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Maria Claret M. Ruane

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University of Guam

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LETTER FROM THE EDITOR

Hafa adai from Guam, U.S.A.!

It is with great pleasure that I welcome you to this issue of the *International Journal of Entrepreneurship*, sponsored by the Academy of Entrepreneurship, an affiliate of the Allied Academies. The mission of the *journal* is to expand the boundaries of the literature by supporting the exchange of ideas and insights which further the understanding of the field.

This issue features challenges, perseverance and successes by women entrepreneurs from Guam, New York, the Philippines and an emerging Asian country. Each paper highlights the universality of the women entrepreneur's persistent and untiring spirit and the rewards for her hard work. The papers in this issue highlight a number of important themes, including

- How another entrepreneur in the family provides the inspiration to become women entrepreneurs as in the cases of Ms. Del Agahan, the evolving entrepreneur; Ms. Victoria Bello-Jardiolin, the fair lady entrepreneur; and one unidentified entrepreneur in "Spirit Inherited;"
- How niche marketing can be an effective business strategy in the cases of Ms. Maria Cecilia Tamura, Ms. Victoria Bello-Jardiolin, the fair lady entrepreneur; Ms. Nicole Kawabata; Ms. Stacy Evans; and one unidentified entrepreneur in "Closing Doors, Opening Windows;"
- How some women entrepreneurs like Ms. Sharon Davidson and Dr. Audrey Claire Lucero Camacho were prepared by their education and work experience to seize the entrepreneurial opportunity, while others like Lee (Ms. Librada Angoco Sablan Borja) and Nene (Ms. Nemesia Magbuhat) did not have any preparation at all and yet took the chance to become women entrepreneurs as a means toward financial independence; and,
- How a woman entrepreneur faced common challenges but responded to them with perseverance as in the case of Ms. Denise Mendiola-Hertslet.

I express my sincerest gratitude and appreciation to my Dean at the School of Business and Public Administration at the University of Guam, Dr. Anita Borja Enriquez, for her support of this journal issue and for the contribution of one paper in this journal issue. I am also grateful to the Academy for providing us with the outlet through which we can share this issue with scholars, educators, students and entrepreneurs around the world. Special thanks are due to the members of my Editorial Review Board for their collegiality and service to our profession.

Consistent with the editorial practice of the Academy, each paper in this issue has undergone a double-blind, peer-review process.

Information about the Allied Academies, the *IJE*, and the other journals published by the Academy, as well as calls for conferences, are published at <http://www.alliedacademies.org>.

Si Yu'os Ma'åse!

From the Editor,
Maria Claret M. Ruane, Ph.D.
University of Guam

DEL M. AGAHAN: THE EVOLVING ENTREPRENEUR

Eileen M. Agahan, University of Guam

ABSTRACT

This case is about Edelmira “Del” Agahan, a woman entrepreneur, and the successful small business she created in Guam. The case traces through her history, from her experience as the first-born within the family and having a mother who was an entrepreneur.

In doing so, the case illustrates an example of an idealist who likes the idea of working on something that is new, creative or personally meaningful. It also gives a personal account of the political, economic, social and professional work environments faced by the entrepreneur.

A HUMBLE BEGINNING

Edelmira “Del” Agahan hails from Cavite, a province of the Philippines located just 30 kilometers south of the country’s capital of Manila. Cavite is referred to as the historical capital of the Philippines because it is the cradle of the Philippine Revolution and the birthplace of Philippine Independence.

Being the oldest of seven children, Agahan had to assist her mother with running a small retail store and taking care of her siblings while her father served the Philippine Navy and traveled overseas until his retirement in 1972. Nonetheless, her father would send money to support the needs of the family. Agahan indeed took on a number of responsibilities at a young age. For instance, at the age of seven, she started visiting vendors at the public market and purchasing things that her mother needed, such as fresh fruits and vegetables, canned goods and housewares. She would also prepare food at home after school on a daily basis. Agahan’s father earned only about US \$250 a month, but it was already considered a good salary to especially support his children’s education. Agahan attended a public elementary and high school in Cavite where she consistently obtained honors.

GROWING UP DURING THE POLITICAL DICTATOR ERA

Agahan grew up in the Marcos era. In 1965, Ferdinand Marcos was elected president of the Philippines and he defied the rules of the political game. He built a domestic power base among military officers, civilian technocrats [supporters of technocracy, or governmental, social and industrial management by technical experts], and a faction of the elite.

At the same time, he secured external support from the U.S. government, skillfully manipulating preoccupation with the military bases and personally investing in the electoral

campaigns of key U.S. politicians. He ruled the Philippines for twenty years until he was driven into exile at last by the People Power Revolution of 1986.

In the two decades of President Ferdinand Marcos' rule, the Philippine economic development strategy was defined by a revolution in rice agriculture that successfully doubled production of the country's basic food staple, a reliance on export agriculture as a major source of income and foreign exchange earnings, and large-scale borrowing from foreign banks and official lenders.

Major economic sectors comprise the country's gross domestic product (GDP). The two largest sectors – services and agriculture – grew more slowly than total GDP, while manufacturing and construction grew more rapidly. Total employment grew at 3.3 percent per year from 1962 to 1986. Employment in agriculture and manufacturing grew more slowly at only 2.6 percent. In contrast, employment in the service sector grew at 4.7 percent, increasing that sector's share in total employment from 25 percent in 1962 to 37 percent in 1986. The service sector plays a leading role in the growth process; labor productivity in the service sector held fairly constant from the early 1960s to the early 1980s. Furthermore, labor force participation rates particularly increased among women.

The increase in female labor force participation could be attributed to factors, such as a decrease in gender-related employment constraints and the need to adopt a survival strategy amid tough economic conditions. Between 1962 and 1983, the U.S. government provided \$3 billion in economic and military assistance. In the same period, the World Bank lent \$4 billion to the Philippine government.

Income per person in the Philippines rose between 1962 and 1986. However, for the country's poor majority, this was not an era of rising income but of deepening impoverishment because they still could not afford to consume the minimum daily calorie requirement. Although per capita income in the Philippines rose between the early 1960s and the mid-1980s, the income of the country's poor majority declined.

Real wages fell in both rural and urban areas, even during periods when the country was experiencing rapid growth in average national income. Between 1962 and 1986, real wages of unskilled laborers in metropolitan Manila declined at an annual rate of 5.8 percent and real wages of skilled laborers declined almost as rapidly at 5.2 percent. If the central aim of the Philippine economic development strategy is to reduce poverty, then the strategy in the Marcos era was a failure.

THE RISE OF A WOMAN ENTREPRENEUR

Because her family could not afford to send her to a nursing school, Agahan chose to major in marketing at the Philippine College of Commerce located in Manila. Going to college was not easy. The daily commute by bus each morning that took one to two hours was tiring. Nevertheless, Agahan successfully completed college in 1974.

She landed her first job after six months with California Manufacturing Company (CMC), a subsidiary of Unilever Philippines that exports leading brands like Knorr, Lady's Choice, Lipton and Best Foods. She worked as a secretary and accounting clerk for three years before finding a higher-paying job with an advertising firm known as Scaife Clemens and Associates. She worked as a billing supervisor for three years until the company failed and filed for bankruptcy.

