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Carlos Gándara

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THE UNIVERSITY OF TEXAS AT EL PASO INSTITUTE OF ORAL HISTORY

Interviewee: Carlos Gándara

Interviewer: Edmundo Valencia

Project: Hispanic Entrepreneurs Oral History Project

Location: El Paso, Texas

Date of Interview: March 11, 2009

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Transcript No.: 1541

Transcriber / Summary: Vanessa Pantoja

Carlos Gándara was born and raised in El Paso, Texas. As a child, Gándara had paper routes and collected bottles for extra money. Gándara was introduced to selling office products when he became a driver for BPSI (Business Products and Supplies Inc.) He moved to different office supply stores but credits BPSI for his formal training. Glen Powers was his selling mentor and motivated Gandara to become a better salesman. Gándara recieved professional manager experiance and was the manager at Struges Office Supplies for two years. He was then employed by a national office supply chain and laid off. He then began his own business called Pencil Cup Office Products. He decided to become his own boss because he was very familiar with office products and he built a client base. After working and funding the business himself, Gandara was able to establish a line of credit which he used to further grow his business. Gandara models his business on being approachable, which is something he says is not seen in larger companies. In the El Paso área, he believes it is easier to become personal with customers because of a shared language and experience. Even though hard economic times and the rise of business competition, Pencil Cup was able to keep a client base. Gaándara says being hispanic was one of the biggest challenges he faced while establishing his company, but it has become a benefit in the El Paso area. Gándara's biggest piece of advice for success in business is to work hard and to keep working hard. He also believes in promoting education in the El Paso area.

Length of interview 65 minutes

Length of Transcript 31 pages

Name of Interviewee: Carlos Gándara
Date of Interview: March 11, 2009
Name of Interviewer: Edmundo Valencia

This is an interview with Carlos Gándara on March 11, 2009 in El Paso, Texas. The interviewer is Edmundo Valencia. This interview is part of the Paso Del Norte Entrepreneurs Oral History Project. Mr. Gándara, when and where were you born?

CG: El Paso, Texas. Nineteen fifty-four.

EV: And day and month?

CG: August twelfth.

EV: And where did you grow up?

CG: El Paso, Texas.

EV: And who were your parents? What were their names?

CG: Delfina Duran and my dad was Ignacio Gándara.

EV: And what were their occupations?

CG: My dad was an accountant for the El Paso Water Utility. And my mother was a teacher at Holy Family Elementary.

EV: Did they have at any point, some sort of business?

CG: No.

EV: Did they –

CG: No, my mother, eventually, at the same time that she was teaching, she started teaching music lessons because she was a music major at Texas Western College.

EV: So first, did she teach before doing the music?

CG: She taught before she taught music lessons, and she also sang opera.

EV: And your father, did he always work for the same company?

CG: No, my father eventually became a comptroller at William Beaumont Army Medical.

EV: And where did he go to school?

CG: He went to school at St. Patrick's, Cathedral, and Texas Western. He had an accounting degree from Texas Western College.

EV: And how about yourself? Tell me about your education.

CG: My education is still ongoing because we learn every day. And I think I've learned more in the last two years running the business than I've learned in all of the years I've been in it. I've learned a lot in all the years I've been in it. But I graduated in 1973 from El Paso High School and that's the extent of my, what we can call, formal education. I didn't go to higher education even though I think the street's as good a university as a university if you apply yourself. It's not as easy and it takes longer, but it's hands-on learning.

EV: Coming from a family that, of your parents being – have been in college.

CG: Right.

EV: Did they pressure you to go into college?

CG: No, not at all. My sister graduated from the University of Texas at El Paso and my brother graduated from the University of Texas at El Paso to go on to the University of Texas in Austin. He's a Longhorn and he's an attorney. My sister, I don't know if she's ever used her degree for employment. And my younger brother went to the University of Texas for three years, but he never finished his degree. He went into business and he's been successful without one.

EV: Tell me about your early jobs.

CG: Well, my first real job was working at my grandmother's restaurant and I did everything. I cooked. I cleaned. I prepared food. I waited tables. I took care of the cash register.

EV: What was the name of the restaurant?

CG: *Jacalito.*

EV: Was this, at the same time, when you were in high school?

CG: I was in high school.

EV: And prior to that, had you initiated, by yourself, to do something to get money or your own enterprise?

CG: Well, as kids, nowadays you can go through the streets and the alleys picking up aluminum cans to make money. In those days, you picked up coat hangers and glass bottles to trade them in for money. And then you would take the coat hangers that people would throw away and take them back to the people that cleaned, and they would recycle them and pay you good money. And you could

take a Coke bottle to the store for, at the time, it was three cents. So if you were good at it, you made money and I had paper routes and I mowed lawns. And if you're a kid and you feel like working, there's opportunity to this day.

