

Valley Business Report

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August 2011

DIRECT SELLING FOR FUN AND PROFIT

Before Facebook and tweets, people tapped in to their social networks to sell products directly. Direct sales have launched many small businesses.

See page 5

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THE TO-DO LIST

We all have a system of making a list of things to do. Maybe it's in a notebook, on our computer, in our phones, etc. We fool ourselves at times thinking we can make and keep that list in our head. That's a joke.

With a zillion responsibilities and pulled in as many directions in the course of a single week, how often does our To-Do list never get finished or even whittled down? Too many times we get distracted and start working on a new project that was not included in the week's list of priorities. What's even scarier is not even having an actual list but flying by the seat of our pants. How is it possible to start a Monday without an actual plan or To-Do list?

In Baton Rouge I worked for a company where my supervisor referred to his To-Do list as his work bible. The opening page of his portfolio had a printed, 1-page sheet of the day's responsibilities. On that sheet were 10-15 responsibilities that had to be accomplished before his work day was done. As he completed each project, he crossed it out with a pen. The more urgent and higher priority

duties were at the top.

This system works. Yes, it seems simple but how many of us end the day without completing even half of what we set out to do at 8 a.m.? Actually seeing the day's projects in front of you is a constant reminder to stay on track. The crossed out items on the To-Do list gives satisfaction of accomplishment. You have visual proof that you're getting the job done. Even better, while you might think 10-15 projects are overwhelming for one day, you'll find yourself completing a higher percentage of your To-Do list. Some call it "project management." I call it a less-stressed and more productive day at the office.

The publication business is no different than yours. We all have appointments, calls, emails, deadlines and personal errands to run. Those may be dropping off and picking up dry cleaning, making soccer practice, filling up the car... again, etc. It's important as you make your To-Do list that you include the non-work related items. We can only do so many things in a given amount of time. Be wise about how many duties you put on

your list. Yes, you want to challenge yourself, but it is not a good idea to overload yourself with an impossible amount of responsibilities to accomplish for a given day, week or month.

Optimal satisfaction comes from looking at today's To-Do list and not having any carry-over from yesterday. It's a new day. It's a new set of challenges rather than dealing with damage control from not finishing yesterday's assignments. When the sun comes up, so should your new To-Do list on page 1 of your portfolio. We're never too seasoned to practice the old cliché "plan your work and work your plan."

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DOING BUSINESS FACE TO FACE

By Eileen Mattei

Direct selling has been called the original social networking business. Selling a product face to face based on a relationship is as old as commerce, yet today it is a vital part of the sales of green energy, cosmetics and the home décor markets. The one-on-one sales approach uses product parties, kiosks at community events and old-fashioned door-to-door ventures to sell products. Direct sellers now keep in close touch with their customers through Facebook and Twitter. Sales are growing as direct sellers use social media to quickly and easily draw in distant friends as customers.

Tupperware, Amway, MaryKay, Forever Living, Pre-Paid Legal Services, Primerica and Pampered Chef are among the major corporations built on the efforts of individuals working their relationships on a grass roots level.

According to "The Ultimate Social Business Model," a direct seller is an independent contractor who determines when and how they will conduct business. "Direct sellers have historically held a com-

petitive edge over traditional retailers of goods and service because of their skills in connecting with people," reported Theresa Day.

POWER TO THE PEOPLE

Green Mountain Energy, supplier of electricity from 100 percent renewable sources, uses direct sales, also known as network marketing, along with retail stores and online avenues to recruit customers. "If we have a few minutes face to face, we can explain directly about renewable energy to people who don't know what it is," said Vanessa Montelongo, South Texas market manager. Green Mountain uses three direct sales approaches to customers. The first is by local events, such as market days and home shows, and at festivals. The second channel is through partnerships with retail stores, like HEB, where Green Mountain reps set up a kiosk inside or out. The third approach is through neighborhood canvassing, going door to door.

"It's proven to be a successful way to bring in



Green Mountain Energy's network marketers talk to potential customers face to face about the benefits of electricity derived from 100 percent renewable resources. (Mattei)

customers," Montelongo said. "What brings them is our unique mission: to change the way power is made. Customers know we were the pioneers for the green market and are focused on 100% renewable en-

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ergy.”

Selling electricity is more complicated than selling beauty products because many people have existing contracts with their electricity supplier. “People are more conscious of pollution free energy. But just because you know someone, it doesn’t mean they will switch,” said sales agent Miguel Cortez. The direct sales agents offer Future Signups to people who have less than 90 days left on an existing contract as well as signing up those who are not bound by a contract.

FACE FORWARD

Avon, founded in 1886 and the world’s largest direct sales corporation, had \$1.9 billion in revenue last year thanks to its 6.5 million distributors worldwide. In the Valley, Avon has 4,500 sales reps. Each one operates as a micro-business owner.

“First of all, they have to have a desire to succeed,” said Avon manager Linda Mireles of McAllen who recruits, trains and empowers women to sell Avon skin care and beauty products. She shows direct sales reps how to sell the items and which customers to target, because not everyone is interested in buying the same items. “The most successful are those who

have been with Avon for many years and have built direct selling from scratch.”

Mireles also has new sales reps who are selling \$1,000 of Avon products every two weeks. “What makes them different is they are selling Avon as a personal business and not just doing it on the side as part-time employment.” Yet that is the attraction of direct sales for many people: being able to choose how much time and energy to invest.

Years ago, at age 14, Rosie Gomez started as an Avon helper. She now works about 12 hours a week selling Avon. “It’s the amount of time I have to give. I go through a neighborhood and throw Avon books in the driveways to get new customers. Some call right away and others in a week. Once you’ve sold Avon, it’s really hard to stop. People will keep looking for you, asking for samples, placing orders.”

Avon has 26 campaigns a year, each with its own small catalog, Mireles explained. “I challenge them to go for five new customers in this campaign by asking customers to show the new book to their friends”. Avon’s sales reps are encouraged to stretch



Avon has 4,500 sales agents in the Valley. Each runs a mini-business, tracking orders and developing customers. (Mattei)

beyond their initial personal network, keeping their networks growing, and following up on new contacts. One Valley Avon rep has sold Avon for 50 years, and her daughter and granddaughter sell Avon as well. Mireles noted that people who lack computer skills or have a language barrier have succeeded with Avon, if they are motivated.