Agahan then heard of a job opening at Prudential Bank located in Makati, a major financial, commercial and economic hub and often referred to as the financial capital of the Philippines since many global companies have their headquarters in the city. There she worked as a bank teller for four years.

After her petition for a U.S. visa was granted in 1984, Agahan left the Philippines to start a new life with her husband in Guam. She became a U.S. citizen three years later. She first worked as a receptionist for Guam Polyclinic before leaving to work with the accounting department at Bank of Hawaii in 1986. She left after two years and took a higher-paying job offer at Calvo's Insurance where she became a collection supervisor.

Due to her desire of career advancement, she decided to pursue another opportunity with World Book, Inc., an industry leader in the production of award-winning encyclopedias, reference sources and digital products for the home and schools. Agahan learned about this company through a local teacher who sold some children's books and encouraged her to be a sales representative. Six months after joining the team of World Book sales representatives, Agahan had the opportunity to take her first trip to the United States and attend a conference in Chicago, Illinois. It was the success of the company's top sellers that motivated her to work harder to attain her goals. Due to the high volume of sales that she generated on a weekly basis, she was quickly promoted to the position of Sales Manager for Guam and Hawaii. Agahan surely had a number of notable accomplishments within her six years with World Book.

GROWTH OF THE BUSINESS

Agahan's biggest accomplishment was leading her 1994 World Book team to the Million Dollar Club. She eventually became an exclusive World Book distributor, which led her to establish a small business under the company name "Dynamic World of Learning." She continued to sell educational books to households, public and private schools in Guam and Micronesia as a licensed wholesaler and retailer.

Then in 2000, she decided to diversify by acquiring other businesses outside her company's current products. She took her company into new areas, such as selling Pure Water treatment systems for use in households, schools and offices. Diversification was a strategy for company growth.

Agahan then became a local representative of Delaney Educational Enterprises, Inc. (DEE), a distributor of high-quality fiction and non-fiction books and multimedia products with its headquarters in San Diego.

SUCCESS OF THE BUSINESS

It is Agahan's diligence that makes her a successful entrepreneur. She is one action-oriented woman who passionately seeks new opportunities and pursues these opportunities with discipline. She is always looking for the chance to profit from change.

She links strategy with her choice of undertakings while creating and sustaining networks of relationships. For instance, she recognizes a viable idea for a business product or service and carries it out by finding the necessary resources – money, people, or location – to undertake the business venture.

A business start-up requires great effort. Agahan assumes the financial and legal risks of ownership. For instance, she had to rely on her own resources for initial funding. Running a small business may be difficult and risky, but Agahan is rewarded by the personal satisfaction of being a business owner and wants the flexibility that comes from being self-employed. She places high importance on being free to achieve and maximize her potential.

FUTURE OF THE BUSINESS

Agahan is looking for a better way of doing things amid the current economic downturn. Due to the advancement of computer technology, Dynamic World of Learning has experienced a drop in book sales.

However, Agahan is determined to keep the business moving and build something of lasting value by making real estate investments. She purchased her first property in 2002, which was a triplex apartment located in Mangilao. Today, she owns a total of eight rental units, which include three apartments and five single-dwelling houses on Guam.

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ENTREPRENEURSHIP: SPIRIT INHERITED

Thi Lan Huong Bui, University of Guam
Karri Perez, University of Guam

ABSTRACT

This paper is an overview of the life, career and entrepreneur experiences of a woman who was mentored by her Filipina mother and developed business acumen out of the necessity to provide income for her family. The entrepreneur combined her experience in direct sales that she acquired earning extra income while working full-time and going to school, with her experience in the medical field to create a successful medical supply company. This paper identifies her history and background, the start-up and ongoing operations of her business, and her focus on future growth opportunities.

INTRODUCTION

The woman entrepreneur in our story is of Asian origin. Why does the origin of the entrepreneur matter? Family dynamics, flexibility and continuous improvement (Schutte, Ciarlante, 1998) seem among other Asian behavioral practices the most relevant to explain her entrepreneurship. She is a 42 year old Filipina, born and raised on an island in Micronesia. Her mother was her inspiration, and the entrepreneur inherited her mother's drive and pugnacious temperament. Her mother was an entrepreneur at an early age, her entrepreneurship was born from the necessity to support her large family. Her mother was the oldest daughter of eight of a very poor family in the Philippines. She picked flowers at 4:00am and sewed them to make *lei*'s. She then went to the bus station to sell them to vacationers and tourists so as to pay for her bus ride up to the mountains. There she sold more *lei*'s enough to buy food and pay for her ticket back home. She continued this "business" until she got married and moved to an island in Micronesia. To support her family while living on the island, she worked in the bar at night as a bartendress and made food and sold it at a hotdog stand during the day. She rarely slept more than four hours per night. She died at the age of 49.

As her mother had been always busy making money, the woman entrepreneur had to take charge of her siblings when she was only eleven. She also helped her mother run the canteen while continuing to get good grades in school. Living in an Asian family, she understood at her early age that education is important for her life. Later on, while attending high school at the age of fourteen, she started working as a bus girl at a local pizza place without stopping helping her mother. Then as the years went by, she joined many types of networking businesses (Amway, Nutrition for Life, etc.) while working her way up at a local banking institution and going to

college on a part-time basis. After working for the local banking institutions, she went on to the hospitality business, education, and later into the area she wanted to work in – the medical field. She worked as a Podiatrist Assistant for a local clinic and gained a lot of knowledge in the medical field until she finished her bachelor degree in Business Administration.

HER BACKGROUND RELEVANT TO BUSINESS

Commencement day at the university and receiving her bachelor degree was a turning point of her life, opening more and higher level employment choices for the entrepreneur. She began looking for business opportunities and had to choose between working for a large, local company or working with flexible hours for a small company. Neither really suited her entrepreneurial spirit, nor her need to have flexible working hours to care for two teen-aged children. She learned of a business opportunity in the medical supply field and pursued that opportunity – turning a small sole proprietor business into a corporation and developing and growing the market.

Having experience in the medical field in conjunction with her understanding businesses' behavior within the medical equipment market, she seized her first opportunity to work for herself as an entrepreneur, not a direct sales representative. Local hospitals and clinics were in need of specialized surgical equipment and purchased most of these items through local vendors. These businesses trusted the name brands that were represented by the sole proprietor who was leaving the island and transferring the brands to the entrepreneur's newly formed corporation. Because of strict quality requirements and liability issues in the medical field, these businesses relied on quality name brands much more than did other industries, and they were willing to pay for premium quality. As these businesses preferred a local vendor contact, several small businesses and sole proprietorships had filled this niche. The entrepreneur moved into the field quickly, growing the market for the brands she inherited from the entrepreneur, developing her contacts with new vendors who have medical supply products and negotiating representation contracts with five new vendors who carrier quality products that fit into her sales plan.