EV: Did somebody encourage you to do that or did you decide to do it by yourself?

CG: Sure, my expensive hobby. I had tropical fish. And my parents didn't discourage me. They just said, No, I'm not gonna give you money for your fish. So I liked them so much that I made my own money and for many years, we had tropical fish as kids.

EV: So, when you were in high school, in what year did you start working with your grandmother?

CG: I started working for my grandmother when I was a sophomore. I had lived in San Diego two years, but I don't – I guess you could consider that growing up there but my mom, she lived over there. My dad lived over here and she wanted me to stay over there with her, for two years. So I stayed half of seventh [grade] and then when I was a freshman. And when I came back to El Paso, we moved in with my grandmother and she said, "Gotta work." And I said, "Well, let me look for a job." She says, "Oh, no. You don't have to look. I have one." So that's when I went with her for two years. And then she was burnt with a grease burn, halfway through my senior year. No, it wasn't even halfway. I'm gonna say it was at the very beginning of my senior year and my aunt closed it, and after that I went to work for Winn's Variety Store. I don't know if you're old enough to –

EV: I remember.

CG: Do you remember Winn's?

EV: Um-hm.

CG: And I was there for six months and then I worked for Furr's food store for two months. And then I went to work for Central Furniture, delivering furniture, for the summer of 1973 and in September of 1973, I started working at BPSI and I've been in the industry since then.

EV: That was Business Products and Services, right?

CG: Incorporated.

EV: Incorporated?

CG: Yes.

EV: And what did you start doing there?

CG: I was a driver for office supplies. I delivered what I sell today. And I still deliver what I sell today, myself.

EV: And later you went on to sales?

CG: In 1976, a large corporation bought that division from BPSI, the Office Supply Division, and I worked for them until they closed their stores in 1983. And in 1984, I worked for a small office supply company that was small in El Paso. He's very large in Juárez. He, the owner, was from Juárez, by the name of Rio Grande Office Supplies. And then in 1985, I went to work for Sturgis and Company, and I worked there for nine years. In 1994, I was promoted to a sales manager and I worked as the sales manager until I left in 1998 to open up Corporate Express in El Paso. I worked for Corporate Express for one year. I went back to Sturgis because they had been bought out by a big corporation by the name of U. S. Office Products and I was there for a year. And then they dismantled that

corporation, so I sat for six months and they made me sign a non-compete when they released me. But three months after they released me, they closed; they shut it down. And, unfortunately for me, they gave me a non-compete, we can call it a bonus, not to do anything for six months with anybody. And at the end of those six months, it was March 18 of 19 – of 2000. No, of 2001 because they let me go September of 2000. And on March 18 of 2001, I incorporated and we opened our doors, here, in this building, June 1 of 2001.

EV: Let me go back a little bit, back to BPSI. When you became a sales agent there, did you get any training?

CG: Yes.

EV: Prior to start selling?

CG: Yes, there was a set of tapes that were produced by NOPA, National Office Products Association, at the time; the name's changed since then. And they had a set of training tapes to go and sell office supplies. So, for the first two weeks I was there, I learned the catalogue. I listened to the tapes on how to schedule your calls. I listened on how to handle customers. And, of course, I didn't need to drive the delivery van because I had done that part already. So that training session with the tapes was about a day and a half each tape and that's how they trained.

EV: And as a sales representative at BPSI, how long did you do that?

CG: I sold for BPSI, I drove for two years, till '75, and I sold for two: one inside and one outside. No, excuse me. I sold outside first, for one year, and they put me inside.

EV: And where was this located?

CG: 1616 Bassett Avenue in El Paso, Texas.

EV: Was it locally owned?

CG: Yes. Jack (LaDee??) was the owner and Earl Lindgren. Don't ask me how to spell his name.

EV: And, while you worked there, was there anybody you would consider some sort of like mentor or somebody who –

CG: Glenn Powers.

EV: What would you say – what would you consider that you learned from her – from him.

CG: Everything. Glenn told me that if you can learn how to sell, that you can sell snow to the Eskimos. And Glenn taught me that your frame of mind, your attitude, your demeanor, your daily frame of mind, to be positive, was what were the things that were needed to go sell. So he was my first real mentor, my first real teacher even though my direct boss, he was a good teacher.

EV: And what were your duties as a salesperson?

CG: Just to go call on customers and sell office supplies, to knock on doors, to beat the competition, to do better than the competition, and to service accounts on supplies. Supplies are groceries to a business. Like they are groceries to a house, pens and pencils are the same thing to a business.