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The enticing aromas from Scentsy's wickless candles attract customers and direct sales agents. (Mattei)

to support a friend selling Scentsy and to take advantage of the product discount. "It's interesting. You get to meet a lot of people. It gives me a reason to start a conversation with strangers," said the full time postal worker. "It's something to do and brings some extra income. She classifies her participation as a hobby, and then some. "The products are addictive. People who already know them come back for more.

"People walking down the street are attracted to the booth by the smell of black raspberry and vanilla or cranberry mango. Scentsy is a no brainer. It sells itself," sales consultant April Hinojosa said.

"I've had a lot of people come up to me and get so excited about wanting to join. Some say they'll wait until the kids go back to school. The key point is that they fall in love with the product like you did."

Network marketers for Tupperware, Avon, Scentsy and Green Energy all had booths at Jackson Street Market Days in Harlingen.

Laura Olivares works at an elementary school and also works four to six hours a week selling Tupperware.

"That really helps, being in my school. Tupperware works and the parties bring more people in," she said. "I'm comfortable, and I don't feel like I'm taking on more than I can handle."

The first step to get into network marketing is finding a company with a good reputation and a product that you are enthusiastic about. The second step is to be willing to tap into your circle of friends and family to start off. Age, gender, education and language are not impediments for entry into direct selling. The unemployed, underemployed and fully employed go into the field. Some people are looking for a career or their own business, while others want only a temporary or part-time income. The Direct Selling association says 35 percent of direct sellers are college graduates while 24 percent have a high school diploma.

The appeal of a social networking business, beyond income and product discounts, includes the opportunities to build new relationships and friends and to receive rewards and recognitions for accomplishments. The direct selling business model enables individuals to get a taste of business ownership on their own terms and consider where they could go next.

THE SWEET SMELL OF SUCCESS

Meli Hernandez of Brownsville got into direct sales with Scentsy, a scented, wickless candle alternative,

FROM RAGS TO RICHES: THE EVOLUTION OF FAMILY BUSINESS

By Eileen Mattei

After fleeing Castro's Cuba in the early 1960s, two branches of the Fernandez family settled in McAllen and started over again in the fabric business they knew so well. With little money for inventory, Jose Fernandez, who had owned La Elegante fabrics in Guantanamo, and his nephew Lazaro Fernandez Sr. opened Rio Bravo selling fabric remnants.

Fifty years later, the second generation of the Fernandez families carries an in-depth inventory of fabrics at Rio Bravo and Dos Rios, operates a San Antonio showroom and distributes high end decorating fabrics to interior designers in the U.S. and Latin America through its trade showroom Novel Design Centre in McAllen.

In the 1960s, once the immigrant family got on its feet, Rio Bravo moved from remnants to bolt fabrics. In 1972, Jose's son Noe Fernandez partnered with Lazaro to open Dos Rios Textiles. The new store

specialized in exquisite European fabrics such as French Chantilly and Alencon lace, Swiss trims and original fabrics purchased at Italian designer showrooms. When Lazaro Fernandez Jr. graduated from college in the 1982, he saw the potential to take the family business further, building on what they had. Novel Design Centre, his idea, became the third division, specializing in fine decorator fabrics and accessories for the trade.

"When you are attuned to your business, your business takes you places. You know what the business has to be," said Lazaro Fernandez Jr.

His sister Maria Luisa Salcines recalled, "For the family the fabric stores have been much more than a business. It was almost another child in the family. My parents left everything behind to start over for their kids. They focused on working, surviving." The family lived in a small house across from the old Mc High football stadium and walked everywhere, she said, including "bringing lunch to Dad on Saturday

because we had no car back then."

Dos Rios Textiles with its imported fabrics, beading and laces, is the store that put the business on the map. "It's the name everyone knows," Salcines said. "There's not one place I go that people don't tell me our stores have been a part of their life for weddings, baptisms and quinceaneras." Now a third generation is coming to Dos Rios for fabric for their weddings, proms and cotillions.



Lazaro Fernandez Junior and Senior, take pride in Novel Design Centre. (Mattei)

An advertisement for Rental World. It features a large 'WELCOME' sign in colorful letters. Below the sign, there are several text boxes and logos. One box says 'Parties', 'Fundraisers', 'Promotions', and 'Festivals & more!'. Another box says '2010 TEXAS FESTIVALS & EVENTS ASSOCIATION VENDOR OF THE YEAR'. There are also logos for 'Rental World.com' and 'Texas Festivals & Events Association'. At the bottom, there are phone numbers and locations: '630-3564 MCALLEN', '973-5099 WESLACO', '364-2389 HARLINGEN', '546-9042 BROWNSVILLE', and '542-1837 BROWNSVILLE'. A red banner at the bottom says 'Rental World has everything you need to take your event from ordinary to extraordinary!'.

An advertisement for Edible Arrangements. It features a large, colorful bouquet of fruit in a white vase. Below the bouquet, there is a red banner with the Edible Arrangements logo and the text 'Anytime, everytime & especially summertime!'. Below the banner, there are phone numbers and locations: '1818 West Tyler Ave • Harlingen, TX 78550 (956) 428-3770' and '5113 N. 10th Street • McAllen, Texas 78504 (956) 668-0555'. At the bottom, the website 'www.ediblearrangements.com' is listed.



In Dos Rios, Mario Jorge spreads \$99/yard fabric from famous Italian designers. (Mattei)

Novel Design Center, in a two-story Art Deco building next door to Dos Rios, offers a private line of fabrics and is open only to decorators with their customers. Fernandez created over 120 proprietary 'books' that combine decoratively compatible fabrics of different textures, colors and patterns. The thousands of various, sumptuous fabrics are sourced globally.

"We never anticipated it would get this far. But it was the right thing to do," Fernandez said. "First we sold to border cities, then we went to Monterrey. Before you knew it, we were selling to every city in Mexico." Fernandez would take all the samples home and assemble the coordinating fabrics into books.

About five years ago, he contracted a professional designer to assemble the books when juggling both operations and design got too much for him to handle. New books still go past him for approval.