KNOWING THE MARKET

Within limited markets, many large and well-known vendors have determined that having a local representative is the best strategy to maximize their company's presence in these smaller markets, while minimizing costs. The entrepreneur met with a sole proprietor who was leaving the island and was looking for someone to fill the void for the products that she represented. This was a good opportunity to build a foundation from brands that were already established on the island and take the business to a corporate level, while adding the new vendors and products to round out the product and supply assortment.

With the entrepreneur's local knowledge of the market from living on the island for 40 years, she understood quite well that on an island with 200,000 people, the market is limited. She also knew of the health needs of the community, common diseases, and local health conditions of the residents. She also knew of the health care suppliers' needs and desires.

On the demand side, the major customer base is two on-island hospitals, along with fifteen key clinics that provide health care for the island's population. On the supply side, a great number vendors and supplier representatives have already well established an efficient distribution network, but luckily the entrepreneur's predecessor had already built a strong and loyal customer base. Because the market is so small, many of the entrepreneur's larger competitors had their medical supplies as a small division of their larger distribution company, which carried general merchandise and construction materials. This diversification allowed the vendors to maximize their staff and vehicles use while keeping costs to a minimum. Their strategy consisted of carrying on-island inventory, something the entrepreneur decided was not in the best interest of her business because it would necessitate warehousing.

CURRENT STATUS OF THE BUSINESS: STRENGTHS AND CHALLENGES

Currently the business is thriving and prospering, generating six figure sales. For the past two years since the incorporation, sales have increased by 10% annually, largely by better servicing the current market. New clinics and introduction of a nursing program by the local community college also have provided sales opportunities for the company. The company has gained new customers from other islands, offering market expansion opportunities.

Sales growth for the next five years is forecasted at 30%, with an increase of 6% sales per year. Areas of growth include medical office equipment, which will be the key area of growth because of the expected 30% growth in island residents in the next 5 – 10 years, with peripheral growth in the instrument and operating room supply categories given the increased patient load. The business maintains strong points, including having a key executive with strong medical experience and background, low overhead due to at-home office and low operating cost base, and most importantly, effective local management that understands the market. She also is able to expand into other medical supply areas within the same brands (ex: dental and veterinarian equipment and supplies) and to sell not only directly to customers, but to see to other medical supply companies who can "package" her company's products into large bids for projects. In addition, she can add new vendors to the current vendors to augment the assortment for products offered upon demand of the customers or to provide services, such as repair to instruments that are sold for incremental revenue. Besides, with a small and flexible structure, her company is able to move quickly because of limited management hierarchy.

At the corporate level, she has been facing several challenges. The business structure had been a sole proprietorship and the structure was moved to a C corporation, which took time, effort, and consultation with attorneys. The entrepreneur incurred costs for this change of

business structure that she had not planned in her budget. This business had already established small profitability and a line of credit, which could be used to offset the start-up costs for the corporation, but eventually those would all have to be transferred into the new corporation's name. The new corporation had to establish its own credit rating and build its reputation with banks and financial institutions.

The next challenge was establishing a physical location. After much thought, the entrepreneur determined that a home office would be the best solution. The manufacturers and suppliers are all based in the United States or Europe; so much of the business has to be conducted in the middle of the night due to time differences. It makes sense to have the office at home, where there is 24-hour access to business documents. The entrepreneur invested in building an at-home office for the entrepreneur, as well as determining a starting salary package that would allow her to provide for her family, while not crippling the new corporation.

The third challenge was to establish a financial accounting structure, which was accomplished by implementing an accounting software package. Because of the size of the business, the entrepreneur became the manager, sales staff, and accounting staff.

The fourth challenge was converting current customers from the familiar sole proprietor to the new entrepreneur's corporation. This challenge was addressed by the sole proprietor introducing the entrepreneur as the new business entity representing the current lines of supplies and instruments. This challenge also included converting the customer's accounts over to a new company.

Other challenges consist of many of the challenges that most small business face; the entrepreneur "wears many hats", that of finance, sales, and operations. In this type of business, where supplies and instruments are high value and ordered by purchase order, maintaining cash flow is critical, and more difficult because of late payment on purchases by the few large, key customers. It is also difficult to be price competitive with other larger and office-based vendors because of limited volume ordered and a lack of volume discounts offered by vendors. Limited space, not stocking items on-island, and occasional problems with distribution channels makes it difficult ensure in-time delivery. Also, the global economic recession might make her unable to meet the always increasing sales requirements of her suppliers. Another persistent threat is that of larger local representatives luring away her lucrative brands.

STRATEGIC PLANNING FOR FUTURE GROWTH

Considering these conditions, how will the external business environment impact her development strategy? New opportunities have been identified, specifically the increase in population within the next 10 years due to:

- buildup in one of the customer segments (projected at 30% increase in island population),
- the increase in federal dollars to support education (medical) and open more medical education facilities,

the upgrading of current medical facilities and the building of new medical care facilities.
the introduction of new technology and products necessitating upgrading of current medical instruments
and supplies
more replacement and repair business on current medical instruments due to increased use

An analysis of this business suggests that the women entrepreneur has potential growth opportunities in an expanding market, through expanding her geographic market, diversifying her product base, taking advantage of an increasing population, and introducing “new and improved” products based on technological advances in the medical equipment field.

Steady sales growth in the next coming years is definitely a critical issue for her. Several recommendations can be useful for her to develop her growth strategy. While maintaining sales in her niche market, she should overcome the problem of limited customer base by expanding her activities to other islands located in the Asia-Pacific on one hand and adopt the strategy of diversification to other fields such as dentistry and anesthesia. She should analyze carefully the market feasibility before entering into other fields and other markets. In order to do so, she has to enlarge her company’s structure by hiring more staff and find out a successor. In terms of management, she should get more capital from banks or strategic alliances with more partners and distributors to store products in warehouses. As far as marketing strategy is concerned, she needs to train some salesmen to directly work with business customers to capture new demand. The big challenge for her is to make the right time to move from a small company to a bigger structure with a sound diversification strategy even though the global economic recession seems not last in the short run.

CONCLUSION

Despite the challenges of running her own small business, she feels very confident and optimistic about the future opportunities for success. Her determined character, which she inherited from her mother, continues to drive her to support her family. She has become a successful entrepreneur through her hard work and understanding her customers and the market. She has combined her experience in direct sales and the medical field to develop a successful career path and thriving company. All of her successes come from cumulating experience that she acquires through her tough childhood, and combining that drive with her education. Finally, Asian culture highlighting family support and concern, flexibility and continuous improvement through education and field experiences has definitely played a key role in her life. It has given her the ability to turn the hardship of her childhood into a strong foundation for a successful entrepreneurial career.

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VICTORIA JARDIOLIN: (THE FAIR LADY) ENTREPRENEUR

Filomena M. Cantoria, University of Guam

ABSTRACT

This paper is about Victoria Bello-Jardiolin, a lady entrepreneur who is pioneering activities in the marketing of ladies shoes and who has created an empire for her family in the Philippines. My research is on entrepreneurship centers and on whether the entrepreneur is born or made.

