant in El Paso, on our side, which they subsequently did.

EV: And what happened later with the purchase?

TB: The rest of the property there, we attracted the Pep Boys, gain, a new, national company looking at locating in El Paso. They had no stores here. We talked to them out of Pennsylvania; I did, through a broker who brought them to us. And I began to negotiate with them and the Pep Boys actually bought a corner out of our property, the same property that Mr. Gelfand and I had entered into in 1972. And when the Pet Boys bought that, we traded the profit off of that property to another property that I subsequently bought on a new street that was just starting out in El Paso. It was dirt. It was all dirt, a street called George Dieter and that was my first shopping center. I traded that Pep Boys property to a property on George Dieter and sold the corner to a funeral home and then built a little shopping center next door by 1983 or 1984. I built my first shopping center. I guess, it was in that time, '85 to '86 and then from then on out just kept building shopping centers one after the other.

EV: And if I get it right, Mr. Gelfand, that's his name?

TB: Uh-huh.

EV: Was he older?

TB: Much older than me, twenty years older. He had a lot of experience in real estate development and his involvement with me was just in the beginning because he moved to Colorado right after that. I only see him when he comes to visit El Paso nowadays. But all he did was he showed me that real estate was an opportunity and that if I could just play the game, if I learned how to be honest and honorable, develop property, that there might be something new on the horizon.

EV: And how did you meet him?

TB: It was a family friend. I was a groomsman in his daughter's wedding because I knew her husband. So her husband had sold us—had sold my dad— Pond's Creams. Of all these things that he sold in his business, one of the items was cream, cold cream, from a company called Cheeseborough Pond's. So her husband had sold Pond's Cream to my dad, her husband to be, at that time. And so I was in their wedding and I got to meet her. Her dad was Lou Gelfand and that's how we got to meet each other.

EV: Besides the need to get loans, were there any major obstacles in growing your real estate business?

TB: I don't think there were any obstacles. There have always been challenges. But I think it's an eye, it's having the vision to see a piece of property. I used to do deals, for free, to help friends because the thing I liked the most is seeing nothing and visualizing what could be there and then coming back

in six months and seeing it actually be there. So I remember for a doctor one time, he wanted his own office. He had been in an office complex, buried away, and he wanted his own office. So he had a lot of problems, and so I ended up buying the property, developing it for him, and then giving it to him at exactly what it cost me. Not making any money on the deal, but I just wanted him to see how easy it was for him to have his own business rather than to constantly have to be in an obscure location where nobody would know who he was. I thought he was a classy doctor who deserved to be out there and so I bought the building, remodeled the building, moved him into the building, and two years later he bought it back. And today he owns it. It's his own business. And I did the same with my architect. My first architect was in a very crummy location but I thought he was a great architect with great vision. So I bought a building on Montana Street, moved him away from Sioux Street where he was buried somewhere out by Bassett Center. [I] put him in this predominant building on Montana, let him build his business up to where he could buy the building back from me, which he did do at my cost. We had it all made out. Four or five years later, he bought the building back, turned around, flipped it for—I don't know. Sold it for \$100,000 more than what I had sold it to him for. So he was able to build his business up, and he bought a bigger building, which he moved into subsequently. So my whole goal has been to help others grown. Not just me but to help others make it as well.

EV: And right now you mentioned something very interesting about debt, that people shouldn't—or entrepreneurs shouldn't look at debt like something negative. How does one do that?

TB: Debt is not a negative thing. Having debt managed is a good thing. I mean, General Motors, until recently, knew how to manage debt. Paul Foster, who owns Western Refinery here in El Paso, or Jerry Rubin who owns Helen of Troy. They know how to manage debt. It's when debt becomes unmanageable that you have a problem. But if you're growing with the idea—and you use the tools that are

out there, like banks, to help grow your business at a steady—and when you understand the debt that you're incurring, when you're not just willy nilly just expanding without any understanding of where you're going. If you can expand rationally, then that's a positive thing. So managing debt, in the growth of a business, is the secret behind success.

EV: Would you mind commenting, in your opinion, what are some key factors to manage debt successfully?

