

Volume VI, Issue 3
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VBR

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The Art of Crafts Valley Artisans

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Common Ground Between U.S. and Israel?

Have we learned everything? Do we ever get to a point where we have all the answers and there are no new ideas under the sun? Certainly not.

Are we humble enough to say, "I have no idea about a particular subject, but I want to be taught." We who hope to excel in our professions can seek and apply business practices of those who have reached the highest level in their fields. As we strive to be more productive, more efficient and to gain a competitive edge, we should be searching for top-ranking companies, organizations, regions and countries that can teach us how to improve.

For example, did you know Israel is a global leader in technology, medical and security research and development? Israel also has the highest percentage of college graduates in the world. There are plenty of opportunities for us to broaden our educational horizons and trade with such an advanced R&D powerhouse. Israeli discoveries include the technology that detected the Boston Marathon bomber in the belly of that boat.

The Harlingen EDC recently partnered with the Center for Hispanic-Jewish Relations and hosted a symposium at TSTC's University Center, led by Israeli General Consul Daniel Agranov. One business leader in the room report-

ed that Mexico recently bought bullet-proof school buses to protect its children, a technology developed by Israel. General Consul Agranov enlightened the audience that due to problems outside of Israel's borders, new technology and security measures have been designed and manufactured to protect its own people.

The symposium was more proof that classroom education doesn't end when the last bell rings, but only begins. We must open our eyes and ears to explore what else is out there, because we are not the only region in the world dealing with economic and security challenges. Saying "We don't know everything" is usually easy to admit, but do we take it to the next level and pursue the knowledge of others who can improve our RGV, our companies and our executive offices? The cliché "The more you learn, the more you earn" is a fact. Let's continue to educate our collective, deep South Texas efforts and become even more of a global leader.

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Israeli General Consul Daniel Agranov (VBR)

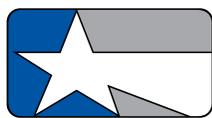


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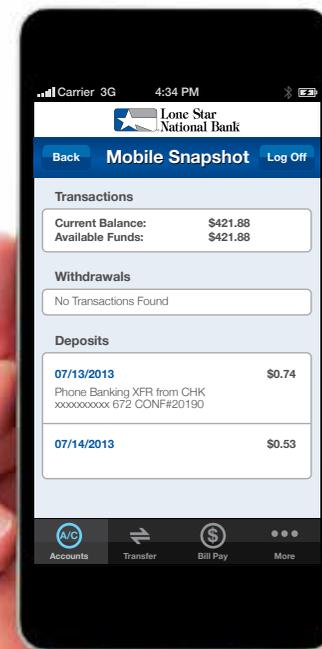
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The Art of Fine Crafts

By Eileen Mattei

The work of skilled crafters blurs the line between art and craft. That pleasing merger of art and craft depends on the skills of the crafter/artist, the medium and the eye of the beholder. Local experts in mediums as varied as stone and silver, fiber and wood, antler and beads, are creating one-of-a-kind pieces. Across the Valley, you will find craft studios and boutiques specializing in handmade items ranging from stained glass and designer clothing to quilts, carved wood trays and mixed media décor. Hand-crafted items appear at bazaars and market days, as well. In addition, a few businesses supply raw materials and studios provide lessons for newcomers to learn the basic skills to make their own pieces.

Crystal Ziemann, a retired music teacher with an encore career as a gourd fine artist, works from **Ziemann Studio** in Weslaco but sells her one-of-a-kind gourd sculptures at regional art shows and galleries, at wildlife festivals around Texas and at the online craft marketplace Etsy. “You have to be a good craftsman and pay attention to detail. But you have to go beyond the craft to get to the higher level as an artist,” she said. Her gourd sculptures would be impossible to duplicate.

Ziemann buys cured gourds, choosing from up to 10 varieties to achieve her art. “A lot has to do with the textures and what you feel in your hands. Gourd skin is tough.” She uses a variety of tools to carve it, dye it, and weave fibers and reeds through her pieces. Sculpted mermaids, nativity sets, bowls and fanciful containers with a fused glass handle are among her

creations.

Previously in Austin, Laisa Macias sold the scarf blouses she had designed through pop-up shops and in co-op stores, gaining a strong following. Recently relocated to the Valley, she transitioned from a home studio to open **Urban Boutique & Studio**. “This is my first store. It’s easier having the studio and shop together. My goal is to have all hand-crafted items here,” said the designer and seamstress.

Taught sewing by her grandmother, Macias as an adult returned to the craft, eventually interning with a handbag designer and then experimenting with patterns and taking private lessons. “It is one of those arts, the more you do it and experiment with it, the more you find.” She has the handwork of a knitter, a handbag designer and other artisans on display, but continues seeking other skilled crafters.

The success of Macias’

original scarf shirts and tunics enabled her to open Urban Boutique in September. Surrounded by bolts of vintage-look fabrics and boxes of scarves, Macias moves contentedly between her sewing machines, design sketches and cutting table, and the completed knit dresses and tunics on racks. “I’ve tried to make enough clothes that if people come in, they can find their size.” Macias said that for her the toughest part of managing all of the facets of the busi-



Recycled Dreams sells its handmade owl purses at street markets in McAllen and Harlingen. (VBR)



Stained glass created at the Hand of Man can depict Valley scenes. (VBR)

ness is getting a website that conveys what Urban Boutique does. “It has to give the whole picture of everything I do and what I want the store to have.”

Hand of Man, filled with sun-catching stained glass art, makes the first-time visitor gaze around in wonder. From large Texas landscapes and door panels to wind chimes and lamp shades, the stained glass on displays throws a kaleidoscope of colors around the building.

Jerrie Howell, who has run the business for 37 years, said nothing has changed about the process of stained glass making. Yet she is pursuing a new angle with stained glass. “I’m an elaborate embellisher and this concept got me excited,” she explained, showing several 15-inch high ornate crosses covered in stained glass and vintage costume jewelry, made in memory of a customer’s deceased mother.

Laurel Becker works in silver and stone at her baretree studio. But three days a week, she teaches classes at **Beyond Arts Gallery’s** studio. The lapidary studio there is filled with grinding, cutting and polishing machines, as well as students. “Finding someplace to learn it is the difficult part for most people,” said Becker, whose degree is in three-dimensional art with an emphasis on small metals jewelry. The gallery has made art education and skill development accessible to the community. “These are inexpensive, beginning level classes here. We get a pretty good turnout.”

Becker’s beginning silversmithing class was working with a precious metals clay to form shapes of their own choosing, before firing them. The heat burns off the clay leaving a pure silver ornament.

Recycled Dreams, a Mission crafting co-op, repurposes textiles to create one of kind purses, briefcases and related hold-alls. Organizer Judith Bollain guides the 15 women whose eye-catching creations are sold at outdoor markets across the Valley.