EV: Was there like a minimum of sales that you had to complete?

CG: Yeah, you had to meet your draw and your draw was an amount of money they paid you. Normally, and you had to meet or beat that, but because it was commission, the more you sold, the more you got paid.

EV: Was it hard to sell –

CG: Very. And it was hard to sell because there were companies that had been established in El Paso for seventy-five years. And in those days, you were up against somebody that knew somebody all their life. So, it was hard to get into accounts. And fortunately for me and unfortunately for the competition, and it's probably gonna happen to me too, but those guys got old and passed away. So I could walk in and sell them. They would say, Well so-and-so's not here anymore. They died but here's what we need. And as soon as some of the older guys started retiring and go away, I made progress right away. It was obvious.

EV: And later on, you worked for Stationers?

CG: At the end of '76 beginning of '77 Stationers bought BPSI out and I went to work for Stationers.

EV: So this basically remained the same location, it just changed its name?

CG: No, we moved out to Barranca Street on the east side of town.

EV: And was this one still locally owned or was it based out of –

CG: No. No, Stationers was owned by, the lady's name that owned it, her name was Lillian Boyd and their home office was in Los Angeles, California.

EV: And what were the main differences working for Stationers and working for BPSI?

CG: It was even harder because BPSI was local and Stationers wasn't, so it was harder because they would say, Well, you're from out of town. Why should we do business with you?

EV: So people preferred –?

CG: Local.

EV: Locally owned?

CG: In those days, it was alive and well. That was the preference, to deal with somebody local.

EV: How did the company solve that problem?

CG: We just had to keep working. You just had to go out every day and knock on doors and, like I said, it started to happen when I was at Stationers where the first guy that closed was Lynn Markel from Office Service Center. He just decided to retire and close it. So that opened up three or four accounts.

EV: So, what other factors would you consider that helped Stationers to compete being based out of town?

CG: Eventually, their size because they were probably one of the first Big Boxes, the big stores. They had twenty-nine locations throughout California, Nevada, Arizona, Nuevo Mexico, Tejas. And they were growing. They were going east. Midland was gonna be the next store and their purchasing power; their buying power.

EV: Was there any training programs there, with the company?

CG: Yeah, they had modules. They had training modules but since we were all seasoned reps and we had been in the industry, all of us had been in it like five or six years before they bought it. The ones that they hired, there was four of us: myself, Diane, Doris, and Sam. And they hired two guys away from Norton Brothers, at the time, so six started. And they ran through some pretty basic, fundamental training modules but all of them were based on this NOPA training tape that I first saw when I started selling, that I first listened to.

EV: Would you describe some of the lessons on those tapes? Some that you would consider were crucial for you.

CG: Crucial would be establishing a call record, a schedule, making a schedule of who to call on. There's in the industry, there's what they call a cold call. Well, that's okay, too, but if you write down who you're gonna go see, even if it's cold, you need to plan your day every day. And if you have extra time to call on somebody that's not on there, then you write it down. But the crucial part is they would – of course, learning your product but there's products today, that as long as I've been in this, they're new. Your audio component is one of the – that's a digital component. There's no such thing as – well there is, believe it or not. There's still stuff on tape and you don't have to worry about a car going back. Just a battery. But for the most part, when you're a salesman, in reality, you're a beggar, and that's what Glenn taught me. He said, "We're beggars." And we beg. We knock on doors and we put our hand out and say, "Give me your business, please." And if you can become humble and do that, you'll be successful. The videos would talk about processing orders. They would talk about what to sell it for. And nobody makes as much money on this stuff as they used to in the old days. That all stopped in 1995 when Office Depot exploded and started giving it away. And now, they're in trouble for it but that's okay. They'll learn. You've got to make money to stay in business. Oh, what else is on there? You know, I'm gonna say this and I think we do it here better than most. But

when you work for anybody, and I don't care if it's an entrepreneur or a private, local person or a giant corporation, if the people that you work for back you, you'll succeed. If they promote you, if they encourage you, if they help you, if you have everything in place to help them and do the job they need to do, you'll succeed. Big Boxes just want to make sure calling on fifteen people a day, you know. Well, if I'm talking to you and you're doing an interview, and how many interviews are you gonna do if I say, "You know what? You have to do twenty interviews a day," with a loudmouth like me, that talks all day long, how many are you gonna get done, if you're lucky?

EV: Maybe five.