Novel now supplies decorators in the Caribbean and South America through its online store and sales representatives, shipping samples throughout the hemisphere. "We've come a long way," Fernandez said. "To me the most incredible thing is working from McAllen as part of the designer industry. Here are people from New York and Miami who are getting their fabric from McAllen. It's kind of fascinating to be shipping to the Hamptons or LA from here."

Novel has a contract division that sells to restaurants and hotels. Salcines recalled that in both local restaurants and hotels in Boston and Cancun she has recognized that she was sitting on fabric from Novel's books.

Novel Design Centre opened a San Antonio showroom that carries furniture and wallpaper as well. "It makes it easier for the customers," Fernandez said.

Dos Rios on the other hand makes it difficult for customers: they have to decide between stunning fabrics from designers Roberto Cavalla, Emilio Pucci and Giorgio Armani and Chantilly lace in every color. A large book from Mexican designer Abril Cevera



Lazaro Fernandez developed Novel's fabric sample books. (Mattei)

that is on display features clothing all made from Dos Rios fabrics.

Salcines said the family sees downtown as the heart of the city and that's why they have invested in it, keeping their stores there. The Dos Rios store was originally McAllen's first Lacks. When the family remodeled it years ago, it became only the second stucco building in McAllen. "Now everything is stucco."

"My father loves the business and will never retire," Salcines concluded. "My brother has loved it since he was a little boy. If you have a passion for your work, it doesn't feel like work."

Pharr Has Set The Stage

The NEW Pharr Events Center is the Rio Grande Valley's premier venue for concerts, performing arts, sporting events, and banquets. The City of Pharr invested time and resources to transform its Convention Center into this state-of-the-art facility. Over a 10-month renovation, the old Convention Center was transformed into the new Pharr Events Center.

Pharr City Manager Fred Sandoval said the City committed time and resources into the transformation and re-branding of the venue to fill a much-needed niche.

"Our research clearly indicated the need for a facility that can host mid-size events, concerts, specialty shows and other forms of family entertainment at an affordable price."

Congratulations to the Pharr City Commission, City Manager Fred Sandoval and Pharr Events Center Manager Roy Garcia.

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TEACHING IN THE REAL WORLD

By Eileen Mattei

From the helipad atop Valley Baptist Medical Center-Harlingen down to the depths of the facility's boilers, cooling systems and backup generators, Javier Garza began to understand the breadth of engineering duties at the hospital. As a Tech Prep ALA extern, the Harlingen High School South pre-engineering teacher spent two weeks with VBMC's clinical engineering and facilities engineering staff.

Tech Prep externships put high school teachers like Garza in the real world so they can experience firsthand the skills their students are expected to have when they join the workforce. Half way through his externship, Garza already had 10 ideas for pre-engineering lesson plans that would reinforce the knowledge and skills his students would need as to apply for good jobs.

"I'll tell them we are going to do something similar to what happens in the real world," Garza said. A hospital hurricane preparedness and evacuation session prompted him to decide that his students

would develop and sketch evacuation plans for the high school. "We take signs for granted, but it's very important that everything is labeled. Signs guide employees, visitors and patients," he said. His classes will visit different classrooms and areas to determine the signs needed to alert people to dangers and to sources of assistance, such as those pointing to fire extinguishers and defibrillators.

VBMC's Clinical Engineering maintains the equipment used in patient care and by the hospital staff. That covers about 11,000 devices such as CT and X-ray machines, incubators for premature infants and operating room pumps, Garza noted. Because of certification requirements, he did less hands-on than most ALA externs, but he absorbed a lot while shadowing the biomedical technologists. While the scrub-suited techs were checking an incubator, Garza was next to them going over the error codes in the manual and checking the blueprints. "They showed me their preventative maintenance. They have to do a lot of testing, and they go by the book."

Pat McGill, Director of VBMC-H Clinical Engi-



Javier Garza with MRI machine. (Mattei)

neering Support Services, jumped at the chance to take on an extern. "It's a great opportunity to share what we do. It's a great way to spark kids' interest in biomedical technology," a field that most students have never heard of, McGill explained. "The extern

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has a way to bring them knowledge about what we do. This career field has got such opportunities, given the way technology is changing.” His staff travels across the U.S. to be trained by manufacturers on their delicate, intricate equipment.

“Javier had some really great feedback for us. It was refreshing to have him here,” McGill said. “It shows you how we can get together on the same page and use the opportunity to share.” When VBMC technicians talked about upgrading their computer skills, Garza showed them how to make macros for the checklists used in engineering inspections.

“I can take it all back to students and show what we put into practice,” Garza said. “I’m going to tell them some people I worked with came from TSTC with Associate Degrees in Biomedical Technology. I was impressed. They are very efficient and explained to me what they do.” (VBMC has a formal agreement with TSTC that enables six biomedical technology students to see how hospital clinical equipment is used and maintained.)

In 2010 Garza was an ALA intern at SpawGlass, a major construction contractor. “Just like the hospital, they treated me like the son of the owner. There were no limits on information. They took me all over the



Javier Garza and VBMC Clinical Engineering director Pat McGill (Mattei)

place,” Garza said. “I spent time with the estimator, who had to get all the quotes from subcontractors.”

Garza made a lesson plan last year that had his pre-engineering students find the lowest cost for five different items from at least three vendors. “I told them they had to find the best cost because everything is competition, right?”

While the students laughed at photos of their teacher in a hard hat on SpawGlass job sites, they knew he had been on construction sites and talked to their potential employers. Garza also told his students

a few of the construction techs he worked with, such as those using Building Information Modeling software, had graduated from Harlingen high schools and TSTC.

At SpawGlass, Garza offered to show some employees how to use Excel more effectively. One comment was, “This is going to save me a lot of work.” Garza’s comment was, “I’m very happy I did it.”

Across the Valley, Tech Prep ALA interns went behind the scenes at Burton Company, McAllen Construction, Motorola, Frank Smith Toyota, Lone Star Bank, Magic Valley Electrical Coop, Texas A&M Kingsville Citrus Center, Regional Academic Health Center and other employers.