If you are determined to try your hand at making your own art, the Inner Artist has classes to ease you onto that path. The independently owned sip-and-paint shop in Harlingen opened two years ago to host painting parties and paint

Laisa Macias opened Urban Boutique & Studio where she designs, makes and sells clothing like her signature scarf blouses. (VBR)



nights. At the 4-7 p.m. class on Thursday, for example, artists typically work on painting the same picture on canvas, coached by Miguel Beach. “Everybody can paint. You just have to try it and you can develop your inner artist,” he



At Beyond Arts Gallery, Laurel Becker guides silversmithing student Elena Portales. (VBR)



A color wheel helps ceramic painters at the Inner Artist. (VBR)

said.

“Miguel walks you from the blank canvas step by step to making a completed painting,” said Clementina Beach. The picture may be a city nightline, a landscape or a vase of poppies. Baby showers and birthday parties can opt for various themed or seasonal images, based on the age level, child to teenage to adult.

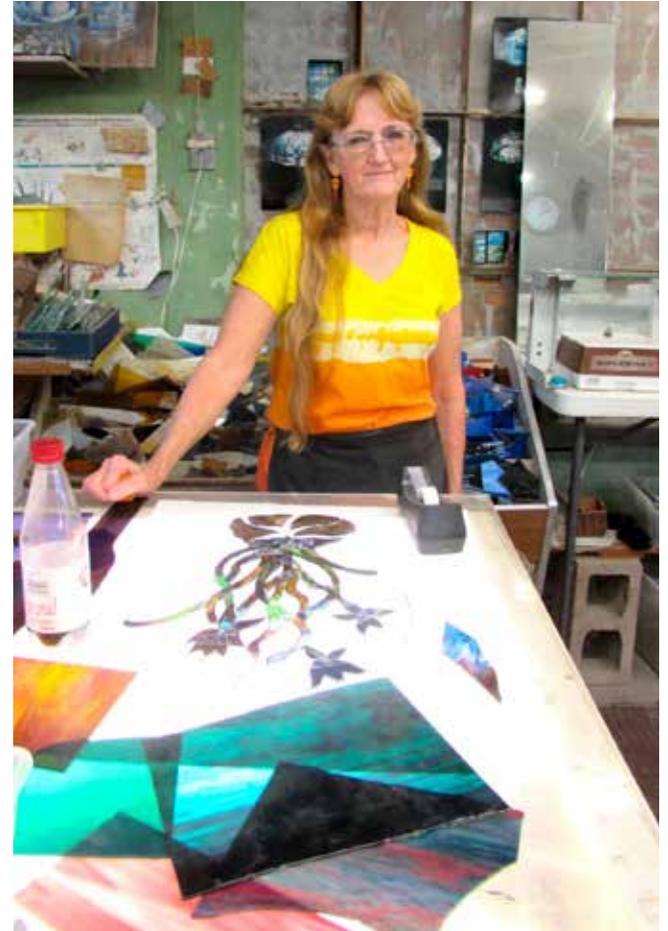
Inner Artist also offers times for ceramics painting and firing. The calendar on InnerArtist-Fun.com depicts the images slated for classes held on different days. Parties can be booked at any time.

Whether you prefer to seek unique gifts and décor made by skilled crafters and artists or to learn how to do it yourself, wonderful items are made in the Valley. Christmas is not far away.

For more information, see Ziemannstudio.com, Innerartistsfun.com, beyondartsgallery.com, [Urban Boutique at 512-538-8662](http://UrbanBoutique.com) or [Facebook: lurbandowntown](https://www.facebook.com/lurbandowntown).



Gourd artist Crystal Ziemann works on a gourd sculpture of a mermaid. (VBR)



Jerrie Howell lays out a stained glass design at Hand of Man. (VBR)

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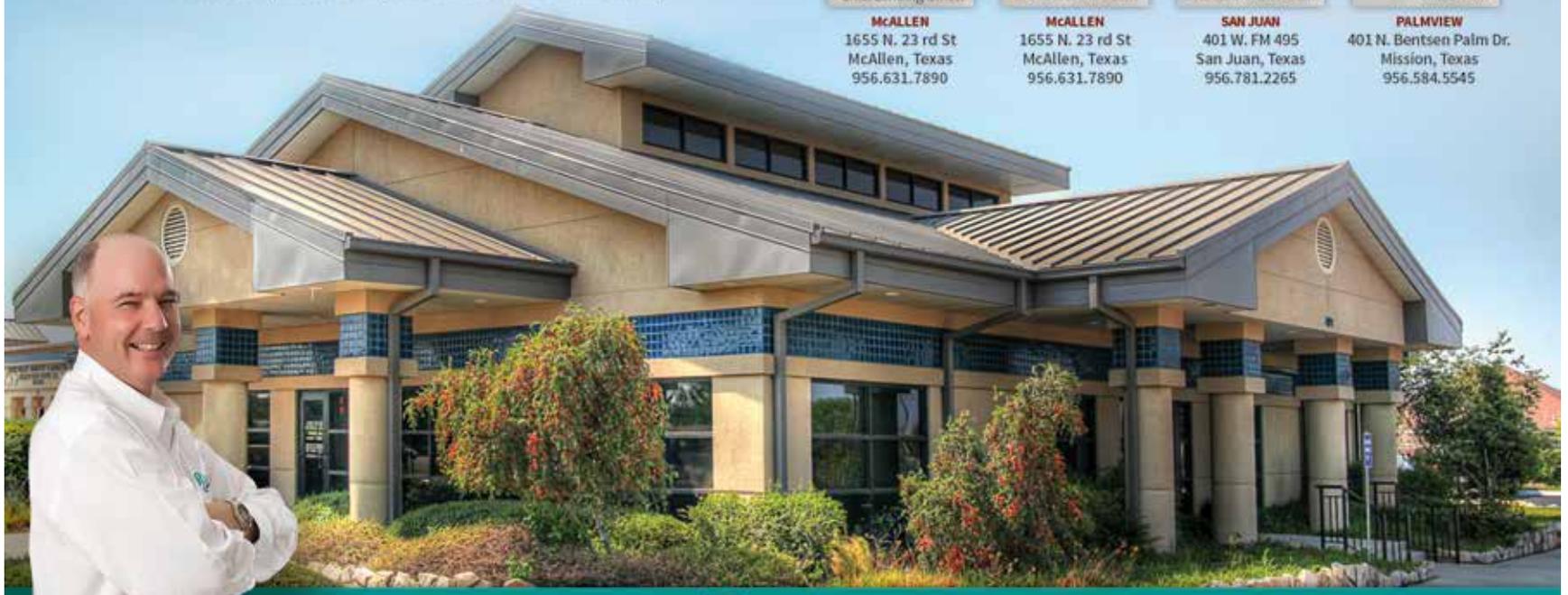
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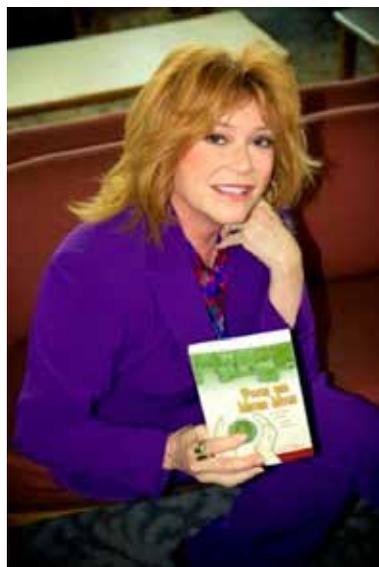
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The Cobra Effect