TB: Well, the first thing you have to do is evaluate the business that—what are you taking the debt for? If you're taking the debt to go on vacation, that's not managing it. If you're buying a property, that in your mind has a value of a hundred dollars, and it's gonna cost you forty or fifty dollars in debt to be able to own that property, if you can balance yourself that way, then you know that no matter what, in the worst case scenario, you can always get out of the property for more than the value of its debt. If you can actually do the numbers, do the math, to assure yourself of a secure position in whatever you're incurring that debt for, then there's really no risk. It's when you're borrowing money on the come thinking that I'm borrowing—I have this hundred dollar business but I'm gonna borrow a hundred [dollars] thinking it's gonna be worth one hundred twenty [dollars] tomorrow, so you borrow the hundred, and instead of it being worth one hundred twenty [dollars] tomorrow it's only worth eighty [dollars] then you incur a loss. That's not managed debt.

EV: I see.

TB: So you've always gotta be conservative in how much debt you're gonna incur in relationship to where you're placing that debt and what value—the realistic values that you put on those investments, whether it's business, whether it's real estate, or whether it's anything.

EV: Moving away from that and going back to your family, what role has your family played in the growth of your business?

TB: Well, the good thing about my family is we're a very tight family and we're all there to help each other. And when times were tough, we circled the wagons and we pulled each other out a bit. So family is, I think in my case certainly, family was an integral element to the success of this business. When we need each other, if it was a matter of me working in the store as a twelve-year-old or fifteen-year-old or eighteen-year-old, there was just not even a question that I was gonna be there say from November through December. I mean, there's just not a question. And as the business grew, as my real estate business grew and my parents had their assets, and I had mine, which were substantially less than theirs, they deserved more; they'd built up the business. When it came time for us to invest, we invested together. Everything we did, until my parents passed away, everything we did, was as a team. It was always the three of us. So even as I was developing my shopping center, those first shopping centers when my parents were still alive, the owners of the shopping centers weren't just me. It could have just been me, easily. I mean, the money was all borrowed from the bank and I already knew what I was doing anyway but I always involved my father, my mother, and myself. So it was always the three of us. So family was an integral part, for me, of the formation of our business and the continuation of our business.

EV: And to what areas have you expanded your business, I mean, besides this local—

TB: Well, we started out as this little shopping center, commercial business and then we expanded and we picked up offices and we picked up a few offices and then we grew and we picked up this twenty-five acre campus, here, where we're sitting, which is at Executive Center. It's funny because when we bought this complex I did it in a partnership with a very close friend of mine named George Sloan. But when we did this, the people whom we bought this property from could not believe anybody in El Paso would have the audacity to buy this property

from them. They were marketing it in Chicago and Los Angeles and Dallas and here this little company out of El Paso throws an offer at them for the purchase of these twenty-five acres, these seventeen buildings; about half a million in square feet of leasable property. It took a year of negotiating. I had to negotiate with them for about for about a year but at the end of the year, we closed and it became the first time that this Class A property was ever owned by El Pasoans. Up until then it had been owned by a company out of Florida who sold it to company out of Maryland and here all of a sudden this little company out of El Paso bought it. That should have been big news and the community of El Paso should have been proud that local businessmen were able to now bring this home. And that's an important lesson. When we're out there in the community, I think we have a responsibility to go that extra mile and to support local business. And I'm not saying we shouldn't go to Sam's or we shouldn't go to Costco. But if the same product is available at a local business, we need to support that because it's those local businesses that support El Paso or support any local community. They are the ones who give money to our United Way. They are the ones who support the American Red Cross of El Paso versus a company out of Baltimore, or a company out of Chicago, sending their money to their United Way or to their Red Cross. We have a community that has a very diverse cultural base and economic base and so there are hardships that can only be alleviated if local business prospers. If you were to ask me what is one deficiency in this area is that we don't have enough local Hispanic entrepreneurs, very successful entrepreneurs. That's not to say we couldn't. It's just that we don't. And it seems to me that entrepreneurs, Hispanic entrepreneurs specifically, are more easily assisted away from El Paso than they are in El Paso. In Dallas and in Houston I'm watching Hispanic entrepreneurs rise to the top in business. And here in El Paso we have a responsibility to support that kind of success as well.

EV: Now that you jumped into that, actually my questions were leading that way. What are the factors that make an entrepreneur successful?