CG: Maybe five. Okay. So you go back to your department and say, "*No, este señor habló desde las historias por miles de años y todo mi tiempo, y, ¿yo que voy hacer?*" The Big Boxes – Office Depot, Staples – they say that you should go and say, Hi, how are you? do business and go. Unh-uh. No. First, you take the Mexican out of me. Okay. And then you take the color out of me. *Oiga, buenos dias, ¿cómo te va? Es una tristeza que perdieron los caballeros, los vaqueros. Y, es un placer que ganaron los Pittsburg Steelers, and we would start talking. That's how es el color de el Mejicano. That's how we are here, okay?*

EV: So it's building a relationship with –

CG: You have to deal with a human being when you're selling it. You better sit down and be friendly, respectable, cordial, emotional. Okay? Don't walk in and make it black and white and, "I'm here to do business and I'm your representative from X company." Okay. It doesn't work. We're human beings. We're not machines. It's not one machine talking to another one. And if you work for a Big Box, that's how they want you to treat it. You know. That's why they say, Well, we're gonna get this Internet going because when they got the Internet, you don't need

to see them all. Oh, you don't see your customer, they'll get rid of you. I don't care if they use the Internet or not. Out of sight, out of mind.

EV: And going back to your chronology of places you worked prior to your own business, later on you worked for Rio Grande Office Supplies.

CG: BPSI was first. Stationers was second – in this industry – Stationers was second. Rio Grande was third. Sturgis was fourth. Corp Ex was fifth. U. S. Office Products was number six and then myself. Or should I say the family?

EV: Yes, and so which of those, I mean, besides the ones you already talked about, were locally owned?

CG: BPSI or the ones that I –

EV: Yeah,(Rio Grande??)?

CG: Sturgis was locally owned. Rio Grande wasn't local. The owner was from Juárez.

EV: Oh, from Juárez, right? Who was the owner?

(both talking at once)

CG: And then Pueblo –

EV: Who was the owner?

CG: Daniel Ortiz. And the owner of Sturgis was Harvey Joseph. Sturgis and Company was Harvey Joseph.

EV: And Rio Grande Office Supplies, where was that located?

CG: On Yandell Street.

EV: And Sturgis?

CG: On Yandell Street.

EV: As well?

CG: I worked at Sturgis – well I started when Harvey Joseph owned it and then he sold it to a gentleman by the name of Tom Given(??) and Sandy Hooten(??).

EV: And while you worked at these other places, was there any further training?

CG: Oh, I've been to training all my life. One of the best trainings I went to, was when I was at Corporate Express. They sent me to Denver for five days because I was a manager then and that was probably the best training I've ever had.

EV: Oh, that's right. I didn't ask you about that. So, you started as a sales manager in Sturgis?

CG: At Sturgis in 19—

EV: And how was that process of going from a sales representative to a manager?

CG: I've enjoyed all of it. I've enjoyed driving. I've enjoyed selling. I've enjoyed managing. I don't think there's not a thing I haven't enjoyed. The hardest thing for me, ever, was to fire somebody the first time I fired them. And the second guy I fired was the easiest thing I'd ever done because I understood that you can't fire somebody using your heart. It's business and I didn't feel bad after I fired him

because I fired him and I had to take him home. It was one of my drivers at Corporate Express. And I felt bad when I fired him, but when I left him at his house, I didn't feel bad anymore because he said he was gonna find me and shoot me. And I said, "I'm glad I fired you. If that's how you feel, I'm glad I fired you." I said, "Go ahead. Shoot me. Bye."

EV: And at Sturgis, from the beginning, you were a manager, a sales manager?

CG: Unh-uh. No. I was selling. I sold. In 1985, I started selling for them.

EV: And what made you or what made them make you a manager?

CG: They were gonna hire a manager and when they told me they were gonna hire a manager, my comment to them was, "Make sure he leaves me alone. Nobody's gonna tell me how to do what I do." Okay. And they said, Well, if that's how you feel about it, then you have twenty-four hours to tell us if you're considering the position. So I took it.

EV: And what extra duties do you have compared to before? What else do you have to do?

CG: I had to manage eight people and not just myself. I had to make sure that we hit numbers because I was very well bonused if we did, and we did. And I had some duties in the back, in the warehouse, but they weren't mandatory. It was just my input.

EV: You still had to make sales or just manage the—?

CG: No. Just manage.

EV: What were the challenges that you had to face as a manager?

CG: Convincing people that they were good. Making them see themselves for who they really were, taking the negative out of their thought process.

EV: And how did you learn that?

CG: For the first five years, on my own. The very first thing I did was hire a training company, a professional training company for the first time. My boss didn't know what to do because I went downstairs a week after they hired me and I gave him a quotation for \$14,000 to bring him in.

EV: Just to clarify this, this was at Sturgis, right?

CG: At Sturgis. To train these people. And he said, "Well, I thought you were gonna make me money, not cost me money." And I said, "Nobody here has been trained professionally. Nobody. All eight of them. Myself included. It's time." And they did and three months later, sales were up 35 percent in that department.