By Susan LeMiles Holmes



No, I'm not talking about COBRA, the law that allows employees to extend their insurance coverage after separation. I'm actually talking about the snake, the cobra.

"The Cobra Effect" is a nickname for any worst-case-scenario involving the "Law of Unintended Consequences."

During India's colonial days, the British decided to exterminate the venomous cobra by offering a bounty. "Bring us dead cobras and we will give you cash." Problem solved. But the enterprising locals saw things differ-

ently. To them, it looked like a clear reason to start breeding snakes in order to make more money. They were quite successful.

What happened when the smug problem-solvers discovered the flaw in their plan? They stopped offering the bounty, of course. What happened when the snake bounty was no longer available? The citizenry of India set their farmed, but now worthless cobras free ... all of them.

The Cobra Effect is a solution to a problem that actually makes the whole thing a lot worse. I suppose it is sort of a second cousin to Murphy's Law. "Anything that can go wrong will go wrong." Similar situations have occurred in organizations all over the planet, including the U.S.

As a benefit, one company provided leased cars and gas credit cards for employees. The company placed no restrictions on private use on weekends and holidays. When gas prices skyrocketed, and the company wanted employees to cut back on their driving, they published a graph of the number of miles driven by each employee (without names). They assumed that workers with unusually high numbers would feel ashamed and reduce their use of the leased car.

But the reaction was unexpected and completely opposite. Workers saw that there were others who traveled much more than they did; and they

started using their leased cars even more. The Cobra Effect.

When the good intentions of the U.S. government led regulators to put controls on how much money executives on Wall Street should make in bonuses, the voters smiled. In an attempt to recruit and retain the "heavy hitters," companies simply started offering higher base salaries.

Remember, base salaries, especially for executives and sales people, are guaranteed regardless of performance. They are counter-intuitive to the concepts of a performance-driven culture. The Cobra. Success in performance-driven compensation plans should be measured on the quality of work, in combination with quantity produced. The compensation formula should prevent payment of bonuses or commissions if the transaction could possibly be compromised later.

Organizations with the best intentions of improving their workforces by improving their performance appraisal systems often fall prey to the Law of Unintended Consequences. One of the most counterproductive systems is called a "Forced Distribution Performance Appraisal." This type of system requires that managers rate and rank employees in order of performance compared to their peers. This means that for one individual to win (get a higher rating) a peer has to lose (get a lower rating).

This makes interaction among peers intensely personal and competitive. The invisible glue that holds organizations together disappears. Spontaneous, open collaboration is suppressed; and motivation to take on the tougher assignments is absent. "Facetime" is now more important than quality or quantity performance. The Cobra.

What these examples have in common is that the designers of the solutions ignored some very simple rules, the rules of motivation (most simply demonstrated in Maslow's Hierarchy of Needs), and the rules of incentive (the people you are trying to control just don't think like you do). If your solution to a problem ignores either of these principals, the Law of Unintended Consequences is inevitable.

Beware. The bite of the cobra is deadly.

Susan LeMiles Holmes is director of Career Services at Texas State Technical College and a published novelist. You can inquire about hiring TSTC graduates by emailing susan.holmes@harrington.tstc.edu or learn about Susan's novel set in The Valley, "Touch the Mayan Moon" at www.susanlemiles.com

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Tierra Dulce Evolves

By Eileen Mattei

The ‘Going out of business’ signs hanging outside Tierra Dulce can make you feel sad about a business taking the agonizing step of closing down. Or not.

“Don’t feel sorry for me,” said owner Jesse DeLeon. “You adapt to survive.” Once DeLeon assessed his company, which specializes in making rustic Mexican furniture and décor along with importing Mexican folk art, he realized that changes had to take place. His 10-year-old retail store accounted for only five to 10% of the rustic furniture and décor business done by The DeLeon Group. “After 10 years, I finally got it. Online is more than 80% of our business.” Even wholesale accounts brought in more than the Ash Street store. In addition, the store took a large percentage of time, but contributed little to the bottom line. “The store by itself wouldn’t survive without the online side.”

So on Dec. 31, DeLeon is closing down the bricks and mortar side of the operation to concentrate on online sales, both retail and wholesale. The 11,000-square-foot building holds the large workshop filled with

more than 200 antique Mexican doors, as well as the work in progress rustic furniture. It will continue production of repurposed wood décor ranging from crosses, saddle trees, tables and armoires to cantina signs, votive light holders and bowls.

Mexican rustic furniture and décor is a niche market, DeLeon explained. While some Valley professional offices prefer that style, locally the demand is weak. “California is the number one market for us. About 25% of what we sell goes to California,” he said.

DeLeon has found success through his websites: mexicanimports.com, myamigosimports.com, tierradulce.com and creativerusticfurniture.com. In addition, customers seeking Mexican rustic furniture and folk art find DeLeon’s products through eBay and Amazon stores. “We’re drop shippers. We sell through other websites,” including western and folk art sites.

The evolution to only the online stores is remarkable considering the business’s lineage. DeLeon had two My Amigos restaurants in Houston. His customers there kept asking to buy his décor and furniture. So he left the restaurant business and came to the Valley. “We were importers originally, but the market tanked on pot-

Tierra Dulce has repurposed door panels of old Mexican doors to make mirrors, one of Tierra Dulce’s best selling items in the online marketplace. (VBR)



Jesse DeLeon’s crew at Tierra Dulce will use these antique Mexican doors to make rustic furniture. (VBR)

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tery. I realized I was never going to compete on price. To survive, we said let's try to create our own merchandise and work on having something nobody else has. That's why we make a lot of our inventory. Nobody can compare it to what somebody else has."

The huge Tierra Dulce workshop overflows with old Mexican doors, including five pairs of ornamented doors from a monastery in Zacatecas. The reclaimed wood will be transformed into tables, benches and other furniture.