Valley schools opening this month will have a contingent of teachers and counselors motivated to prepare students for tomorrow’s workplace through relevant lessons. Students will get brief immersions in project management skills, report writing, database management or other skills that help them work smarter and with greater productivity.

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FIGURING OUT ONE PART OF RETIREMENT

By Eileen Mattei

Does it make sense to take early retirement and have reduced Social Security benefits for the long decades of your retirement? Can you come out ahead if you delay retirement and don't begin collecting Social Security benefits until you reach 70? Bill Hunot, who worked for the Social Security Administration for 27 years and is now a Financial Planning Analyst with Wells Fargo Advisors, spoke in Brownsville on options available in the Social Security system.

In 1935, when the Social Security Act was signed, the average life expectancy was only 65. The program was established as the Old Age, Survivors and Disability insurance. It was not a retirement program. In the midst of the Depression, one goal of the Social Security Act was to give an incentive to the oldest workers to retire and open up jobs for the unemployed.

It is a different world now in so many ways. In 2010 Social Security provided benefits to 44 million retirees. It is estimated that Social Security payments keep 40 percent of elderly Americans out of poverty. That includes people like my grandfather who lost his pension years ago when the company he worked for closed down. It includes people who worked at jobs with no pension plans in the days before IRAs

as well as those who had low paying jobs that precluded savings. The monthly Social Security benefit is based on three things. The worker's earnings and related money paid in through FICA, the number of years worked and the age at which benefits are started. The maximum monthly benefit is currently \$2,366.00.

In 2004, the full-benefit retirement age started inching up from 65 to age 66 for those born before 1955 and to age 67 for those born after 1960. Retirement years are stretching on for decades as life expectancy is extended. That fact is forcing people to consider if they will last as long as their retirement funds...or longer. If a married couple lives to 65, there's a fifty-fifty chance that one of them will live until 90, Hunot said.

You can significantly increase your monthly Social Security benefits by working past the full retirement age for your age cohort, Hunot said. The Baby Boomers born before 1955, able to retire at 66, are the ones eligible for the greatest boost in a long term benefit increase. Those who delay their retirement for four years until they are 70 will collect 132 percent of their scheduled benefit for the rest of their life. Delaying retirement for one year means a person in this group will receive 108 percent; for two years' delay the annual



Bill Hunot, Financial Planning Analyst with Wells Fargo Advisors, previously worked for the Social Security Administration. (Mattei)

benefit reaches 116 percent, and 124 percent for waiting until age 69. (Later groups will never get more than 124 percent.)

On the other hand, anyone who retires four years prior to their full retirement age will collect 75 percent of the benefit for the rest of their lives. Yet the average American retirement age is 62.

So, which is the smarter course? "I am biased to take Social Security as soon as you can get it," Hunot said. "Of course, it depends on your own individual situation, the factors unique to each of us." Some people need to keep building a nest egg; others have jobs they enjoy too much to leave.

Hunot said the 12-year rule is one reason for his decision. "If you delay taking Social Security benefits, you have to draw for at least 12 years to make up for what you could have had" in your pocket, "to make up for the money you didn't get. That doesn't include interest you could have gained." Even more important, he said, may be the Fun Factor. In their sixties, people are generally in better health to travel and do the things they have put off for retirement. Discretionary income can be spent on more enjoyable pursuits.

But if your family tends to live very long and mostly healthy lives, maybe having the larger monthly benefit will be important as your nest egg shrinks.

"There is never any reason for waiting beyond age 70 to begin collecting Social Security," Hunot said, nothing will be gained. Keep in mind that once you turn your full retirement age, whether you are collecting Social Security or not, it doesn't matter how much money you are earning. There is no earnings limit on your Social Security at that point.

The American Social Security system has been called the world's largest government program. The majority of nations have some form of old age insurance. "Don't worry about the future of Social Security. It will always be there," Hunot said. Benefits for younger workers may be lowered, of course.

Hunot discussed several Advanced Claiming strategies using options such as File and Suspend which are complex and best discussed with a financial advisor.

Our July Edition of Hometown Community Magazine is here!

The goal of this publication, is to continue to highlight not just individuals in our community, but most importantly their passion. This publication goes beyond the small talk with pages and pages full of their own special stories.

Our common theme which stands out in these stories is "determination". As our Community celebrates 100 years of its incorporation, and as these individuals do, it is through determination and hard work that we all strive daily for our community and business success.

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OUTSOURCED IT SAVES MONEY

By Eileen Mattei

“It’s rare that you see a Valley company that needs a fulltime IT (Information Technologist),” said Chris Tagle of Taglerock Technologies. Most businesses and organizations, even the larger banks and hospitals, would benefit from outsourcing their IT, said the owner of the nine-year-old IT outsourcing service. “When computers are set up correctly with the right network security, they shouldn’t go down. If they do, it should be a simple fix of one or two hours.”

Outsourcing IT has been a hard sell in the Valley, Tagle admitted, because so many owners prefer to have someone on-site they can see. Numerous other businesses still have a “computer guy” on call, although they can’t rely on a rapid response or a holistic, problem resolution approach to their computer network.

Nevertheless, Taglerock Technologies, based in McAllen, continues to win converts to the concept of outsourcing to a professional, multitalented IT company for two obvious reasons: it saves money, and the Taglerock team knows computers and networks inside out. Each month the company is averaging two new clients who range from the very small to those with 200 to 300 employees.

“Outsourcing lets businesses concentrate on what they do best,” said Tagle. “Now with the recession, the trend is for companies to look at more outsourcing because it just makes sense. You get the work done more economically, faster and better. When IT’s done right, computers don’t crash.”

Chris Tagle worked at UTPA’s computer labs from 1996 to 2001, and after hours he assisted professors with their computer problems. That private venture snowballed and in 2002 he left UTPA and took two fellow staffers with him and started Taglerock Technologies to provide outsourced services such as network design, server administration, programming and application deployment. The company grew to 14 employees, but during the recession, Taglerock downsized as their clients did. Now it is expanding in its market.

More than 90 percent of Taglerock’s customers come as referrals from satisfied clients. Unfortunately, most of the new clients turned to Taglerock after experiencing a major computer system failure. By getting a disaster under control—a real trial by fire, Taglerock has won respect and new contracts. “It’s a fixed price every month,” said Tagle. “We give them an estimate based on the number of computers and users.”