EV: What company did you hire for that?

CG: Graytrout.

EV: And they were based out of—?

CG: Atlanta.

EV: Atlanta. And how did you learn about their training?

CG: One of the wholesalers recommended them. A man I used to see once a month on a regular basis by the name of Paul Slowy(??). When I started, he said, "I'm gonna recommend you do something." And I said, "I'm already working on it."

He said, “Sales training.” I said, “I’m already working on it. I already have a quotation from two people in town.” Dale Carnegie was one of them and I can’t remember the other company.

EV: In your opinion, what were the main lessons learned in that training?

CG: Oh! They videotaped you and everything from dealing with people to believing in yourself. Those were the two big bullet points when—

EV: And later on when you worked for Corporate Express, you went to a training in Denver?

CG: Um-hm.

EV: And with what company was this, the training company?

CG: Cook. C-O-O-K. Cook Enterprises.

EV: And how was that, the training?

CG: Awesome. It was managerial training and he taught you how to treat people, how to manage people, the right way, because you can manage the right way and the wrong way. I can tell you what to do. Okay. That’s the wrong way. I have to ask you. And this was his book, “Forget for Success” and—

EV: Eric Harvey is his name?

CG: Well, that’s the writer of the book but he used this.

EV: Oh, the trainer. And what was the trainer’s name?

CG: Tom Cook.

EV: Tom Cook.

CG: Yeah. And –

EV: And his training is based on this? This book right here?

CG: See this? “Treating People.” Okay. How do you want me to treat you?

EV: Like I would like to be treated.

CG: Like you would like to be treated. Okay. Not by the Golden Rule, “Treat others as you would treat your—” No. I need to treat you the way you want to be treated. Okay. And I need to talk with you, not to you or to your machine.

EV: What would you consider the key elements that make a manager successful? Understanding?

CG: You have to acquire a level of respect for everybody that you never imagined and you have to practice it every day. I was a yeller. I still yell. Okay. And sometimes that works good too when nothing else does. But it’s not easy to do. When you succeed and you become accomplished and you have things in life, we have a tendency to become arrogant and pompous, and you can’t. I’ve done better staying humble.

EV: And later, you worked for U. S. Office Products and after that, you got the non-compete agreement?

CG: After they let me go.

EV: Would you explain exactly what's a non-compete agreement?

CG: Well, they gave me money to not do anything. They paid me to sit down and stay home, and not compete, not start this business, or go to work for anybody for six months.

EV: And why do companies do that?

CG: They don't want you to disturb their business. They don't want you to take business.

EV: Oh, I see, because maybe you have certain customers and they don't want you to maybe take them away from their company?

CG: Yeah.

EV: I see.

CG: And I think the average is six months because they think, Oh, he'll go do something else for somebody else. He won't work in the industry anymore. But it's all I did all my life. It would've been unusual for me to do something else even though I know how to cook food. So I stayed the six months and decided just to do this and here we are.

EV: And just before we go into, now, your company, what would you consider – and I should've asked this before but I didn't, what were the main lessons that you learned working with your grandmother?

CG: Oh. Work ethic, first and foremost. Working in a restaurant is hard, hard work. You don't leave every day at the same time. You don't close at five and go home at six [o'clock]. If you had a busy day, you have to finish all the dishes, and you

have to clean the dining rooms, and you're lucky if you go home at seven or eight [o'clock].. If nobody comes in, you're gonna close at 5:00 and go home at 5:30. You're gonna clean the grill and go home. But, work ethic. Being there. Showing up on time. Stay until you're done. Doing it right. When you prepare food, you have to be very clean. Very clean. And there's a right way to prepare it and a wrong way. Knowing not to leave food out, making sure it's refrigerated after you prepare it. Making sure your kitchen and your utensils are clean. Making sure your water is properly chemicaled. Oh, you name it. When you serve people food, you have to do it right. You have to. There's no other way. If you do it wrong, you won't be in business too long. If you don't take the *cucarachas* out of the food – [Laughter]

EV: Okay. So now, we'll come to the present. What is the name of your present company?

CG: Pencil Cup Office Products Incorporated.

EV: And would you please describe your business, number of employees, products, services?

CG: We sell office supplies, furniture, computer supplies, and we deliver to our customers next day if not sometimes same day when we have to. We service the entire community. We sell to anybody that'll buy from us. We sell to doctors, lawyers, schools, government agencies, the Army, Fort Bliss, William Beaumont. We have fourteen employees. We started with just Joe and myself. And in 2006, my wife came on board, finally. And we now employ fourteen people and we're approximately at about \$2.4 million in sales.

EV: For how many years has the company been in existence?