"We repurpose a lot of doors. It's a huge area for us. We are like door butchers," DeLeon said. "We are looking for the biggest bang for the buck." He showed a wooden door which had been cut up and transformed into mirror frames. "It's now two items. We've perfected the making and safe shipping of mirrors. About 20% of our sales are mirrors."

The DeLeon Group's best-selling item is the wooden dough bowl, also called a trencher or a bread riser, produced from old wood in different sizes and colors. The dough bowls are listed in catalogs and on numerous websites. "Where ever the eyeballs are, I go," DeLeon said. "Every day you have to keep changing and keep adapting. Now we can concentrate our efforts."



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Fish On!

By Anita Westervelt

The Bay King anchored just past the jetties, bathed in moonlight, gently rocked in tidal swells in time to "... rock me mama like a wagon wheel ..." coming from the boat's muted radio. Skipjack flickered on the surface of the Gulf's waters. "Fish on!" was shouted time and again, bringing the captain and first mate to assist anglers hauling in whiting, sand trout and feisty gafftopsail catfish.

Tex-Mex Tours, doing business as Osprey Cruises at Pier 19 on South Padre Island and the Port Isabel pier, is in the entertainment business. Already offering bay and deep sea fishing, dolphin watch cruises, off-shore excitement on the Thriller racing boat, and a pirate ship, they are launching the ultimate sightseeing boat Jan. 1.

As fuel prices and fishing regulations make the fishing business more challenging, Osprey Cruises sent their first boat, the Osprey, back to the factory for a \$400,000 refit. "It's not a restoration, because there's nothing wrong with the boat," said Phil Calo, one of Tex-Mex Tours' three partners who started the company in 1997. The refit includes the pilot house, cabin and toilets, and will allow passen-

Phil Calo considers the dock his office. (VBR)



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gers on the upper deck. A massive air conditioning unit is being installed, a sound system, a big grill on back for fajitas and steaks, and an on-board marine biologist, according to Calo.

"It will be affordable, first class cruising," Calo said. "We've spared no expense on the project. There is nothing like it in the area." Anticipating SpaceX to be a huge opportunity that increases the number of tourists to the area, Tex-Mex Tours decided their substantial investment in upgrading the Osprey would pay off. The popular tour company has long been an advocate for corporate team-building tours on their fishing boats, as well as pelagic bird watching trips 50 miles out.

"The community has been good to us. The area is very pro-business," Calo said. "Port Isabel has gone from a corridor to South Padre Island to its own true destination. You're going to spend a day in Port Isabel. It's a day's activity. We are thrilled with the area."

With three boats docked at Pier 19 and three in Port Isabel, Osprey Cruises sees 500 customers a day. The pirate ship alone can board 270 a day. "What puts Osprey above and beyond the rest is the exceptional customer service," Calo said. "That extra effort, kind words. We've maintained the certificate of excellence with Trip Advisor for years." After Labor Day, the excitement dies down, going from 500 a day to zero overnight. They see an increase in

business at Thanksgiving and Christmas time. “Then Winter Texans, Spring Break and then summer’s here,” said Calo.

“We realized years ago, even though you hire us for a specific job – to take you to catch fish, our number one concern is safety, above all else,” Calo said. “Second, to make sure you’re having fun. We treat every cruise like the pirate ship.” The company employees 36 full-time and 10 summer seasonal workers. As a young man, Calo, raised in Dallas, spent all his spare time and all his spare money scuba diving and sport fishing. He was a chartered boat captain for 11 years prior to forming Tex-Mex Tours with partners Bob Tyler and Bob Tyler Sr.

Back on the water, once the engines are cut, Captain Jonathan Green gives the order to drop the lines. He instructs anglers to yell “Fish on” when a bite is felt. “If it’s a big fish, yell louder.” The crew will bait hooks, help get the fish in the boat and put them on stringers if desired. Whatever the Gulf has to offer is likely to end up on a hook, from reef shark, red and black drum, perch, spadefish and blenny to mangrove snapper.

Although the boats have electronic sonar, that doesn’t guarantee fish, according to Green. “The fish finder relates a presence but doesn’t distinguish between sea grass and fish.” What does improve the potential of a successful haul is the vast experience of the boat captains, knowing the hot spots and reading the seasons, tides, wind and weather. If nothing is biting, the captains are quick to move the boat’s position. “A moving tide is where the fish

are,” said Green. “It might be the morning cruise for two or three weeks and then change. If you want to know the best time for fishing, give us a call. We’ll tell you for that day.”

If catching a 12-pound red snapper is the quest, the Osprey II moves to Port Mansfield from December through April for deep sea fishing for red snapper. “There’s no pressure on the fish for eight months,” said Calo. “Just pick your day – it’s like fishing in a bucket.”

See ospreycruises.com and blackdragoncruises.com.

The crew of the Bay King helps lucky anglers unhook their catch. (VBR)



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Bringing New Products to Market

By Eileen Mattei

“The worst thing to do is to jump right into big business without first developing a customer base,” Marty Butts of Small Potatoes Sales and Marketing told budding Valley food entrepreneurs attending the “From Idea to Store Shelf” conference. Butts, a specialist in small-scale and start-up food products, explained the ABC’s of starting a food business and how to successfully sell the product. His avid audience at the event, hosted by UTPA Small Business Development Center, had products and potential products that included salsas, spicy popcorn, salad dressings, jams and jellies, and dips.

The direct-to-the-consumer route via farmers markets, Butts said, is the greatest incubator for food products. “You get feedback on the packaging, the price point and taste. Use it as a test market. You get to know your product better through direct selling.” Better yet, the products sell at retail prices.

The number of farmers markets in the U.S. has doubled in five years, Butts said.

“Your target market – people looking for small-scale, locally made foods -- shop there. What we learned in the farmers market was so valuable. The best and hottest (food) businesses go there to find new products.” In his first week in one New York market, Butts landed 13 wholesale accounts. Even food entrepreneurs not yet ready to supply wholesale should take business cards of interested buyers.

Butts gave tips on working farmers markets, which he said are the easiest way to sell. Always give free samples. Build product displays upward but leave room in the middle to engage with the customer and take their money. Make eye contact, if they want it. Farmers market customers tend to be regulars, so don’t chase them away with aggressive techniques. Make it comfortable for them.

Once your product is tweaked from customer feedback, then run through a checklist again. Is your price competitive? Who are your competitors? Where do they make and sell their products? Does your packing fit the product, physically and style-wise? Does the label look professional and meet state requirement? Do you know your production capacity?

Then start with small stores and expand your base. Look at independent, specialty, natural foods and gourmet stores. “Those tend to be the stores that are selling small scale products. People know a small scale company will not be the cheapest, but be in the ballpark, price wise.” Research to confirm a retailer sells local products. Focus on a single store to start. Know that grocery stores typically take 40% of sales price.