TB: An ability to be malleable, to recognize opportunities, and make quick changes, decisive. I think that a lot of entrepreneurs or potential entrepreneurs lose their edge because they're wishy-washy. They're not sure. Should I do this, should I not do this? I think there needs to be a lot of self-confidence, so you have to believe enough in yourself and in your idea to be able to take the plunge to make it successful. And I think a lot of potential entrepreneurs just aren't ready to do that. The opportunities are out there. So the first question, the first issue, is to recognize them, the second is to act on them. And then the third, in my opinion, is to share. I don't think an entrepreneur does himself or his community any justice whatsoever in not sharing expertise and helping other entrepreneurs to succeed. If you were to ask me what my greatest successes are, they include helping others to make their businesses successful as well. So I think working as a team. I think that's an important lesson for an entrepreneur to learn as well. That you can learn from others and they can learn from you and that that's not a bad thing. That's a good thing. So developing collaboratives with other people out there, recognizing the opportunity, being able to make a decisive decision, and then collaborating with others who may open more doors for you than you think, all of those are elements to a successful entrepreneurship.

EV: And going a little bit more specific, in that sense, what advice would you offer a Hispanic starting a business today?

TB: First of all, not to be put off by accents, not to be put off by family, not to be put off by background; those are excuses. Really, a Hispanic who wants to be successful needs to see himself as an equal with anybody else out there in the marketplace. In my opinion, all people are equal. So there's no deficiency in one ethnicity or another. There's a story that's told about Hispanics that Hispanics are very reluctant to see each other succeed. When one succeeds, the rest pull him back down. We need to dispel that. I think there needs to be this idea of collaboratives. I think that Hispanics needs to help Hispanics out. I think they need to stop thinking that, Hey, if they're gonna succeed, I'm gonna fail. That

philosophy has to end. That's not in the Anglo entrepreneur dictionary and that needs to not be in the Hispanic entrepreneur dictionary. That if one succeeds, we can all succeed. That needs to be the theory. So the first advice I would say is to herald others' successes, to learn from them, to support their successes and then to begin to develop a course towards your own success. And I think that following this dictum of understanding opportunities, being ready to make a decision and developing a collaborative—that following that theory, that Hispanics can be just as successful as everybody else. There are people out there, not many, but there are people out there ready to support and help Hispanics as they grow. Not being jealous, don't be jealous of someone else's success.

EV: And do you think education is critical to the development of successful entrepreneurs?

TB: In some form but I think it can also be a placebo. I think sometimes people can think, because they have an education, they're entitled to succeed. I think that's the first path towards destruction. I think if somebody would believe that they can succeed and that education in every form, the education they learned from their families, the education they learned from their teachers, the education they learned from life, if they can meld all that together in order to benefit themselves, then their success is imminent. But if they develop this hypothetical theory that just because they've got an education they're gonna be entitled to success, I can tell you that in fifty years they'll be second-rate. That it will not lead them to succeed in and of itself.

EV: Do you think the business climate is better for Hispanics today than maybe going back to what you saw with your dad's business on South—

TB: I think the business climate has always been there. I think that the issue is, are Hispanics becoming more comfortable with their role in society and the answer to that would be, yes. I think those of us, like me, that emphasize Hispanic culture,

that try to exacerbate Hispanic influence, cultural influence in society, things like *posadas* at Christmas time or the celebrations of 16 de septiembre or 5 de mayo, those issues that build pride in Hispanics, in the end, will lead to more Hispanic entrepreneurship success. Because in order for you, for anybody, to have foothold in this society, economic society, you have to believe in yourself first, in whatever you're gonna do. And so, every now and then, you can win the lottery and you don't have to believe in yourself, the lottery is there, but I think the chances of winning the lottery are slim and the chance of succeeding as an entrepreneur are slim if you don't build a self-awareness and a self-pride. And so I've always been very, very proactive at trying to develop Hispanic cultural identity and pride in Hispanics, in Hispanics. This is a society though, that believes in a melting pot so you have to realize that the entire society is out there saying—opposing that. That if you want to be American, then you should learn to speak English and forget your culture. Forget where you came from. But the Irish have never forgotten that they're from Ireland on St. Patrick's Day and the Jews have never forgotten that their relationship with Israel is a special relationship. And Hispanics—and use the word Hispanics because we don't want to use the word Mexicans. Mexicans have to realize that there's a pride in their ancestry as Mexicans. That there's nothing to be sorry about that they came from Mexico. They're in a very difficult flux because Mexicans who've come to America are seen as traitors in Mexico and as Americans they're seen as Mexicans. Well, unless Mexicans, the term 'Mexicans' is a term of pride, it's a difficult thing to overcome for somebody growing up in this society. So the way to turn that around is to make the term 'Mexican' something to be lauded, something to be proud of, something to be amplified. That's been the goal of my life for the last forty years. So I believe that Mexicans who believe with pride in their heritage, and in their culture, have a better chance of succeeding than those who are in denial.