CG: We incorporated March eighteenth as Pencil Cup Office Products Incorporated. We began the business. June first was the first day we sold something.

EV: In 2001?

CG: In 2001.

EV: So this June it's going to be –?

CG: Eight years.

EV: Eight years? And why did you decide to go into business for yourself?

CG: Because it was the only logical thing to do. It made sense since I was in the industry for so long.

EV: Was there anybody besides yourself that encouraged you to do it?

CG: Everybody I knew: family, friends, old customers.

EV: And what were the economic conditions in the region when you started?

CG: Healthy.

EV: Describe the initial reaction of the community at large when you opened your business.

CG: You know, I had been managing for five years. So some of the people had already gone to other companies and the difficulty was getting them back. So that was my first hurdle to jump. The second one was starting the business without any capital.

EV: So you didn't have any sources of funding?

CG: Nothing.

EV: And how were you able to –

CG: Eat?

EV: To do everything?

CG: Just work it. Work it as hard as I could. I would open at three [o'clock] to receive my trucks and we started out with maybe five or six boxes a day. And then after I'd deliver, I'd go home and change. When I first started, I was already changing to go sell by 8:30 every day and then I would sell until at least 1:00 or 2:00, and then I would come in. And I was putting in sixteen hour days for the first three months.

EV: Did you begin with any kind of business plan?

CG: We had a business plan and a gentleman by the name of Larry Madrid helped us draft it so that we could go to the bank for a letter of credit because that what the bank gave me. They gave me a letter of credit; they didn't give me any money even though a letter of credit is as good as money. And he helped me draft that business plan because the bank needed the business plan to issue the letter of credit.

EV: How was that process? Were there any difficulties?

CG: No, I just needed to put up collateral and I put up an automobile for collateral, for the letter, to open with a wholesaler.

EV: And would you describe how the letter is used to make purchases or –?

CG: What they do is in giving them the collateral, they lien it and if you default on the amount of money that they give you on the letter to the person you're doing business with because they really don't give you any money. The letter, it's more than a personal guarantee. If you default, they pay the company that you defaulted on and then they keep your collateral.

EV: Oh, I see.

CG: It goes into their kitty, to their bank.

EV: And what were the major challenges that you encountered in the startup phase?

CG: Oh. Just the massive change in the industry because, in 1995 there wasn't any Office Depot stores here. In 1998, there was one, and in 2001, there was four. So two private businesses had closed, but we were up against Office Depot and they were everywhere I'd go, I'd run into them. Everywhere. Corporate Express also.

EV: Were there any other local companies at the time?

CG: One.

EV: Still existing?

CG: One.

EV: What factors helped your company grow?

CG: Hard work. Hard, hard work. Persistence. My wife coming. When she got here, we doubled in one year. We doubled the business. We went from – in 2005, we were at, we doubled the business. When she got here in 2005, it was at \$1.1[million], but that was because of – let's see. We doubled. We went in 2003, we doubled. In 2004, we doubled the business. Then we went down in 2005 and then in 2006, she got here. We came back up to where we were and in two years, we doubled it since she has been here. She's making me work too hard.

EV: In your opinion, what is that has made Pencil Cup be successful at competing with the Big Box companies?

CG: We care. We take care of the customer just as a normal, everyday process. And when you care, you're not gonna fail. When you care. If you understand that this puts the shirt on your back, the food on your table, and the roof over your head, and that you're taking that customer's dollar, and you better take care of their dollar, you'll succeed. But nothing good comes easy. It's hard work. And if you're not ready to work hard, then go be an engineer, or go work for the city, just doing a regular job where you're told what to do. And I'm not putting that down or buy a lottery ticket, and see if you can win the lottery if you don't want to work hard.

EV: Would you describe major successes you have experienced as a business owner.

CG: My hairdo. No, I'm kidding. Probably the way we approach the community and that we're here to take care of the customer, our motto. And that's our motto: taking care of the customer.

EV: Could you expand on your involvement with the community?

CG: We support several charities and when you succeed in business, you need to be a servant to your community whether you volunteer for something, or whether you

donate money, or time, or contribution. You have to. You have to support your community if you've succeeded. You have to give back. I think that – I don't know. I'm not telling people what to do but I think then you really, you're worth your salt. If you think you have value, then if you support your community, you do. You have to give back to it.

EV: Have you faced any challenges growing a business as a Hispanic?

CG: No. I don't look like one. That's why. You're laughing because you've seen me. So when I go in, they don't know I'm Hispanic until I say what my name is. Everybody looks up and says, Oh, my God! *Sorpresa!*

EV: And what role has your family played in the growth of your business?