To approach a store buyer, you must have marketing materials. Butts recommends a single page Sell Sheet with information important to the buyer: Your logo, the range of products, size and wholesale pricing, along with your ordering and delivery process. “Your marketing budget should be your samples and a little bit for printing. We give away full-size samples to retailers.” Any food business not willing to give samples will fail, he said.

Butts said he normally leaves a goody bag of marketing materials with samples with retailers. “I’m a big fan of the soft sell and always following up to say thank you for your time. As a general rule, it takes six contacts to make a sale. Go back and make

Small Potatoes owner Martin Butts told food entrepreneurs the best ways to break into the market. (VBR)



the pitch again. Be patient.”

Butts reminded his audience that they cannot sell food products made in a home kitchen to restaurants and retailers. They need to have a commercial kitchen, their own or one they rent part time.

“If you can offer an introductory price on the first order they place or ship the first order for free, people will take a chance on a new product. Whatever the size of the account, be consistent, provide great customer service, go the extra mile, and always follow up. It’s tough to find time, but follow up to keep your customers. Getting in the door is step one of very long term relationship.” Consider training store staff on demonstrating the product and giving out samples, he added.

Alternative markets include Community Shared Agriculture (participants buy a weekly share of the harvest plus a local made product). Car dealerships, realtors and other businesses with high ticket products have shown customer appreciation through food baskets of local fruits, jellies and nuts or fresh made pies.

Event emcee Colin Cain of UTPA Texas Rural Cooperative Center told the entrepreneurs, “If you keep going, this will yield financial fruit, the sweetest fruit of all.”

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Helping Veterans Start a Business

By Eileen Mattei

Carlos Gutierrez, director of Veterans Business Outreach Center, talks to PeopleVET veterans about business plans. (VBR)

New to the Valley, PeopleVET was designed to assist Texas veterans who choose self-employment as entrepreneurs to support themselves and their families. The program is a division of the 20-year-old, Texas-based non-profit PeopleFund which is certified by the U.S. Treasury as a Community Development Financial institution. It provides business education and mentoring along with lending for capital needs when other lending avenues are closed. Overall, the program aims to give veterans the opportunity to turn their talents into a sustainable livelihood and achieve financial stability. Their motto is "You've honorably served. Let us serve you."

PeopleVET launched in the Valley in September with a six-part business readiness program for active duty military and honorably discharged and retired veterans. It also opens up a unique access to capital. Those who complete the three-month course are eligible and qualified for a \$20,000 loan at 5% interest. "The \$20,000 loan at 5% is a great incentive to complete the course," said Laurie Annear, director of education for PeopleFund. "Not everybody who completes the class applies for the



loan. It depends on what stage they are in. Some want

to work a little more on their business plans." Participants can apply for the loan up to three months after the course.

The first Valley training session is being attended by one active duty military and 17 veterans. One-third of the participants already have businesses, ranging for start-ups to long-established. One-third have an idea for a business, and the rest are investigating the possibility of starting and running a business. Their companies and companies-to-be include a print shop, magazine, farm-to-table restaurant, oil change facility, welding services and green energy.

Maria Giron, a 11-year Navy veteran, is on the verge of opening a daycare center in Penitas called Little Minions Learning Academy in November. "The class is helping tremendously. They talk about the business plan we need and other information. They make themselves available. Somebody is always there to help you and give you advice."

Giron, who was stationed in San Diego as a Navy communications and information technician, particularly appreciates the open lines of communication. "It's a great program. If certain things are not going to be beneficial for you, they tell you." The participants are forewarned about problems they might face.

The PeopleVET course covers the basics of starting and growing a great business with classes addressing Business Planning, Bud-

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get & Projections, Sales & Marketing, Profit & Loss Statements, Balance Sheet Statements, Cash Flow and Perfecting Your Pitch, Annear said. PeopleVET partners with local agencies, such as SBDC and Veterans Outreach.

Participants can receive one-on-one counseling. Giron's mentor, for example is Carlos Gutierrez, director of the Veterans Business Outreach Center, and she mentioned the value of being able to frequently call or meet with her mentor. Veterans who receive the \$20,000 low-interest loan can also be assigned a volunteer mentor. PeopleVET is seeking business people interested in mentoring a veteran loan-client.

Besides attending lectures and working on their resumes and business plans, the veterans also have time to network. "That's the beauty of it," Annear said. "They learn from each other, from their peers, about starting your business and about pitfalls. There are a lot of good conversations going on."

The next PeopleVET course in the Valley is slated to start in January.

For more information or to get on the waiting list, call Laurie Annear at 512-222-1019 or Jesse Sanchez at 956-258-3836 or see peoplefund.org/peoplevet.

Veterans planning to start or grow their businesses listen to a presentation on credit management by Felipe Galvan of Green Path Debt Solutions. (VBR)



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Gratitude + Success = Giving Back

By Anita Westervelt

Gratitude was the impetus for Jun and Edith Ellorimo's store Footworks, and it is a core concept in their business plan. A fitness store with a difference, Footworks is, in part, the foundation of their giving back to the community and making it healthier.

The husband and wife are both 19-year veteran physical therapists. Jun is lead therapist at Harlingen Medical Center, and Edith is lead therapist at Orthopedic Physical Therapy. Nearly 20 years ago, they were among five physical therapists in the Philippines who answered a recruiting call from a Dallas staffing company that was hiring foreign-trained therapists. Jun was assigned to Kingsville, Edith to Denver City in west Texas. Jun travelled the length of Texas for two years to be with Edith on weekends before they married.

When that company lost the contracts, the five friends were without jobs. Luckily, Jun found employment in Brownsville and, for a while, was the sole support of the group. "It was scary to lose a job or contract when you are away from home," Jun said. "I'd wake up on Monday mornings and thank God I have a

Jun and Edith Ellorimo. (VBR)



job." Edith also found a job, but that experience was a wake-up call for them. "After that, we started investing and thinking about a retirement fund."

After 10 years in the health care industry in the Valley, Jun and Edith were observing an increase in three diseases: diabetes, stroke and heart disease. "A surprising percentage of the increase was in people in lower age groups," Jun said. "They (the diseases) are preventable. Why don't people go out and exercise? We have sun here all year round. Walking or running is the most inexpensive form of exercise."

Their professional lives began evolving into a profitable business idea in 2009 when Jun and Edith ran a marathon. During training, their feet hurt, and they experimented with different shoes. They developed their business based on the opportunity to give back to the community that has seen them through tough times.

They merged their observations with their experiences and enjoyment in running marathons. "We see all kinds of pain in athletes and non-athletes," Edith said. "There is a reason people don't run marathons and running events. We thought that if we can get people to have that first time experience in a positive way, we can help people make lifestyle changes. We start with the shoes."