When a client comes on board, Taglerock assesses their existing IT system and determines the best products (software and hardware) for the company based on their budget and the products or services. “It doesn’t do any good to push something they can’t afford,” said Tagle. He noted that Taglerock has an edge compared to other IT companies, because it is not a software vendor trying to sell a specific product.

In return the clients get 24/7 support for servers, network and computers. “We don’t call in sick. When you call us, we

have to show up,” Tagle said. Outsourcing gives a business accountability: there are no discussions over who selected, installed, used or crashed the computer system. The business just calls their IT company.

On a regular basis, Tagle and his team log onto clients’ servers remotely after hours to make sure everything is operating correctly.

The ethereal Cloud will not lessen the demand for IT professionals’ services, Tagle noted. Taglerock is already helping clients migrate to the cloud for Google apps like email and data storage and for Microsoft Online. That migration is saving clients money on capital and operating expenses since they are buying fewer servers and do not need to find office space to accommodate them. The customer never sees a difference in performance based on where data or applications are stored. “The customer just wants the system to work. How you do it doesn’t matter to them,” Tagle said. In addition, moving to the cloud frees up IT money and office space for other projects or purchases.

Taglerock Technologies, having helped so many recover from computer failures, is a strong proponent of disaster recovery plans. “Disaster recovery is like a fire drill; you need to know what steps to take. Otherwise it can get pretty ugly,” said Tagle. All the IT company’s clients are on Carbonite.com, an online



Chris Tagle of Taglerock Technologies. (Mattei)

service that backs up files automatically as they are written.

“The number one mistake people make is to create a backup and then never test the backup by recovering from it. How do you know if they work? Tapes and DVDs have a shelf life,” Tagle explained.

The company’s logo proclaims “We do IT right.” Services and solutions include server administration, computer training and website development along with disaster recovery planning, audits and network management.


For more information see www.taglerock.com or call 956-682-9889.


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Q & A - STAFFING OPTIONS

Twenty-one years ago, Kelli Stanton took a temporary job at Manpower. Today she is the District Manager for 12 Manpower offices in south Texas. The transition from temp to permanent employee is not unusual.

Are you seeing more businesses using Manpower as a de facto human resources department when it comes to hiring? With the downturn in the economy, more companies are looking at outsourcing their hiring. They concentrate on what they do best and let hiring experts do what they do best. For businesses, starting with a temporary employee gives them the flexibility to confirm they really need an additional person. They are able to see if the person fits in with their culture. Without commitment on their part, they can take advantage of the skills the person brings and look for productivity gains.

What does a business gain going the temporary route? Manpower conducts skills testing, background & reference checks and behavioral interviews with everyone we hire. We lay the foundation ahead of time to make a good match of skills and a business culture. Our questions are not just, 'What hours do you want to work?' We ask them to tell us about a situation where they had a conflict with coworker. What did they do? We uncover individual

behavior to see what culture they would fit in with best.

Even with unemployment at the current level, many companies cite the lack of skills in applicants to be a very big challenge. Do you see this as well? We're very aware of this issue and address the lack of experience and skills in associates first by testing skills. Our associates, free of charge, can log on to the Manpower Talent Development Center on their own time and take a course designed to improve their mastery or add new skills. Then then can retest. So if we get an order for a position that includes advanced Excel skills, for example, and have a person who is a good fit for the job but only basic Excel skills, we help them upgrade their skills. We can work to help develop soft skills such as time management and leadership, also.

Do businesses tell you when they are using Manpower as their 'hiring hall'? It varies. Some companies place an order and tell us they need a temporary to fill in because someone is going to be out for a while and may not return. Others tell us they are filling a regular position. We offer them two solutions. One is the Temp to Hire, which is a try before you buy approach. The other option is a Direct Hire. Recruiting for a Temp to Hire position draws on a different pool than for a Direct Hire position. For the first, we select

the best match from people already working for Manpower. For Direct Hire, we search for the perfect candidate and usually recruit them from an existing job. Those candidates need a permanent job commitment from our client before they leave a secure job.

Do the Valley offices field the same job orders clients? Each branch has a different mix of companies that utilize our services. It ranges from industrial and clerical to health care, government and financial.

From the job-seekers point of view, what does a temporary staffing agency offer? Anyone with Manpower can log on to the Talent Development Center and sign themselves up for any course. They can improve their skills and add new ones.

Is it common for people to start as temps with no intention of taking a permanent job and then land a permanent position? It happens often. Clients come back to us and say, "This person is doing such a great job. It's six months now, and I want to make a commitment and bring them on regular."

Why do you think that happens? It's due to putting the right person in the right place, based on the behavioral based interviews and required skills.

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ENERGY SAVING TIPS FOR BUSINESS

By Arturo Gonzalez

Cutting costs is on many small business owners' minds. Unfortunately, most costs-cutting strategies are focused on suppliers, labor, freight, etc. and not on energy savings. No matter the type of business, you can save money by reducing energy consumption.

There is always room for improvement in this area, but it requires a variety of strategies to truly address energy consumption. One sole improvement will not allow you to see significant savings in the business, but a collection of them will create an impact on the bottom line. Everyone in your organization must be on board with energy savings or it will not work in your favor. It must be part of your internal policy, monitored and discussed at staff meetings. Here are some energy saving tips that will save.

Change a bulb. Switch all bulbs to florescent or pressure sodium bulbs. These bulbs use 75 percent less energy and last 10 times longer. They also produce less heat lowering your A/C costs. A quick comparison: a 60 watt output Compact Fluorescent Light (CFL) uses only 13 to 15 watts and provides more lumens than a regular 60 watt incandescent bulb. On outdoor lighting or security lights, use low pressure sodium lights with a photocell unit or a motion sensor. Photo cell units automatically turn on from dusk to dawn and motion sensor units only turn on with movement.

Command the temperature. A programmable thermostat is a helpful tool to help you lower that energy bill (up to 20 percent)

and extend the life of your heating and cooling system. Look for one that has a seven day programmability feature, enabling you to program the temperature throughout the day. They can be set to be at one temperature during business hours and another when no one is there. The optimal setting is 78 degrees Fahrenheit in the summer and 62 degrees Fahrenheit in the winter. Even one degree change can increase or decrease energy consumption by five percent! Turning on a fan can help move the air, but only use it when you are in that room.