CG: They've all won (one,—??). My kids, when we've needed help, they've all jumped in, and my son works for us now. He's a partner in the business. My wife left the district because we had always planned for her to come into this and she left being an assistant principal to come into it, so they've all supported me. My nephews work here. My nieces work here.

EV: So it's truly a family business.

CG: It's a family business.

EV: Do you think your company enjoys any advantages for being a Hispanic-owned business?

CG: It does because of my wife's certifications as a woman-owned, Hispanic. It has benefitted us for several customers and in her arrival and full involvement, we've seen quite a difference in several places that weren't doing business with us until she stepped in and really brought that to their attention.

EV: So, the community has been supportive in that sense?

CG: Companies.

EV: Companies?

CG: Companies have, yes.

EV: Yeah, that's what I meant, the local companies help (have??) support it?

CG: Yeah.

EV: Have you expanded beyond the local area?

CG: We deliver to customers in Las Cruces, in San Antonio, in Austin, in Houston and Alamogordo.

EV: To what extent has either yourself, your wife, or the company been featured as a leader or a role model?

CG: In the last year, quite a bit. She's in the paper every two months. In this article, you can see I'm watching her with a checkbook and I'm telling her, "Hey, be careful."

EV: From El Paso Times?

CG: Yeah. And I will say that the Hispanic Chamber has been very instrumental in helping us with a lot of what we're doing. And the SBA has been instrumental also; the Small Business Administration. Susie Aguirre. *Nos ha ayudado mucho.*

EV: Would you please describe some of that help?

CG: They helped my wife get certified 8a, so they helped her with the process. And Elke(?), I don't know her last name, with the Hispanic Chamber, helped my wife with that also. They helped her from the beginning to the completion of the certification. And a gentleman by the name of Mr. Conway that works for El Paso Community College encouraged her and he's always supported her. He's always supported us. He's always supported Pencil Cup.

EV: And you had never applied for a loan from the SBA or anything like that?

CG: No, I have a line of credit with the Bank of the West, a local bank. I didn't need to go through the SBA to get that. They lent us that money on our own wherewithal on our own.

EV: We're approaching the end of the interview and we're gonna go into like sort of a reflection section. Looking back on your business, if any[thing], what would you have done differently?

CG: Ooh, learn how to keep books. A little bit of accounting, that's all. But everything else, I wouldn't have done anything any different. Nothing different other than I should've made an effort to know my accounting portion better, but that's all. I know it now. We learned it. But we grew so fast in three years that it was handled the best way I knew how and I know how to better now. So I know how to manage it now. But growth can get away on you.

EV: So you never, in that phase, you never had like an external accountant, somebody that will look at that?

CG: Well, I have a bookkeeper but when you own your own business, you better know how to keep your own books even if you have a bookkeeper and I have a CPA.

And when the CPA reviewed us, that's when he brought that to my attention; that there was things that I needed to step up and do without the bookkeeper, or in addition to the bookkeeper. Because the bookkeeper keeps books, like he said to me the day that I— *como te puedo decir, lo reclame*. “Ay, ¿que andas haciendo? And he said, “I’m not a consultant. *Yo no soy consultor*.” And I said to him, “I know, you’re not, and you should’ve been. You should be. You should be concerned about every dollar your clients that you keep books for on(??). For every dollar that they keep a book on and you weren’t. But that’s okay.” Because he was honest and he said, “I’m not a consultant.” And I said, “You should be because some of the people you keep books for, you won’t be, if you keep books like you keep books for them without consulting them because they’re gonna close down and go broke.”

EV: So did he change or did you get another one?

CG: No, I still have him but I’ve – as you can see, I’m gonna start doing it myself. I already have, just on Excel spreadsheets, but we’ll see if his reports match mine.

EV: Okay.

CG: So, here we go.

EV: In your opinion, is the business climate better for Hispanics today maybe comparing it back to the times like when you started with these other companies?

CG: Absolutely. Absolutely. Absolutely because race has been taken out of it. In the old days, race was very prevalent and more than race, a relationship in the old days, even though it was obvious to me that race when I first started, until they asked me my last name, when I’m gonna say maybe five accounts found out my last name, I was asked to not come back. But that’s not so much today, anymore. Today, and I think I said this earlier, you’ve got to work hard if you want to be