According to the couple, whose professional lives are dedicated to bio-mechanics of the human motion, the most expensive shoes do not necessarily mean the most comfortable ones.

"Everyone's foot is different," said Jun. A computerized treadmill in the store enables trained staff to analyze the bio-mechanics as a customer walks or runs on the machine. The

analysis focuses on heel strike, mid-stance and push-off portions of their gait cycle. "The detailed analysis helps in finding the right shoe for what the customer wants to do, whether endurance running, Zumba or walking. It allows for the most comfortable fit while helping reduce injuries and discomfort. We started with Brooks because it is a traditional shoe and caters to a wider variety of people. It can be used for running, walking or for work." The store currently carries 15 athletic shoe brands and gear.

"We could quit our day jobs," Edith said, "but physical therapy is our first passion. We consider it a community service, not to sell shoes, but to sell a lifestyle." Customer experience doesn't end with a purchase. Jun and Edith sponsor group runs at 5 a.m. on Tuesdays and Thursdays. On Mondays and Fridays, they sponsor a workout followed by a 12-mile bike ride and one-mile run. They also have a



Analyzing a customer's stride. (VBR)

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fee-based clinic twice a week offering training and analysis.

The couple works at the store on time off from their day jobs. The accounting and planning are done at home. "Sunday to Monday, we are promoting activities in the community," said Edith. They also enter half and full marathons around the country. Jun completed a full Ironman event this year. "We stay together in the run," Jun said. "The running and training is our quiet time together."

In addition they host an annual store anniversary run and a Thanksgiving Day run. The runs' distance has increased from the initial 5K run as participants get healthier and pick up their mileage.

They currently are preparing for their biggest community event in partnership with the City of Harlingen, Boys & Girls Club of Harlingen and the Harlingen Consolidated Independent School District. The Harlingen Half Marathon on Nov. 16 is a 13.1 mile run weaving through the Downtown Harlingen district. Registration is at Footworks, 2224 S. 77 Sunshine Strip, or online at footworkshalf.mvevents.com.

Edith and Jun Ellorimo with analysis equipment. (VBR)



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Payment Collection for Small Companies

By Nicholas Piontek

Small businesses typically have smaller customer bases than do larger companies. As a result, it is important that customer payments for good or services rendered by small businesses be made swiftly, as they have a significant impact on their solvency.

Thankfully for certain types of businesses, payments for goods and services may take place immediately, such as those facilitated through face-to-face interactions most commonly seen in retail businesses. Auto parts stores, massage/spa boutiques and restaurants, among others, all have face-to-face interactions, allowing collection of customer payments instantly for provision of goods and services. Because these types of transactions are immediate, payments are expected to be made right away.

Some payments,

however, come later. Most goods or services provided at a later date need written agreements indicating a promise of payment upon delivery of those goods or services. For example, a contractor must specify the scope and estimate of a project in a contract before the project actually starts, as well as the expectation

of payment once the project is completed. It is important that the small company specify the details and conditions of a project in a contract to avoid any issues of non-payment. As always, seeking legal expertise is strongly recommended when entering into any type of agreement.

To expedite payment for scenarios where compensation is delayed, invoicing is an important step to take after a service is completed or a product has been delivered. The information, amount and due date should be absolutely clear on the invoice. It is also helpful for small businesses to accept common forms of payment to avoid delays that may arise from financial transactions.

Discounts are another way to incentivize customers to pay early as long as these do not negatively affect the finances of the business. Accounting software can also help a small business owner send out invoices and reminders

to customers while keeping track of those who have not paid yet.

What about delinquent payments? A small firm must always approach their customers with professionalism when collecting payments. According to a study conducted by Freshbooks.com, an online accounting and invoicing firm, invoices are paid 5% faster when customers are treated with courtesy!

Plus, businesses can set interest rates for late payments to encourage timely payments. As a final recourse for delinquent payments, businesses can hire a collections agency to procure these debts in exchange for a percentage of the late payments collected.

Running a business is a challenge but placing payment collection on the backburner is not an option. The viability of a small business depends on its ability to manage its finances, including its accounts receivables.

Nicholas Piontek is a research assistant at the UTPA Small Business Development Center within the Business Development & Innovation Group. He provides support for business development efforts by lending in-depth research assistance to clients of the center. For more information on UTPA SBDC services for small businesses, call (956) 665-7535.



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Succession Planning For Your Business

By Brent Bishop

A wellness evaluation for your business is a comprehensive process requiring consideration of various aspects of the business. Leaving is an important but often overlooked aspect.

After devoting your life to a business, how do you leave? Under what circumstances do you leave? Will it be a voluntary departure with an identified payout? Or a voluntary departure with no payout?

Additionally, how do you plan for an involuntary departure? This can be as simple as an unanticipated change in health condition.

Employees and customers of a business do not like mystery in their professional activities. Maintaining order during a transition of both the ownership and leadership of a business are important.

Envision the following scenario. For 20 years, Jane Jones has been the president of the company started by her father. She learned the business from the ground up and transitioned to leadership when she was in her 30s, a fact known and accepted by employees, the company's bankers and its customers.

Jane was at the top of her game at 47 years old, and one Wednesday evening Jane had a stroke. With medication, rest and rehabilitation, a full recovery was anticipated within six months.

What does the company do on Thursday morning? Is a written, retrievable and enforceable company succession plan in place? Has the right person been identified to address Jane's duties? Will the right person be allowed to perform these duties? Or will the loudest and most forceful personality to arrive at the office on the following morning assume the position of de facto leader? Will Jane's health condition trigger an event of default under loan agreements with the company's lender? Does the company have insurance to address her disability or death?

Step one requires that the business's ownership and senior management sit down and have fundamental discussions regarding the following points. Is there a specific time (year) or age (of individual) at which current management will cede daily leadership responsibilities to another individual? What would the company do tomorrow if Person A, B and/or C does not come into the office – either by their own choice or on an involuntary basis (such as a health condition or the health condition of a spouse or close family member)?

Does the company have the talent in-house today to replace existing senior management? If the company does have the talent in-house, has this been adequately communicated to the company's employees? Frequently, the company's source of financing, existing customers or clients, and prospective clients need this information as well.

In succession-planning strategies, appearance is critical and can become reality despite a company's best intentions to the contrary. A customer who has only communicated with Person A during the course of the business relationship may have no confidence in the individual who sits in Person A's desk tomorrow. It is incumbent upon the business to both identify future management and promote future management to the current employees, financial institutions and clients.