Inspect. Check for drafts in windows, doors and ducts. You do not want energy to escape through them, so draft-proof your building, also check your insulation depth. Check for leaks, a leaky faucet or toilet can cost you over \$50 a year!

Automate. Install automatic and motion detecting equipment to be installed to ensure that things are on only during business hours. Motion detecting switches can be setup in closets, restrooms, and storage areas that have limited use. You can also automate faucets and toilets to consume less water, this tends to be more expensive and should be installed by a professional.

Energy Star. Always look for Energy Star products. They usually cost about the same as other products, but they save energy. Most have pre-set settings that adjust energy consumption when not in use. Computers and monitors can be set to enter these Energy Star settings after a few minutes of idle use. Remember to turn equipment off at the end of the each day. Equipment that is used occasionally should be unplugged. A new Energy Star refrigerator


can consume 80 percent less energy than one manufactured in the 1980's or earlier. Also, the more items you have in the refrigerator, the better! More energy is spent cooling empty air space. Have water and ice in the unit to aid in the cooling process.

Get Audited. Energy audits can be conducted by your energy provider or an independent professional. These audits can help you spot energy hogs and provide solutions to save money. This is always a good option when you don't have the time to review your business' energy usage. The cost for an audit is well worth the savings.

Whatever you decide to do about energy consumption, utilize a combination of these strategies to maximize your savings potential. You also want to lead by example!

For additional energy saving tips, visit the Energy Star website at www.energystar.gov and your local energy provider website. And one last quick tip - most of these strategies can also be implemented in your home as well. Remember to be a little green and save a little green - not a bad exchange!

Arturo Gonzalez is a certified Business & Trade Advisor for the Small Business Development Center (SBDC), a component of the Business Development & Innovation Group at The University of Texas-Pan American (UTPA) in Edinburg. Mr. Gonzalez' experience includes the development of the original business Start-up Guide for the SBDC. For further information on SBDC services, please call (956) 665-7535.





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DOES YOUR BUSINESS NEED TO KEEP SCORE?

By Thomas D. Segel

Business executives and owners have serious concerns about the economy. Even the majority of businesses that have felt reasonably secure and unaffected by the sting of recession have erected barricades to protect themselves from the multiple unknowns of a precarious financial future. A business owner fearful of the future viability of his or her current enterprise could spend sleepless nights searching for answers. Many answers, for both the established business and the potential start-up, may be found in SCORE.

SCORE is a volunteer organization founded in 1964 as the Service Corps of Retired Executives. The original mission of the organization is still valid as it remains dedicated to entrepreneur education and the formation, growth and success of small businesses nationwide. Though originally established as a function of the Small Business Administration (SBA), with the passage of time it has outgrown its original name and structure. Now an independent body known only by the acronym SCORE, its membership consists of both retired and current members of the business community. However, it has

remained a resource partner of the SBA. Today, it has grown into an operational organization that spans the United States with 364 chapters and more than 13,000 members. In the Rio Grande Valley, SCORE has been in operation for the past 40 years. Headquartered in the SBA Office in Harlingen, the organization is rapidly approaching the point where 50 percent of its clients will be minority business owners.

Jeremy T. Torgerson, a Financial Advisor with Edward Jones in Los Fresnos, is the current Chairman of the Rio Grande Valley SCORE chapter. In addition, he serves as a volunteer mentor and counselor for the chapter. "Our primary objective is to grow the number of small businesses in the United States," Torgerson said. "We do this with a variety of free and low-cost services to either business start-ups or businesses seeking to expand. We provide face-to-face, telephone and online counseling, business and marketing plan assistance, plus webinars and seminars on virtually every aspect of life as a small business owner. We also help many businesses that are struggling with issues of growth, cash flow, obtaining government contracts or getting a loan package ready to present to small business lenders."

Having been in operation across the Valley in excess of four decades, an accurate number of the businesses assisted by SCORE is almost impossible to obtain. There are currently 4,000 clients in the database. The chapter is now averaging 25 client sessions a month.

According to Torgerson, it would be difficult to quantify the number of businesses that were helped by SCORE participation and counseling because all of the conversations between volunteers and clients remain strictly confidential. The same caveat remains in place for those potential business start-up operations that terminated after extended sessions with SCORE volunteers. SCORE does not control its interactions with clients. The chapter does proactively keep in touch with clients through newsletters and outreach, but there are times when there is no response.

Asked what danger signs business owners should be aware of, Torgerson responded that help should be obtained, "if the business lacks basic accounting and banking procedures and records. Such observations are a sure sign of future business failure." If you are starting to be late in paying your rent, vendors, taxes or utilities, even for a week or so, serious consequences are right around the corner.

"As an outsider observing a business, if I see a lack of control over operations, it always raises a red flag for me," Torgerson said. If inventory areas are in disarray, with disheveled and disengaged employees, if the firm is offering free or extremely discounted products or sporadic product offerings, these are all signs the owners have lost focus and control over the business. "Most often, however, we see the business is just wandering, sort of in a fog. This is a sign of imminent failure. Always remember you run your business, or it will run you."

All SCORE counseling and mentoring is free of charge. "We are funded by a grant from Congress, so those services are provided pro bono to the community," said Torgerson. "We occasionally have seminars and charge only for the basic materials. I would say 85 percent of our clients are served completely, with nothing more than their time, the discipline and commitment to implement.

For additional information, contact Jeremy Torgerson at his office 956-427-8623 or by email at JeremyT@rgvs-co



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PERKS VERSUS PAY

By Susan LeMiles Holmes, CPC, CTS

Face the truth, or suffer the consequences. Approximately 50 percent of your employees will look for a different job this year. This is the experience of professional recruiters, the fear of HR managers and the plan of workers I personally canvassed. If current economic realities don't allow them to find a new job immediately, they will eventually; and the risk to companies of losing key personnel is definitely very real.

Cutting perks, eliminating bonuses and slashing raises were all "in vogue" during the recession as companies were pushed to the brink. Now, employees are the ones staring at the brink; and perks and pay are making a comeback.