INTRODUCTION

This paper is about Victoria Bello-Jardiolin, a lady entrepreneur who's pioneering activities in the marketing of ladies shoes has created an empire for her and her family. As a child, she grew up with parents who ran a family business in Iloilo City in the Visayas (1). She and her sister later moved to Manila to study at University of the Philippines (UP) which had recently moved its premier campus from Manila to Diliman, in the capital city, Quezon City (2). Thereafter, her mother joined the faculty and lived in the faculty housing on campus. She recalled her father inspiring her to go to the University of the Philippines, no less, for college, as was what UP alumni parents hope for their children. The two sisters also enjoyed school as children of a Spanish professor. In the campus community, residents lived a simple life, walking to school most of the time, while a public transportation system of jeepneys (3) took people around the campus for a few cents.

This premier university also attracted children of the rich and the famous from all over the country. Bello-Jardiolin remembers seeing her dream car parked outside the school: it was a red convertible that belonged to a classmate, who was the daughter of a shoe magnate. She knew that this is what entrepreneurship bought. The car owner's father sold shoes under the brand *Gregg Shoes* named after him (Gregorio family) and were sold in expensive shoe stores. From hindsight, Victoria would recall having at least five other classmates that came from rich and successful entrepreneurial families. It stuck in her young mind that it must be good to be in business. In her youth, her parents owned four vehicles, one of which was a roadster. For one thing, businessmen could afford flashy cars.

At age 24, Bello-Jardiolin was a widow with three children. Upon graduation, she was offered a teaching position at the University of the Philippines, where new promising graduates start out as instructors. She taught Marketing subjects. On the side, she ventured into the production and selling of ready to wear clothes. She also started a beauty shop on campus.

After completing graduate studies, she worked as a part-time management consultant at a top accounting firm in the Philippines, the SyCip, Gorres & Velayo Co. (SGV) where her school dean was a manager in the consulting division. (SGV later became part of Arthur Andersen Consulting, and the consulting arm adopted the business name *Accenture* when auditing and consulting became separated). At SGV, she met a foreign consultant (a Baron) whom she married. She then moved to Germany with her new husband and three children. She lived her life in Germany as a Baroness, while she and her children went to school. She later earned her doctorate in Marketing at a university in Stuttgart, Germany.

THE CONFETTI SHOE BUSINESS

When she returned to the Philippines in the early 1980s, she once again joined the University of the Philippines as professor of Marketing. At the same time, her sister (who had some success in the shoe business) wanted to help her get started in business. Her sister offered to help set up her own shoe business if they would agree to serve different market segments: her sister would sell high-priced shoes while Bello-Jardiolin would target the C and D markets. Her sister would teach her about shoe retailing as long as they did not compete in the same market segment. It was within this arrangement with her sister that she introduced her shoe brand “Confetti”.

Her shoes were nicely designed and appealing to women who desired affordable and beautiful shoes with matching bags. To bring her cost down, she worked with shoe makers in Marikina (the “shoe district” in Metro Manila), using manmade material instead of leather. This is a pioneering idea that she learned while she was living in Germany. Prior to this time, shoes in the Philippines were made from leather and were defined by how long they lasted. As a matter of fact, another well known brand was sold under the brand of *Ang Tibay* to mean “*durable and long lasting*”.

Bello-Jardiolin prodded and encouraged the Marikina shoe makers to use manmade materials to make shoes and matching bags. She imported the materials from other countries. She referred to her strategy as the “blue ocean”, a strategy she learned from owners of larger businesses. The *blue ocean strategy* refers to the way an entrepreneur deals with competition so that in an ocean of opportunities, one need not engage in head-on competition with another (shoe brand). Eventually, Bello-Jardiolin built her house in Marikina to be close to her sister and shoe makers/suppliers.

She opened her first store in the old Greenbelt area, in the newly established central business district in a newly developing city, Makati. This shopping district was surrounded by affluent residential subdivisions at Ayala and Greenhills. The developers/owners had a business plan for growing this part of Makati as a high-end shopping and residential district. At this new business center, Bello-Jardiolin’s sister sold her shoes under the brand *Via Veneto* to her high-end customers. The Makati commercial district developed with individual stores at the

beginning, before the big malls started to be built. Other known shoe brands were *Gregg Shoes, Ang Tibay, and Shoe mart*. Only in this area were there specialty stores. At other shopping districts, mostly in Manila and Quezon City, shoes were sold at the department stores that also sold apparel items along with other household goods and miscellaneous products.

Why shoes? Bello-Jardiolin's sister was doing well in shoes and was developing her own market for expensive shoes. Bello-Jardiolin was the first to introduce shoes made from manmade materials and was able to sell to her market. She employed as her store managers the young ladies who lived with her as part of her household. She found them trustworthy and rather effective in selling to the C & D customers. When she just started, she would claim that her business reached a 'break-even point' at 4-6 pairs a day.

When the first big mall, SM City, was built by the owners who originally sold shoes and bags under the brand of *Shoemart*, she was offered a space to set up her "Confetti" store within the mall. Because of the popularity of the Confetti brand, her sales were good that she was offered space for a Confetti store in every new mall that SM group opened in Greater Manila area. However, opening new branches created undue pressure for her. She tried to employ only trusted people like those who lived with her that she was running short of reliable employees. She had to learn how to set up controls as growth demanded more employees to run her new stores. She also had to learn how to sell franchises for Confetti stores in selected big cities around the Philippines.

When China opened its doors to trade, it sold shoes to the Philippines. China-made shoes were very cheap that they threatened the sales and profitability of Confetti shoe stores. Other shoe stores sold China-made shoes while Bello-Jardiolin's costs were higher because, although she bought components from China, her shoes continued to be assembled in the Philippines (Marikina).

THE NATASHA RETAIL STORE

In 1994, Bello-Jardiolin spoke about enhancing and changing the product mix to carry other merchandise at her store. She called her new retail store "Natasha" and located it at a mall along a main thoroughfare to attract more of the C and D crowd. However, this move was not successful because it happened at the time when the greater Manila area was plagued with 6-hour power outages, which created fear for personal safety in dimly lighted shopping malls. People that used to shop at the malls stopped going to the malls, a major contributing factor to sales of Natasha stores plummeting to their lowest. Bello-Jardiolin then decided to do focus Natasha in wholesale instead of retailing. By wholesaling, Natasha would sell to dealers who would then resell the products to their end users. Initially, she gave a few dealers about a dozen pairs of shoes. This was when the idea of network marketing came about (Roman, 2003)

At first, network marketing was not easy. She invited her children to help her think about direct selling of shoes. She would be the first to venture into direct selling of shoes. The

members of her family attended to all the details: Moyeen, the daughter took charge of selecting the merchandise, while the younger son, Mahar, took pictures of the products for the catalogues. Even the layout of the catalogues had to be done by the members of the family. The other son, Tweed, worked on developing the dealer network. So, from the crisis in the early 1990s, Natasha emerged stronger and bigger company. And by 1998, the entrepreneurial spirit of the new owners turned crisis to opportunity. Bello-Jardiolin attributes her success to her family endeavor.