Brent Bishop is a commercial and employment litigation attorney in the McAllen office of Cox Smith Matthews Inc. - a full-service law firm with offices in McAllen, San Antonio, El Paso, Austin and Dallas, Texas. His full biography is available at www.coxsmith.com.

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The Art of Relaxation

By Anita Westervelt

Stress, that dreaded word in the current lexicon, is a powerful negative imbedded in the American work week. It's not just a catch-all phrase; it's the number one killer in America. Many spend their day with muscles tensed, putting out one fire after another, meeting deadlines, pulling in new business, keeping above the red line. And then at night, they hop into bed and sleep as relaxed as standing at attention in a military close-order drill. Eventually, little aches here and there become terminal pains in the neck or back or leg – literally.

If you can relate, quick, call a massage therapist. Let a professional show you deep relaxation.

Certified Massage Therapist Mierée Snyder, the petite owner of The Massage Company, believes in the healing art of massage. "Massage can improve quality of life, hands down," Snyder said. "It helps the body and emotions take a step to get in a better state of mind in order to eliminate the burdens we all carry. Stress causes so many other problems. With massage, your circulation is moved and fed through your body. It pushes out toxins by helping blood flow to where it needs to flow. Your blood is healing you."

Snyder came into massage in a round-about way, first working in the travel and tour-

ism industry but not finding what she needed there. "I'm a hands-on person. I play the guitar, paint, sew, design. When I thought about massage, it related well, but I wondered if someone as little as me would be able to do that."

Through education, experience and continued learning, Snyder has found her key to success is using variety and creativity in her therapy. "I was lucky I had a great instructor who insisted we learn about muscles and what connects to what. I learn something new every year. Many people learn massage moves from YouTube, but I want to be certified in each technique. I want to learn from the masters in order to prevent injury to my clients and myself."

Now it is her clients who are lucky. Last year Snyder became certified in Ashiatsu, a Japanese word meaning foot, "ashi," and pressure, "atsu." In this massage method, the therapist glides over the body with highly trained feet, using specially designed overhead bars for support and pressure control. "The muscles in the feet can be trained to be just as sensitive as hands," Snyder said. "I'm using body mechanics and gravity. The result is excellent for deep tissue work."

Bringing the method to her studio brought a new clientele. Surgeons in Brownsville and McAllen familiar with Ashiatsu now have it available locally. Many of her clients are business professionals. "I am bringing a healthy environment to the business world. Employers see better results, more productivity, from employees when they can create a more stress-free environment. The employees are in a better state of mind. It's catching on."

After working with other message therapists for several years, Snyder opened a home studio. This past January, she relocated to the Harlingen-based Whole Life Wellness Center. "It's a great fit," she said. "It's a mecca for the healing arts." Whole Life Wellness Center provides yoga, healing services, organic products and workshops, giving her exposure to a realm of like-minded arts and practitioners.

Certified Massage Therapist Mierée Snyder, owner of Harlingen's The Massage Company. (VBR)



Stepping into that environment, Snyder knew that marketing and promotion would be important to her personally. Reading marketing books helped, but she wanted to learn from people already successful. "I received great guidance: become an active member of the Chamber of Commerce and be out there." So Snyder is out there with her ergonomic massage chair at health fairs, business expos and special events like Harlingen Market days.

Snyder puts design passion into her marketing materials. "I love to be inventive, making logos, inventing unique programs and titles." She devises therapy programs combining techniques that flow together using names such as Attitude Adjuster, a 30-minute hands-on back, neck and scalp massage. Floating Indulgence is 100 minutes designed to ground and balance. It includes Swedish massage and concludes with the Santa Fe Adobe Foot Therapy.

"I provide the best product that I can by learning new things. I want to be open enough to make changes, to make it work," Snyder said. "I put you in this happy, soothing place. I come out relaxed, too. It's like a dance in a positive and peaceful environment. I can go home thinking, wow, that was a peaceful day."

For more information see, themassagecompany.weebly.com.



Snyder using Ashiatsu with a client. (VBR)

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“ VBR has quickly become a respected source of information on business development and issues in the Valley. We find it to be a great vehicle to communicate our business profile to other Valley business leaders. Congratulations Todd, Eileen and everyone at VBR for five years of service to the Valley business community!”

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“ The Brownsville Chamber of Commerce is proud to have a publication like VBR in our region, dedicated to promoting the accomplishments of local business leaders and the entrepreneurial sector. Over the years, VBR has been devoted to local commerce and has proven its commitment to be a leading source of business news in the Rio Grande Valley.”

--Maria Hall, Brownsville Chamber of Commerce

Oils' Future: Eagle Ford and Perdido

By Joseph Linck

Houston crude oil guru Kenneth Medlock has predicted that, despite intense lobbying, the United States government will not allow crude exports. That will cause our domestic crude price to drop even further. Because of that future exploration and production (E&P) investments will head to Mexico, where it is legal to export crude oil. This is the primary reason that Mexico's Eagle Ford will be the next big shale play.

Well-financed, foreign-owned companies have expressed interest in petroleum exploration and production on their massive mining concessions in Mexico. Some are already in joint venture talks with American oil companies. PEMEX has announced that they will be forming new joint ventures for offshore and onshore shale gas this year.



Boundary uncertainty at the Western Gap, that donut hole of conflicting national ownership offshore Brownsville, has finally been resolved by

treaty. The absence of a treaty had held back exploration in the Western Gap and Perdido fields in both American and Mexican waters.

The Shell/Chevron/BP joint venture offshore Brownsville operates the Perdido spar, the world's deepest. Two undersea pipelines from there to the Houston area have been delivering 120,000 bbls a day for years now. Workers on those production platforms say that the Mexican drilling rigs are so close they can see their lights at night. This activity is why Subsea 7 invested substantially in a new spool base maritime terminal in Port Isabel.

PEMEX is busy with exploration of its side of the offshore Perdido already. Their newest well named Exploratus-1 has yielded good results with sweet light crude, wet natural gas and condensate. After hitting pay at 3,600 meters, PEMEX has gone down to 3,900 meters and remained in the pay zone: 300 meters of pay depth and counting. They will continue down to 6,130 meters. PEMEX expects it to yield between 150-200 million bbls/equivalent. "We hope there is more, as we haven't yet completed this well," said Carlos Morales Gil, the former director of PEMEX Exploration and Production.

PEMEX has completed six wells in this play so far, and five have positive results. Currently there are three sixth-generation, ultra-deep-water drilling rigs working the Mexican side of Perdido. Helicopters already congest the Matamoros airport during crew changes for these rigs just offshore. Norwegian companies,



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long established partners with PEMEX, are rumored to be in first place for PERDIDO's expansion plans.