Which one should you offer? My answer, "Know thy people." When employees' families' basic financial needs are met, they usually leave their jobs because of relationship issues, either with a boss or co-worker whose bad behavior is tolerated by management. If this is your real problem, fix it.

When workers are faced with the excess work loads created by trimming costs, second or even third jobs and pay that does not cover the rising costs of living, there is nothing that speaks to their hearts like cash. If you are uncomfortable with the long-term obligation of permanent pay raises, then bonuses or profit sharing give you the option to connect employees' compensation to your success.

Consulting firm Challenger, Gray & Christmas published a recent survey revealing the most tantalizing perks a company can offer. Survey participants were able to choose as many responses as they desired. It's funny, but to me, a lot of these things look like they add up to cash.

Preferred Perks

• Performance bonuses	79%
• 401(k) with employer contribution	70%
• Vacation/personal time	49%
• Flexible schedules	43%
• Health/wellness programs	42%
• Tuition reimbursement	27%
• Telecommuting (lower gas costs)	24%
• Other	24%
• Onsite or subsidized child care	3%

The Society of Human Resource Management (SHRM) 2010 Employee Job Satisfaction Survey revealed a lower number. Thirty percent of employees polled were likely to look for work outside of their organization. But, keep in mind that membership in SHRM trends toward businesses large enough to have dedicated HR departments. Their findings tell us that the top five contributors to employee happiness include things other than perks and pay, and that companies spotlight these satisfiers in recruiting the best as well as retaining current employees. Capitalize on them if you can. They are job security, benefits, opportunities to use skills and abilities, an organization's financial stability, the work itself and compensation/pay.

Current buzz phrases in the HR world are "cost neutral benefits," "lifestyle benefits" and "employee engagement." If spending less to get more appeals to you, flexibility is the key. You need to look at each of these concepts and compare possible options against your employee's needs. If you don't know your individual employee's needs...ask.

Examples of cost neutral benefits might include something as simple as a "benefits buy-back" that allows an employee to opt out of unneeded insurance and take the cash instead. It could be something as generous as allowing a working parent to take a summer leave of absence to be with the kids, maintaining his/her health insurance, hiring a temporary (without benefits) and reinstating the employee at full pay when school starts. It is "cost neutral." I know more than one company that does this.

An entirely new industry has been born around marketing cost neutral or voluntary benefits. Just check the internet for companies that will bring discounts to your workers on everything from fashion and fitness to insurance and travel.

Lifestyle benefits are where wellness programs, flex time, telecommuting and compressed work weeks fit into the picture. I reduced turnover from 100 percent to zero percent in one year by setting a production goal that had to be met every week and rotating a Friday afternoon off among five employees. If you can create even occasional three-day weekends for your staff by creative rescheduling, do it!

In my career as an HR professional, I found that employee engagement is a highly effective motivator. I don't just mean having a company picnic. The opportunity to use skills/abilities, the nature of the work itself, learning new skills/technologies, variety of the job description, mentoring and feelings of contributing to the company's success are powerful forces. Spending management's time in creating opportunities

for cross training, personal development and mentoring relationships cost you what? Time and words?

Part of your decision to offer pay or perks will be based on the type of work your employees do. If they are sales people, the game is a bit different. According to an informal survey by a recruiting firm specializing in sales professionals, money is the most important thing. The project was called "Sign or Decline. When offered their "dream job" but with a 50 percent cut in pay, 71 percent of respondents declined. They weren't willing to give up bonuses and 78 percent more likely to give up perks like cars, gyms, lunch hours, free food and coffee!

Like anything else in business, perks and pay follow trends and fashion. Only today, the pace of change is faster. For example, the most cutting edge lifestyle benefit I've heard of is the result of findings that 76 percent of workers between the ages of 16 and 24 are less likely to leave a company that had "open social networking" policies like using FaceBook, chat and smart phones at their workstations. The next generation of our workforce requires connectedness never previously experienced or explored by employers. Any manager who is experimenting with achieving a good balance between productivity and employees' desires for open social networking, please share your findings!

Susan LeMiles Holmes is Director of Career Services at Texas State Technical College and a published novelist. Inquire about hiring TSTC graduates by emailing susan.holmes@harlingen.tstc.edu or learn about Susan's fiction writing at www.susanlemiles.com.

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RGV DOWNTOWNS - HARLINGEN

By Eileen Mattei

“Partners are the key to the success of downtown redevelopment. It takes many hands to do all the different things,” said Cheryl LaBerge, Harlingen Downtown Manager since 2005. The scope for those hands involves supporting property improvements, nurturing unique locally owned businesses, launching cooperative promotions and maintaining a coherent image. “Our role is as an advocate and catalyst for economic growth and of the historic city center.”

The program’s success is evident in the downtown’s 87 percent occupancy rate, which is virtually 100 percent of the leasable space. Approximately 150 businesses and organizations call the downtown district home. Retail, while the most visible, represents only 22 percent of the occupants with the balance being service companies (insurance and law firms), financial institutions, restaurants, government (SBA) and nonprofits such as The International Cat Association.

Back in the 1980s, Harlingen’s downtown had become a ghost of its former self as shops relocated to malls and businesses moved to newly fashionable locations, a migration typical of the era. The Harlingen Downtown Improvement District, established in 1989 in a public-private partnership, set about re-

vitalizing the area. Over the last 20 years, downtown property owners have five times voted for a downtown tax assessment which generates funds for storefront improvements and signage.

Buildings as old as 1909 form the downtown’s backbone, while merchants and owners function as its heart. “We’re trying to keep the downtown vibrant by bringing new life to older buildings,” La Berge explained. Her office in the 1917 Planters Bank building, complete with three vaults, is a good example of the repurposing of buildings common to downtown. A former 1927 hotel this year reopened, reconfigured, to house an Italian restaurant, retail sites and future residential condos. Downtown’s former Woolworth’s is now Ol’D’s Soda Shop and a long-ago mortuary is now occupied by Schaub Art Studio. Harlingen’s downtown is affiliated with the National Trust for Historic Preservation and the Texas Historical Commission’s Main Street programs.