Natasha's marketing was developed in much the same way that Tupperware, Avon and Amway products were sold. After increasing her product line to include not just shoes but also T-shirts, pants, wallets and bags, the catalog business of Natasha developed into a leading Filipino networking company. With the recent introduction in 2009 of cosmetics and complete line of beauty products, it is now one of the industry's market leaders in networking marketing.

Bello-Jardiolin has succeeded in bringing her whole family into the business. This solved her initial fear that her business will eventually crumble due to lack of succession. She observed that many businesses established and run by entrepreneurs no longer exist because of lack of interest or business acumen from the succeeding members of the next generation. At Natasha, she has all her three children involved in the business. She credits her three children for much of the success of her business.

The networking operation is also turning her dealers into entrepreneurs. Her dealers are taught how to nurture their business, by developing and teaching them a set of values that Natasha shows by example. Today, Natasha's direct selling is through over 200,000 dealers, 80% of which are active. The dealers earn income in two ways: by direct or personal selling where the dealers receive 22% discount off catalog price, and by recruiting new dealers. A dealer earns a graduated rebate based on a scheme that rewards the recruiting dealer a rebate computed on the combined direct sales of the group (Roman, 2003).

REASONS FOR NATASHA'S SUCCESS

Bello-Jardiolin attributes her success to her adhering to the *blue ocean strategy*, knowing the market, and helping develop employment by tapping into the underemployed Filipino men and women and turning them into entrepreneurs. She showed her dealers how to be good businesspeople by following core values like customer service, discipline, constant improvement, respect for each other, and honesty. She allowed dealers to pay for the goods in installment so that they in turn can give credit to their customers. This way the customers enjoyed credit and felt that they could afford to buy Natasha products. Natasha's prices were also very competitive due to its lean overhead. Further, the products are of high quality and available everywhere. In addition, direct selling is convenient for many consumers who are too busy making a living and have no time to shop in the malls.

Natasha's rapid growth, however, attracted many entrants into the direct selling of shoes. While other direct selling companies had been in the market much earlier than Natasha, they sold only cosmetics and apparel. Two big competitors emerged to do direct selling of shoes and one aggressive entrant sold shoes along with its many other products. Selling shoes became so attractive that one company added shoes to its product line for fear that its dealers might transfer to Natasha.

By the year 2000, there were 24 members of the Direct Selling Association of the Philippines and the World Federation of Direct Selling Associations (WFDSA) estimated that there were two million salespeople involved in direct selling in the Philippines. However, a per capita sale of P7,450.00 (around 150 US dollars) suggested that there were very few very successful dealers (Gutierrez, 2002).

Despite the emerging competition, Natasha continues to be a market leader in the direct selling business. Its management tries to make its dealers excited over their dealerships. Natasha offers innovative and trendy products. It also continues to evaluate the compensation package for dealers and considers ways to help them increase their direct sales. Natasha's management cannot let its guard down despite strong indications that it is a dominant force in the direct marketing of shoes. It recently introduced the cosmetics line to now compete head-on with Avon's. There is also an attempt to revive its original Confetti brand and retailing by launching the Miss Confetti Pageant in 2009.

Wherever she takes her business, there is no denying that Victoria Bello-Jardiolin is a true entrepreneur. Born or made: one cannot tell about this entrepreneur. Like many, she has experienced crises in personal life and crises in her business. What distinguished her from many is that she has turned crises into opportunity. She has brought up a family of entrepreneurs, pioneered in the use of synthetic materials for shoes and in direct selling of shoes. She now is in direct competition with an old company like Avon on cosmetics! One would certainly want to ask, what next?

It is worth noting that, in the process, Bello-Jardiolin has developed entrepreneurs in her family and among her (Natasha's) dealers.

EPILOGUE

Although Bello-Jardiolin does not own a flashy sports car that she dreamt of when she was a young student, she is content with being chauffeured around Manila in her BMW 700 series. A big donor to her Alma Mater, she has endowed four professorial chairs in the University of the Philippines College of Business Administration where she earned her undergraduate and master's degree in business, and where she started work as a young instructor and now Professorial Lecturer *pro bono*.

Her business success paralleled her personal success of being recently married to her grade school classmate from Iloilo City. She just became Mrs. Manuel Villa, Jr.

ENDNOTES

Reference is made to Victoria Bello's childhood in the Visayas where her parents ran a boarding school. Iloilo City is in the province of Iloilo, part of the Panay island which is the biggest of the many islands that compose the Visayas (a group of islands south of Luzon in the Philippines and north of Mindanao).

The University of the Philippines is the premier university in the Philippines. It is the only university outside of the United States of America that was created by an act of the U.S. Congress. Established in 1908, there have since been many regional branches set up all over the Philippines, but the Diliman Campus in the capital city, Quezon City, is the most renowned.

The *jeepney* is an icon of the Philippines. It is a popular mode of transport that was created out of what was a post-war surplus, the jeep, and refitted with a bigger body to accommodate more passengers. It is used for short distance travels, stopping very often for passengers to hop on and hop off. They still ply designated routes on campus, following the route "ikot" to mean it just goes round and round (on campus).

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DERMATOLOGIST AND WOMAN ENTREPRENEUR

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ABSTRACT

Skills and treating people right are necessary as capital for a dermatologist and woman entrepreneur Audrey Claire Lucero-Camacho, a medical doctor who owns a skin clinic in the Philippines. She faced numerous challenges and difficulties in pursuit of her medical degree but all her struggles started to pay off when she passed the medical examination in 1996. Her training in a residency program with Dermatology Institute Foundation of the Philippines established her professional career as a good dermatologist. After seven years of obtaining knowledge and practising her profession, she started to follow her dream of having her own clinic. She initiated the business in 2005 and realized the problems of being an entrepreneur and a manager of a business. Constrained resources and economic conditions in the Philippines are among the major problems in carrying out her plans and in implementing her business strategies. Nevertheless, she responds with perseverance and has shown that success is possible by being determined to achieve her goals, passionate at work and toward her business, sensitive to the needs and insights of clients and employees, and vigilant in reinvesting her profits in line with her vision. She exemplifies an ordinary woman whose motivation led to extraordinary achievements in different fields and in her profession, both as a dermatologist and as a woman entrepreneur.

INTRODUCTION

“Skills and treating people right are my capital”, says Audrey Claire Lucero-Camacho, a medical doctor with specialization in dermatology, who owns C&G Skin Solutions located at a mall in the city of Paranaque, south of the capital city of Manila, Philippines. Camacho proved her capability of being a professional dermatologist through exemplifying timeless beauty in any condition in life. Her appearance barely changed since we first met eleven years ago. Her beautiful and ageless features are still given emphasis by her white outfit. However, something in her is not the same. She is now glowing with pride and dignity with her newly found path, being a woman entrepreneur. The sections that follow discuss about her life story and the numerous experiences she had until she endeavored being a businesswoman.

THE ENTREPRENEUR

Camacho was born to a couple who worked in one of the government bureaus in the Philippines. Needless to say, they earned a meager income. She studied in a private school in Manila from kindergarten to high school. She was an average student and did not receive any academic honor award, but who fared better in special award categories such as loyalty and personality.