Further petroleum support infrastructure is planned that will help support activities in Mexico's Eagle Ford. PEMEX budgeted \$28 billion for E&P this year. Natural gas comes out of the ground either dry or as saturated wet gas, which is the more valuable product. Some 80 miles south of Brownsville, near San Fernando, more wet gas has been discovered. The Mexican Eagle Ford's rich wet gas extends further south than previously thought. More than 120 wet gas wells are already producing around Reynosa. Brownsville and Matamoros are also surrounded by producing wet gas wells and deep water sweet, light crude. These two mineral rich areas offer the potential to convert Mexico from an importer of natural gas into an exporter.

Depending on the deal for foreign E&P companies, the Mexican side of the Eagle Ford might just become the most profitable shale play in the world. It is the only one with a closely located seaport which eliminates the need for expensive rail investments. It allows legal exports for liquids to Europe and Asia and has low cost labor along with a big, high-paying domestic market for natural gas. Many of these logistical assets will help develop their offshore potential as well.

Congressman Marco Antonio Bernal from Matamoros is president of Mexico's powerful Congressional Energy Commission. His commission has written the new rules-of-the-game for energy reform. He stated that the border is located at ground zero and will be the top beneficiary of energy reform, due to the adjacent deep water Perdido and local shale gas fields.

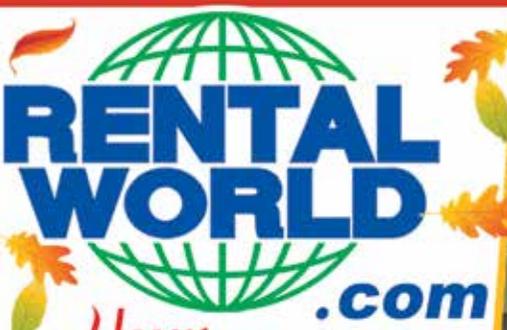
International interest is evident. PETROBRAS has already drilled and operates over 120 wet gas wells in the Mexican Eagle Ford under contract with PEMEX. Schlumberger, Calfrac, Baker Hughes, Halliburton and Weatherford have all had large facilities in Reynosa and throughout Mexico's oil fields for years. AmFELS announced they are putting an offshore rig building facility in the Port of Altamira.

Mexican energy reform in combination with Canadian and American resources will help make North America the titan of energy exporters someday soon.

Joseph Linck, CEO of the Brownsville-based NAFTA Marine Highway Company and former owner of Global Stone, a marine bulk cargo terminal, consults for the oil industry. For more information, email him at NAFTAmarine@aol.com.

Subseas' spool ship, Seven Navica, carries pipeline welded at the Port Isabel spool base and wound onto the ship's reel. The ship lays pipeline on the ocean floor that connects Gulf rigs to onshore terminals. (Courtesy Steven Bearden, Port Isabel port director.)





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In the Spotlight



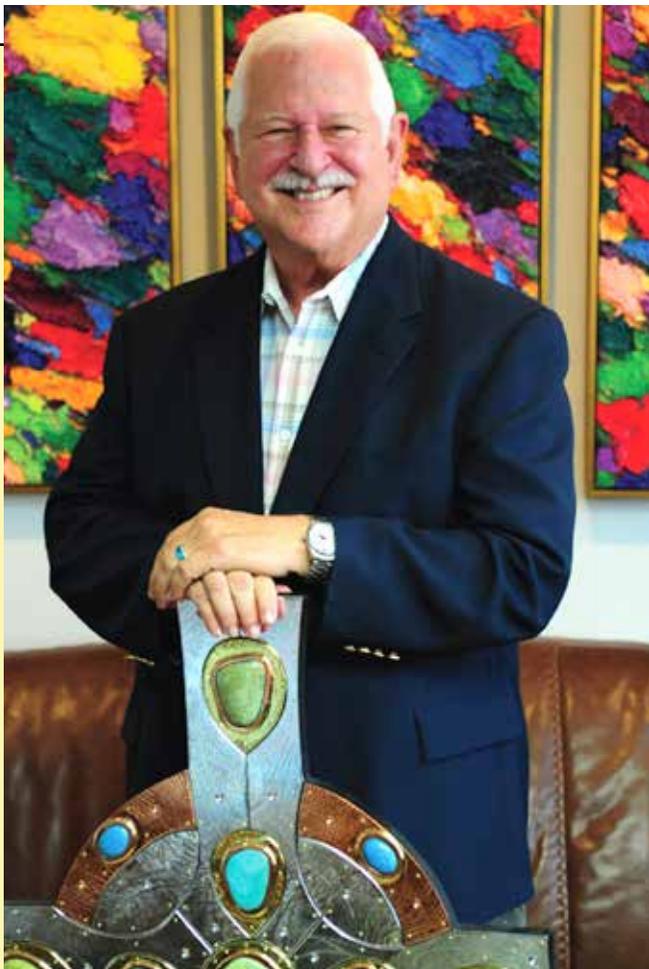
City of McAllen

New Commercial Activity SW McAllen 2013-2014

- | | |
|----------------------------------|------------------------------|
| 1 Koko's | 21 Hawthorn Hotel |
| 2 The Pub | 22 RGV Cupcake Factory |
| 3 Harley Davidson | 23 Los Asados |
| 4 Melrose | 24 Mambo Seafood |
| 5 Yoblendz/Juiceblendz | 25 Shear Madness Salon |
| 6 Tilted Kit Pub & Eatery | 26 Blue Onion |
| 7 Tae Kwon Do School | 27 Shiva Night Club |
| 8 Max Muscle | 28 Mazaró Furniture Designer |
| 9 Sun Kissed | 29 Starbucks |
| 10 Title Boxing Club | 30 Dance Studio |
| 11 Firehouse Subs | 31 Body Brite Salon |
| 12 Kurai Restaurant | 32 Wings and Flats |
| 13 Rodizio Brazilian Steak House | 33 Papa John's |
| 14 Alondra Salon | 34 Retail |
| 15 Jerry's Tortas | 35 Can't Stop Smokin' |
| 16 Flower Shop | 36 Hacienda del Patron |
| 17 Laser Derm Med Spa | 37 Retail & Smoking Lounge |
| 18 El Callejon de los Milagros | 38 Footy Rooty Massage |
| 19 Slim Body Spa | 39 Nail Salon |
| 20 Office | |



SOUTHWEST MCALLEN



Top: During 2013-2014, at least 39 new businesses opened in McAllen as indicated here. The city now generates about \$60 million in sales tax annually with more retailers, hotels and restaurants in the pipeline. (Courtesy)

Left: Kirk Clark, owner of Clark Chevrolet, co-owner of Clark Knapp Honda, and artist was honored for his "Legacy of Generosity" at IMAS' 2014 Collage.

For consideration in one of our featured sections (Moving On Up, Connecting the Dots or In the Spotlight) email your photos and captions to info@valleybusinessreport.com.

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