EV: And earlier you had mentioned something about that Hispanic entrepreneurs in other cities like—I think you mentioned either Houston or San Antonio—

TB: When you get away from the border.

EV: —[inaudible] better from here.

TB: Again, my first language was Spanish. When I went to Mesita School if I spoke Spanish in class I got an A. If I spoke Spanish on the football field, I got swatted. Most of the teachers couldn't speak Spanish so when I spoke Spanish, they thought we were talking about them, so they hit you. They literally hit you. I think that for a blond haired, blue-eyed white kid to get swatted, just made me defiant. It made me angry. So I became more mindful of the importance of culture diversity. For a brown haired, brown-eyed kid to get swatted, it basically taught him that he shouldn't speak Spanish. And so you have a whole generation here in El Paso of Hispanics whose last names are Chavez and García and Valenzuela and Betancourt *y lo que sea*, who don't speak a word of Spanish because they were taught as kids, you're in America now, you're not supposed to be a Mexican. But the problem is, they couldn't change the color of their skin, they couldn't change the culture of their families. They may have married blond wives or blond husbands, but their families were still rooted in this beautiful culture of Mexico. So it was an antithesis for them of trying to assert an identity, but not. To be who they are, but not. And so, that still exists, on the border. But it's funny, Hispanics who move further into America, as Hispanic culture became more and more accepted to middle America, they actually got—they were able to maintain some identity as Hispanics. They don't speak Spanish either, but their identity as Hispanics was affirmed in a diverse culture. Whereas in El Paso because it's predominantly Hispanic dominated by a very small minority of Anglos, Hispanics are constantly having to prove that they're Americans. I think in Dallas you don't have to prove you're American. You can just be a Hispanic and an American and not have to worry. Here, there's this constant pressure on Hispanics to become Anglos but the joke's on them because they could never be Anglos. (laughing) They're Hispanics. So Hispanics who try to be Anglos in El

Paso make it difficult for Hispanics who want to maintain a pride in their culture and their identity and succeed. The Hispanics that I see who have succeeded in El Paso, those who have picked up McDonald's franchises or those who have come up with engineering programs are Hispanics who have a tremendous pride in themselves and in their culture and weren't afraid of it and who stood up to it. And guess what? And they are the most successful.

EV: And how do you see the role that the Hispanic Chamber of Commerce plays within this community?

TB: The Hispanic Chamber of Commerce's role, in my opinion, is to infiltrate pride into the mindset of a young Hispanic entrepreneur. I remember both the Greater Chamber and the Hispanic Chamber, but to me, the Hispanic Chamber speaks to this community. It's a chamber made up of small businesses, who collaborate for the success of each other. The Greater Chamber is made up of big businesses, mainly dominated by Anglos, who also collaborate so speak to each other. So where do I want the future of this community to be in the next fifty years? Do I want us to be dominated by large Anglo businesses, either here local, or out of town, who dominate us or do I want to empower the local Hispanic base to rise and be successful, become millionaires and multi-millionaires so that they can help other Hispanics rise and become millionaires and multi-millionaires? That's the cycle I'm supporting. And that's why I see the Hispanic Chamber as the form for that generation and regeneration of Hispanic entrepreneurship.

EV: What hopes do you have for the future here in El Paso?