Camacho claims she went to high school before there was a “career week”, a week designated so that students who are graduating from high school get oriented with different courses in college and the different fields or careers they could enter after completing their college degree. Unlike students now, Camacho did not have an idea of what course she had to take up in college so she simply took and passed the entrance examination to a bachelor’s degree program in Medical Technology at Far Eastern University in Manila. Camacho reminisced of her enjoying her college life, although admitted that she was not too serious about her studies and simply wanted to pass her courses, complete her degree and work abroad for a good compensation.

After two years in her bachelor’s program, she took the “battery examination” in the Institute of Medical Technology (Med-tech). Passing this examination allowed students to progress to their major proper, Med-tech. Among the four hundred students who took the exam, she was among the fifty students who passed.

Camacho then proceeded to taking courses in her Med-tech major. She found her junior and senior years to be very memorable mainly because of the challenging and stimulating major subjects she took. The subjects involved in-depth science subjects that are highly technical. She also appreciated a year of internship in major hospitals, namely, United Doctors Medical Center in Manila and Capitol Medical Center in Quezon City, Philippines, where she received the “Best Med-Tech Intern Award” from both hospitals. These awards surprised her since she remained undecided about her Med-tech career until she finally decided to pursue a medical program, which required her taking and passing of the National Medical Admission Test (NMAT), the equivalent of the Medical College Admissions Test (MCAT), which is required to enter medical schools in the United States and Canada.

She passed NMAT that qualified her to enter the program for medicine proper. She encountered a lot of challenges especially during the second and third years in the program. With hard work and perseverance, she surpassed them and moved closer to her utmost dream. Finally, she passed the medicine program on time, went on clerkship and internship which gave her experience with the management of patients and treatment of different cases.

Then came the big news in 1996: she passed the medical examination. This marked a new chapter in her life. She continued her journey as a general practitioner until she felt that she had to choose her focus.

DERMATOLOGY: HER SECOND CHOICE

She considered specializing in pediatrics but realized that she would not like to go on duty to hospitals because of the irregular work hours and shift changes. Camacho prefers to set her own schedule so that she could balance her time between her work and her family. She then considered her second choice, dermatology. This seemed ironic at first because she struggled with a course in dermatology while at medical school. To gain foundation for her career as a dermatologist, she finally decided in 1997 to take up dermatology training as a residency program with Dermatology Institute Foundation of the Philippines (DIFP). This training was the foundation of her professional career as a good dermatologist.

Notwithstanding the fact that dermatology in the Philippines has not yet reached its peak in the late 1990s, Camacho continued to pursue her training and improve her craft. She was inspired to complete her five years residency program. In 1999, on her second year of residency, she got married and then gave birth to a baby boy the following year. Then in 2001, came the biggest milestone in her career as a dermatologist: she was employed by one of the best dermatology foundation in the Philippines, DIFP under VBP Dermclinic. She was assigned as a consultant until 2005.

STARTING HER OWN BUSINESS

After seven years of obtaining knowledge and practicing her profession at VBP Dermclinic, she thought it was time to pursue her dream of having her own clinic. Her real motivation for wanting to start her own business was that she wanted to flourish and fully-utilize her God-given capital, which are her skills and capacity to treat people right.

The timing was perfect when in 2005 a mall opened up an extension to house medical and dental clinics. Camacho thought that she was ready to put up the business in a mall. However, she experienced some difficulties in planning it. Although her letter of intent to the management of the mall was approved, there were some challenges with regard to guidelines that affected the construction of the clinic. She encountered a big problem then because the total estimated cost for the construction was overwhelmingly above what was originally planned. This diminished her start-up capital but she was determined to push through with her business plans.

She knew that one possible way to get funds is to apply for a loan from banks. However, due to inexperience, she was not ready to pursue this means of financing because she knew that it would be difficult to start the business using a high-interest loan as capital. Also, she could have tried borrowing from her relatives but the risk of starting a family feud surfaced. She sought the assistance of a friend, who helped her raise the amount necessary to start the business.

Construction then followed but it required careful budgeting. She kept the minimum possible financial exposure and the risk involved in the start-up without discounting the projected image of the business. After about four months of construction, her clinic named C&G

Skin Solutions was finally opened on November 28, 2005. Soon thereafter, she had to address the following questions:

- Who are my potential patients?
- How can I attract prospective patients?
- How will I price my services?
- Can I survive the critical first six months of operating my business?
- Are my staff members properly trained for this business?

In order to manage the business effectively, she believes that involvement in the daily activities of the skin clinic is one of the best strategies that she must employ, which means that she has to be the dermatologist-entrepreneur of C&G Skin Solutions.

As a dermatologist, Camacho's passion and dedication to work made her an even better doctor. She always considers her patients as friends. She tries to know them personally by hearing their life stories and plans, sometimes even their problems. She ensures that, as their doctor, her patients could trust her. She believes that she has to keep the doctor-patient relationship with a sincere attitude. She makes the patients feel loved and taken care of and, at the same time, will be direct in telling them only the appropriate treatment applicable to the case. She clarifies some erroneous beliefs and gives information that is based on accurate scientific studies. She orients her patients with the treatments or medications they have to undergo.

In addition, she familiarizes the patients with the procedures, especially the limitations and benefits of the treatments. Whenever possible, she would usually state, "Not all treatments are applicable to all patients because there are certain limitations and exceptions. As a matter of fact, there are dermatology cases where you cannot do anything anymore". Inasmuch as she wants to give her patients the best possible remedial measures, only realistic possible results are discussed and no fancy promises are held. Consequently, she finds herself in a dilemma when she sees how their hopes vanish.

On the other hand, as an entrepreneur, she always takes into consideration the fact that the workforce is always behind the success of a business. This is especially true in service-oriented enterprises like her clinic. She also acknowledges that handling people is a challenging task. She cannot avoid occasional personal problems and attitude of employees that sometimes affect their performance. However, she still manages to establish and maintain a good employer-employee relationship. She ensures good communication in working with her employees. She also invests in her employees by sending them for trainings and seminars that will help them perform their duties efficiently.

One of Camacho's remarkable characteristics as an entrepreneur is her fairness. While instilling learning and discipline, she recognizes the efforts exerted by her employees. She promotes fostering an optimistic and conducive working environment. She gives reasonable and corresponding incentives for their dedication to their jobs. She believes that directing and

motivating personnel is a key strategy that will greatly help to achieve the ultimate goals of the business.

Furthermore, Camacho admits that dermatology practice is very dynamic as it constantly adapts to meet the changing medical challenges of society. Thus, there is a need to keep abreast of the updates in all the procedures that they perform. Likewise, the machines and equipments in this business need to be upgraded swiftly. For instance, while most laser machines are costly, they require upgrading every two years. Although she discloses that this is a big concern in her business, she responds by finding the best partners in her business who provide the best but reasonable resources and supplies.