You preserve character and memories when you preserve old buildings, according to LaBerge. For her, the key to economic revitalization is through historic preservation, making sure the buildings remain viable and earn income for their owners. “We have some wonderful buildings that have been around for a long time. We work with the owner on the design, the architectural details, that people like to see,” she said. “We



Jackson Street Market Days fills six blocks of downtown every first Saturday. (LaBerge)

also work with realtors and property owners and encourage new investments.” Nevertheless, not every building was meant to last forever. Harlingen’s downtown seeks to infill empty spaces with compatible development that maintains the area’s ambiance.

Ten years ago a committee of downtown merchants established Jackson Street Market Days, a nonprofit organization, in cooperation with the downtown district. The monthly first Saturday event has been so successful that six Valley communities

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Open 24 Hours

have copied Harlingen's initiative. The Harlingen Farmers Market relocated to downtown last year and draws an appreciative crowd. Another downtown partner is Reel Ministries which presents family Movie Night outdoor on Lozano Plaza, drawing 300 - 400 people.

"Historically downtowns were business districts and community centers where you rubbed elbows with people from all walks of life. Older generations remember when everything was downtown—banks, shops, theaters. We want to have the same diversity of reasons for people to come downtown," LaBerge said. "It's unique local businesses that create the charm of downtown, something that's different."

Managing the town center has advantages and challenges, LaBerge said. "We can't control store hours or parking, like malls do. We can't lock it up at night for cleaning. Yet we want things to look good every day, all day."

Downtown's murals, which include "Bill Haley and his Comets," "The Golden Age of Hollywood and Mexican Cinema," and the monumental mosaic "History of Mexico and Mankind," add to the downtown district's attractions and ambiance. Several of the murals were commissioned by the Downtown District. Recent Jackson Street improvements include new sidewalks and upgraded landscaping and irrigation systems.

Recently Harlingen Downtown District installed strings of LED lights along the roof line of Jackson Street buildings. When lit at night, the downtown now bears a resemblance to vintage photos when shop owners left lights on for late window shoppers and strollers.

A small community of building and business owners now live in second and third stories of buildings along Jackson, and more downtown lofts are on the horizon as additional properties are redeveloped. Downtown living helps build density, LaBerge pointed out, as new businesses open to supply the needs of the residents.

Revitalizing a downtown is an ongoing project. With active partners, downtown Harlingen is attracting more investors, preserving community history and enticing more residents and visitors to the area.



The Harlingen Downtown Office is housed in the 1917 Planters Bank building. (LaBerge)

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WORD FROM THE FED: BETTER ON THE BORDER

By Eileen Mattei

Cities on the Texas-Mexico border sneeze when their country's economy gets a cold. But because each city is so closely linked with the adjacent nation's economic health, normal cycles are tempered and the severity of downturns is reduced. On the other hand, border cities are subject to twice the turmoil, impacted by both countries' dips and recoveries.

Jesus Canas, Federal Reserve Bank of Dallas economist, discussed the current economy along the U.S.-Mexico border at a McAllen convention of the National Association of Latino Community Based Assets.

Mexico is the United States' third most important trading partner accounting for \$393 billion in trade annually. Texas alone, with its 1,900 miles of international border, accounts for \$141.4 billion of that.

Texas border economies have features that make them different from other U.S. cities. They are marked by strong growth, have large transportation and distribution sectors and a large retail sector to supply shoppers in two cities. Border cities share similarities, particularly low income levels, but each town has a unique relationship

with its twin city.

In the past, Mexico's recessions and peso devaluations have slammed the U.S. border towns. Then again U.S. border cities avoided the American recession in 1995, Canas said, because of Mexico's economy. Likewise, the McAllen MSA spent only five months in the current recession and the Brownsville MSA spent eight months because Mexico trade buffered the impact.

Currently the U.S. recovery is sluggish with unemployment at 9.2 percent. Growth is forecast at only 3.1 to 3.2 percent for 2011 and 2012. Mexico on the other hand is slated to have 4.4 to 4.5 percent growth of their GDP during the same period.

Nevertheless, U.S. industrial production is inching up. For the Valley border economy, the slight surge in the auto industry is working wonders. Mexico is creating new jobs, officials say. "There is high degree of correlation: when production goes up, employment goes up. A 10 percent increase in maquila outputs leads to an increase in the adjacent U.S. city," Canas explained. For every five new jobs in Ciudad Juarez, for example, El Paso gains one new job. He cited recent creation of 400 to 500 jobs in Matamoros and in Reynosa. The

strongest link between the American and Mexican economies is in the industrial sector with heavy intra-industry trade. He noted that 80 percent of Mexico's exports go to the U.S.

Over the years, cross border trade has expanded from manufacturing to business services and supply chain. "This is good news to us because these types of jobs pay higher wages than the traditional manufacturing jobs."

The peso has strengthened for several reasons, Canas said. Because the U.S. Treasury and banks are offering close to zero interest, that has encouraged capital to flow to Mexico. Mexico recently has pursued sound fiscal and monetary policies, so its economy is growing. A strong peso helps boost border retail activity. And the exchange rate has been more stable. This in turn should mean a more stable border economy and more cross border retail shopping activity.

Canas said a positive outlook for the border cities is dependent on a steady rise in manufacturing. He expects the maquiladora industry to continue its turnaround. "Border cities should end 2011 with employment gains just as they did in 2010."



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IN THE SPOTLIGHT



AeroMexico began twice weekly flights between Monterrey and the Brownsville South Padre Island on July 15. AeroMexico, which operates 500 flights daily, is testing the leisure passenger market with 50-seat jets until Sept 18. With the first four flights fully booked, Brownsville has high hopes of the international service continuing. "We think there will be enough traffic to justify a permanent air route between the two cities which are culturally, socially and historically tied together," said Jason Hilts, President and CEO of the Brownsville Economic Development Council. (Mattei)



Texas Regional Bank, the Valley's newest banking institution, held a grand opening ceremony for its headquarters facility in Harlingen July 19. In its first year, the bank grew from \$30 million to \$70 million in assets. "We are proud of our new facility but we are even prouder of the relationships it was built on," said Michael Lamon, Executive Vice President and Chief Lending Officer. (Mattei)



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