TB: Well, I have a lot of hope because I see a lot more Hispanics now getting educated at UTEP. Again, as I say, that in and of itself isn't anything but it's a start. I see a lot of Hispanics willing to take the chance and stop being employees and start to think about becoming employers. It was engrained in the Hispanic culture, originally, to just work for somebody especially if they—if they didn't

work for somebody, they stayed in Mexico. They owned the businesses. But once they came to the United States the general cultural mindset was that I'll just go work for somebody, dedicate my life to them, spend thirty years building their business and they'll support me for the rest of my life. That's noble but that doesn't realize the American dream of ownership. And so what I'd like to see is Hispanics who have within them and we keep using the term 'Hispanics' but we really mean Mexican. So I want to see Mexican Americans with the mindset that they can have a pride in their own identity and that they are no longer subjected to simply being employees but they can actually be owners. With a little bit of imagination and a little bit of courage and a lot of vision, they can actually empower themselves to take over a community that's 75 percent Hispanic as opposed to simply relegating that authority either to Anglos or to Hispanics who want to be Anglos.

EV: Well, I don't have any more questions. Do you have any comments, something that you would like to add?

TB: No, I think it's a great project and I'm really supportive of UTEP in doing this project. I think it depends on what you do with what you learn. And I was able to speak with the young lady—

EV: Kristine.

TB: Kristine, who called me, and I gave her three or four other Hispanic entrepreneurs, businesses, who I consider successful, and I suggest that when you compile this, that you come up with some methodology of dispersing it in such a way that it actually impacts Hispanics going to UTEP or listening to this program or going to—I'm very active. In fact, this next year, I'm going to become the Chairman of the Board of KCOS Public Television, which is housed at El Paso Community College. If somehow somebody can work this thing out, we would certainly be willing to produce it and put it on public television. There's a

responsibility UTEP has when they're gonna spend this money and put this all together to do something with it where it impacts the most of the kids. I'll tell you one last story. And that was I was president of a local group called Unite El Paso, which was a ground—how can I say this? It was just a local group of people trying to make El Paso better by uniting El Paso. It's very interesting that the word community ends with the last five letters u- n- i- t- y. If you don't have unity, you don't have a community. But anyway, we started this thing together and as a part of this effort of Unite El Paso, I was able to speak to two-thousand students who were part of the Ysleta Independent Distributive Education Program. These kids worked. Half a day they went to school, half a day they worked—stores, everywhere. And I was giving them a speech, and here's all these kids at the Ysleta Educational Center, which, at that time, was way out on Montana at an old facility that the gas company had donated to the school districts. And here's all these kids, and I'm talking to them passionately about how they need to want to be somebody and they can do something. And obviously, these kids are predominantly Hispanic, I mean, Mexican American and there must have been 95 percent of them Mexican American. And I'm saying, "You can do something, you can be anybody. You just have to be willing and be courageous and have the vision and you can create a new world." And I said, "Tell me what you want, you can have it." And kids raised their hands and I turned to this little girl and I said, "Stand up, tell this group what you want!" And the little girl got up and she goes, "God, I'll tell you what; I want to get this job at McDonald's more than anything." I said, "No, no! That's not what I'm looking for. I want you to do more." And this little boy raised his hand and I said, "You tell us. Tell us what you want to be, what you want to grow to become." He says, "God, I've been struggling so hard; I want this job at Kentucky Fried Chicken." I said, "No! What I want you kids to think about is owning Kentucky Fried Chicken, developing your own Kentucky Fried Chicken, your own McDonald's, you own Taco Tote. Or your own secretarial business or your own steel fabrication business. Think about owning your own businesses, not just being an employee." So if there's any message that comes out of this thing when it's all

said and done, it's—sure, put in the sacrifice of working for somebody until you can finally go out and own your own business. Only a small percentage of people do. I mean, I read a statistic in the Wall Street Journal that really shocked me, that most Americans—[the] second largest debt, of their lives, is their car. (laughing) Well, that shouldn't be your second largest debt of your life. First is their house and the second is their car. No, stretch beyond that. I mean, anything is possible. This is a great country. When people tell you we're in an economic downturn, well the reality is, that's where the greatest opportunities exist for those who see them. Regardless of your ethnicity or your sex or your religion or obviously, the color of your skin. This is a country that makes everything possible to those who will go after it. But you have to be honorable, you have to be visionary and you have to be courageous. And if you are, success is in it.

EV: We'll end that right there.

TB: Is that what you wanted?

End of Interview