Aside from financial constraint, Camacho considers the economic condition of the country in planning for her business. The present economy of the Philippines makes it risky to expand her business, especially since dermatological services would be given lower priority during times of crisis. On the other hand, she also considers what some economists say, that during economic crisis, there is an upward trend for cosmetic business.

Nevertheless, Camacho is one of the aspiring entrepreneurs who started small but is dreaming big. She has overcome obstacles and envisions of growing her business, for example, by catering to clientele from different social status. In the past, about 70% of her clients were from the business sector and working people; 10% were housewives and students; 10% were overseas contract workers from abroad; and the remaining 10% were former Philippine residents who have out-migrated but are on vacation in the Philippines.

To remain competitive as well as increase her profits, she plans to continue researching and formulating new skin products and services as well as acquire more machines. In addition, there are plans for business expansion, especially by focusing on opening up more clinics/branches in different locations while, at the same time, maintaining the quality of products and services offered. This will increase her capacity to offer products and services both to existing and potential clients.

I see Camacho as a strong woman who blossomed throughout the years. Despite the obstacles that come along her way, she demonstrates the characteristics of an inspiring entrepreneur. She is true to her vision in business while, at the same time, meeting her responsibilities to her family. She manages to motivate her employees through leadership by example. No matter what difficulties and challenges she faces in her business, she responds with perseverance to go above and beyond generating a profit by capitalizing on her skills and her belief in treating people right. To her, treating people right means treating her employees properly, treating her patients honestly and treating her partners in business fairly. These are the foundation of her enterprise. She is now at a stage where her potentials and aspirations in life are being revealed. As she continues with her entrepreneurial journey, she relies on her optimistic business perspective and looks forward to acquiring new knowledge through continued education in her profession as dermatologist.

Camacho has shown that success is possible by being determined to achieve her goals, passionate at work and toward her business, sensitive to the needs and insights of clients and employees, and vigilant in reinvesting her profits in line with her vision. She exemplifies an ordinary woman whose motivation led to extraordinary achievements in different fields and in her profession, both as a dermatologist and as a woman entrepreneur.

PREPARATION MEETS OPPORTUNITY: AN ENTREPRENEURIAL JOURNEY

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ABSTRACT

This paper is a historical review of the inception, development, and growth of a successful woman-owned business, told from the perspective of the business owner, Sharon M. Davidson. It examines the progression of the business from its formation at a kitchen table to current day sales exceeding one million dollars. The paper highlights the obstacles and challenges faced as well as the accomplishments and successes achieved. Since women entrepreneurs have been starting businesses in unprecedented numbers in recent years, it is important to share and discuss these experiences thereby contributing to the entrepreneurial success of women business owners.

INTRODUCTION

Having worked as a CPA in public accounting, I had the business acumen necessary to start and run a business but no idea what type of business to pursue. Then opportunity knocked; the local Sears Furniture Outlet would be closing and a void would be created in the local market. In an attempt to seize the moment, I immediately met with the Sears store manager who shared with me some specifics about the furniture outlet's sales volume and profitability. I then approached the furniture outlet's employees and manager hoping they would agree to remain in their present positions should I launch a new venture. When they agreed, I knew I had a tremendous opportunity before me. So, in 1991, I launched my furniture company, The Hornell Furniture Outlet, from my kitchen table in upstate New York. Growth and success came quickly. By 1998, company sales exceeded the one million dollar mark. But the journey was not effortless; it took a lot of blood, sweat and tears.

THE ENTREPRENEURIAL JOURNEY

My entrepreneurial journey was marked by taxing obstacles and challenges as well as satisfying accomplishments and successes. While certain aspects of the journey were carefully planned, many aspects of the journey were the result of unanticipated circumstances that materialized along the way. While many believe that successful entrepreneurs are planners and

organizers (this is certainly true of me) another (possibly more significant) component of my entrepreneurial success was preparation meeting opportunity. My ability and willingness to take whatever steps were necessary to seize the moment certainly contributed to my business success. In fact, an unexpected opportunity (the closing of a profitable local furniture store) and my business preparation (as a CPA in public accounting) created the circumstances leading to my entrepreneurial success.

Motivations

Small business ownership, an adventure that many embark upon but few actually succeed in, is fraught with many challenges; it is, however, also abundant with benefits. But the traditional benefits were not my sole motivation in considering entrepreneurship. While the benefits of financial independence and entrepreneurial success were certainly motivating factors in my decision to become a business owner, of equal importance were my desire to be my own boss, the satisfaction of my need for accomplishment and my unconditional willingness to sacrifice to create success. In addition, I felt I was underutilizing my accounting education, public accounting experience and CPA license. At the time I opened the furniture store, I was married and the mother of three children (aged 7, 5, and 2). I had given up my demanding public accounting career and was working full-time as an accounting professor at Alfred University, in upstate New York. My responsibilities as a professor were numerous, but I always felt that I had additional potential beyond effectiveness in the college classroom. Creating a successful business would be a significant personal accomplishment as well as provide a secure lifestyle for my family of five. Ultimately, my motivation to become an entrepreneur was the result of an interaction of a range of factors, such as personal characteristics, personal environment, personal goal set, the relevant business environment, and the existence of a viable business idea (Kuratko & Hodgetts, 2001). Motivated also by my enjoyment of a new challenge, I put my public accounting experience to work and began my entrepreneurial journey.

Gaining Experience and Developing Human Capital

My experience in public accounting proved to be the cornerstone of my business success. A career in public accounting with one of the then “Big 8 Public Accounting Firms” was like earning a Master’s Degree in Business. Each day I would come home amazed at the business knowledge I was accumulating. I had clients in manufacturing, health care, retail, banking and the non-profit industry. A public accounting career demanded that I be adaptable and flexible. I was often required to change gears mid stream, frequently changing tasks or changing clients with very little advance warning. Among the most challenging aspects of my public accounting position was the fact that I never quite felt that I knew what I was doing. At first, this uncertainty was unsettling for me; I had to learn to work with undefined problems and

unconventional solutions. While the unknown had always been a threat to me, with time, I actually began to embrace the unknown. In fact, my public accounting career ultimately taught me to become comfortable with being uncomfortable, a trait which proved quite valuable in my entrepreneurial journey. While I did not know it at the time, the human capital that I was developing in public accounting would become a significant contributor to my future success as an entrepreneur. It is imperative that women entrepreneurs accumulate considerable human capital (such as education and managerial experience) in order to achieve success (Aronson, 1991; Fisher, Reuber, & Dyke, 1993). In fact, my ability to construct a thorough and functional business plan was a direct result of the human capital I acquired throughout my public accounting experience.

Preparing a Thorough and Functional Business Plan

While there are many factors that ultimately contribute to a new venture's failure or success, one of the most significant is planning (Delmar & Shane, 2003). Never underestimate the power of a solid plan; when entering un-chartered territory, there is no quicker way to get off course than to navigate without a road map. My business plan was to become my road map for the next few years. If prepared poorly, the business plan could be the cause of anxiety, frustration, and ultimately financial failure, if prepared well, it could lay the groundwork for a quickly achieved breakeven, sustained growth and ultimate financial success. A thorough business plan and due diligence in the early days pays off; a good dose of the right up-front homework pays for itself tenfold, saving time and producing higher success rates (Barringer & Gresock, 2008).