successful as an entrepreneur. I don't care what you sell. You can sell snow cones, or Fruitiki, *paletas*, or tires, or insurance. And if you work hard, chances are, you're gonna make it. I don't know, I don't know of anybody that hasn't worked hard and not made it. Sometimes it takes a little longer. After the first six months here, I wondered, What the hell am I doing? I know I'm working hard but what – I'm losing money. We went in the hole the first six months. Well after that, it started to come, finally. My work started to payoff. And there are decisions that are made when you try to sell somebody, they're used to dealing with ABC Office Supplies and they have to tell their superior and say (Hey,??), I'm gonna buy from this guy now. Well, why? Because he takes care of me. He's here every day. He's here every Monday. He's here every Tuesday. He sees me every day of the week, once a week. Or he sees me every other week, the same day. I know he's coming. And when we ask him for something, he takes care of it. So the decisions, sometimes, are behind the next door and they don't happen right away. Sometimes upper management says, "No. If it's not broken, don't fix it." And what you have to prove to anybody is that we're better and the buyer that you talk to has to tell their management, "I'm gonna buy from them because they're better. We're gonna save money." Or, "They'll take care of me better." Or that, "the computer department won't complain because they aren't getting their paper on time. He brings it to me the next day, and same day, if they run out because they don't tell me on time." So you just gotta work hard.

EV: What advice would you offer an Hispanic starting a business today?

CG: To learn some accounting. Maybe not necessarily an accounting class, but learn how to do QuickBooks and learn how to manage your money. And make sure you're not overspending when you can't. And the hardest thing to do is to plan for growth. I've done very well with that. Everybody that I bring in, we've probably had here for six months sooner than we really needed them but we handled the growth. We finally grew into the growth so I can't complain.

EV: What hopes do you have for the future?

CG: I hope we're double what we are today or we do double what we did last year. I hope to double it – let me put it to you this way. I hope to double it by the end of 2010; in the next two years, 2009 and 2010. I hope that 2010, at the end of the year, our sales are double what they are today.

EV: Any other hopes, maybe to a larger extent in the sense of like Hispanic community, its relationship to business in El Paso?

CG: Right now, we scholarship two kids that go to a charter school here in El Paso and it's not beyond us to scholarship maybe those two kids all the way through UTEP. So, I guess, my hopes are that UTEP buys from us to support us because they don't and that's okay. Sooner or later, we'll get you. No, they do. I take it back. They do now. My son sold them. So you have to take that out of there. They do. They started to buy. And, you know, when we opened up, I had two departments that bought everything from me at UTEP and at one point in time, they were told not to. Why? I don't know and it doesn't bother me that they were told no. But hopefully we could see those kids all the way graduating from UTEP and on to bigger things. I know what that's like. My kids were going to school and they called me and they said, "Dad, I need four hundred and eighty dollars." I said, "What for? I paid your tuition." "Books." I said, "What's in them?" I said, "Are they made of gold or –? No." That's how much they are. Per kid. Not for both of them. Four hundred and twenty dollars per kid. Okay. And how can people afford that when gas costs four dollars a gallon or a gallon of milk costs five dollars? Who would have thought that a gallon of milk would ever cost more than gasoline? You need to make an engine that runs on milk, you're gonna go broke if you do. Of course, the people in the mountains of Appalachia got it now. They put the whiskey they make in their cars now. They had to add gasoline to it so people wouldn't drink it. And you know what? Don't get me wrong. We need to help anybody: black, brown, white, gray, green, blue, purple, pink. We

need to help anybody that needs it. Okay. Because I'll tell you the same thing I told the lady when she walked into the Chevron station on University and Mesa and she said, "If I win the lottery, I'm gonna give my money to the poor." And the lady that worked there looked at me and she said, "What would you do with your money?" And I said, "If I win the lottery, I sure wouldn't give it to the poor." And she asked me why. And the other lady looked at me and she says, "Well, you look like the kind of person that wouldn't help somebody." And I said, "No, you misunderstand what I say." If you give to the poor, what are you doing? You're perpetuating poverty. Understand that if you give to someone that needs help, you're advancing them. But to give to the poor just continues to perpetuate poverty. The guy down at La Fe has it right, "Let's educate these poor people so that they don't stay poor." And we're very involved with that entity in El Paso. Those are the kids that have our scholarships. Because giving to the poor just perpetuates poverty. Teaching them doesn't. Educating them doesn't. It brings them out of the hole they're in. Okay. *Pero si tu le vas a regalar a un pobre en la calle que nomás anda pidiendo*, they're gonna stay poor until the day they die and they're okay with it. They probably have more money than you and me because everybody is giving to them. And doing what's right with those. And really, you know who's doing that? My customers, our customers are supporting this community. We're just funneling the money into what we hope is the right place because you can funnel it into the wrong place. And we don't want to make that mistake. Some charities, I've stopped giving to because it just didn't make sense anymore. You're giving your money to somebody that really doesn't need it, you know what I mean?

EV: Well, Mr. Gándara, I don't have any more questions. Is there anything you would like to add?

CG: Go Miners!

End of Interview

DRAFT