Effective business plans are based on solid data and analysis rather than on speculation and platitudes (Barringer & Gresock, 2008). My business plan was based upon a structurally sound financial forecast and a realistic operation model. It contained the right elements of revenue and expense and was logical, using solid assumptions. I approached my business plan realistically, knowing there were some factors I could control (like some of my expenses) and many others that I could not (such as whether or not customers would buy). I attempted to strive for realism, but accuracy was not expected. While my business plan was a well prepared financial package (not just notes on scrap paper), it was (in the end) not completely accurate. In fact, my business plan was wrong. All business plans are. But my wrong business plan was still vital. I thoroughly reviewed the plan and analyzed which assumptions were wrong, why they were wrong and in what direction they were wrong. I then created a revised plan and then used the revised business plan to steer my business. While I have continued this process for 18 years, the plan I now generate is no longer called a business plan, it is now called a strategic plan and operating budget.

While a business plan is of critical importance, it is not a recipe for a business; an entrepreneur cannot simply follow the business plan to be assured of the success of the business

in the same way that a chef can follow a recipe to be assured of the success of her cake (Ashamalla, Orife & Abel, 2008). In fact rarely, if ever, has a single business plan been followed step by step to create a successful business. Many business owners are apprehensive about writing a business plan, but a well-developed plan provides unlimited benefits (Arkebauer, 1995).

Money Matters

Money matters often present significant hurdles for entrepreneurs. Obtaining financing is difficult at every stage of business growth but it is most problematic for start-ups (Haynes, Rowe, Walker, Hong, 2000). Gaining access to capital and credit is a critical challenge for all business owners, but some previous research indicates that women entrepreneurs encounter greater obstacles than men (Ando, 1988; Buttner & Rosen, 1988, 1989; Clark & James, 1992; Fay & Williams, 1993; National Foundation for Women Business Owners, 1993; Riding & Swift, 1990). This is a critical issue, because the inability to obtain financing can be an insurmountable roadblock for an aspiring female entrepreneur, as bank loans are second only to personal savings as a source of capital for women (Buttner, 1993). For these reasons, I had to be especially prudent, providing lenders with complete and reliable information, so as to reduce risk in the lender's eyes. For a capital intensive business such as mine, the initial investment in inventory, warehousing and delivery equipment was significant and adequate funding was of critical importance. My goal was to start out with as little debt as possible, making debt service down the road manageable. In order to do this, I had to carefully analyze where to get my money, how to then make it on my own, and ultimately how to keep it coming in. In order to make my business "bankable" I prepared a detailed analysis of my funding sources and a projected cash flow at various levels of sales, with anticipated cost adjustments, should sales not meet expectations. My personal sources of funds included my savings, credit cards, and a family loan. I then researched a variety of available funding sources, looking for the best buy on the needed funds. When considering the best buy, I reviewed principle amounts available, interest rates, payback terms and pre-payment penalties. I was especially interested in potential pre-payment penalties since my hope was to amortize my debt as quickly as possible. My research led me to a not-for-profit corporation, the Regional Economic Development Corporation (REDEC), whose mission was to make loans available to new businesses that create jobs and broaden the tax base of counties in the central southern tier of New York State. The criterion to qualify for such monies was extensive, but fortunately, I qualified. REDEC funds could be borrowed based upon the number of new jobs a new business venture created. This REDEC loan for working capital, along with my personal sources was sufficient to get my business started. While securing appropriate funds was a time consuming exercise, it provided a huge payoff in the end. The success of a business venture often depends on the entrepreneur's ability to obtain

appropriate financial support (Haynes, Rowe, Walker, Hong, 2000); never take lightly the power of money – money matters.

Networking and Gathering Advisors

To be successful, entrepreneurs must be well integrated in their extended communities. Networking can be a way for an entrepreneur to gain access to resources (information, advice or capital) needed for initiating and operating a new venture. Entrepreneurs connected to many diverse information sources are more likely to survive and make their businesses grow (Buttner, 1993). Reach out early on, rather than later, in building a network of competent people to surround you. Networking is critical; in fact, some claim that a lack of access to key networks from which to obtain advice and assistance, can lead to business failure (Haynes, Rowe, Walker & Hong, 2000).

When I began networking and gathering advisors, I first completed an evaluation of my own strengths and weaknesses. In areas where I was strong, I could survive with less experienced (and less expensive) consultants; in areas where I was weak, I needed to pay the big bucks for the big guns. I ultimately found a wonderful lawyer, banker, insurance agent, tax accountant and IT consultant (in that order), but this team was not developed overnight. Some of the professionals I originally worked with were terminated early on and others are still part of my team today.

A successful team must consist of individuals who both share your vision and are accessible. Someone who shares your vision but is impossible to reach is of no use to you. You need to be able to pick up the phone, describe an issue or challenge and get immediate feedback as to how it should be handled. In the early years especially, it is important to have advisors that are willing to hold your hand.

Because new business owners are required to perform countless tasks for which they have little or no training, networking is of vital importance (Cromie & Birley, 1992). I found it useful to join industry trade groups and attend seminars at retail furniture trade shows. The sharing of knowledge and experiences at these events has been invaluable. Networking with “Furniture First” (a purchasing cooperative made up of retail furniture dealers) has been incredibly beneficial for my business. While there are membership fees involved, the benefits far outweigh the costs. Through collective buying power and the sharing of best business practices, this networking activity has helped my business thrive in increasingly competitive markets. Ultimately, you build advisory relationships one at a time, and each good relationship strengthens your business further.

Assembling a Capable Management Team

Procuring and managing employees is critical to entrepreneurial success (Marlow, Henry & Carter, 2009). It is imperative that entrepreneurs surround themselves with competence; the search for that competence can range from overwhelming to quite simple. My search was a simple one. I opened my retail furniture business because of a unique opportunity, the local Sears Furniture Outlet was closing (due to Sears restructuring nationally) creating a void in the local market. The Sears Furniture Outlet manager had many years of furniture knowledge and expertise as well as a loyal following of customers; this seasoned manager was potentially a huge asset to my new venture. At the same time, the manager was looking for work after Sears' closing and he wanted to remain local and in the furniture industry. The timing was perfect and the Sears Furniture Outlet manager agreed to join my management team. I was also successful in employing other experienced Sears Furniture Outlet personnel who needed virtually no training. I had assembled a talented team and all of them remain in my employment today, 18 years later. Attracting and retaining top talent is critical; many believe that without the right management team none of the other aspects of a business really matter (Sahlman, 1997). Even a mediocre product can make a successful company if there is excellent management; conversely, bad management can make the best product a failure (Elkins, 1996).

Technology Essentials

Looking back, I am amazed to recall that I began my business in 1991 with a second-hand, DOS driven, information technology (IT) system. I used Lotus 123 software to create my own company-specific journals for cash receipts and cash disbursements. My general journal and general ledger were paper and pencil (not computerized) and creating a trial balance and financial statements was a time consuming manual process that was performed monthly, at best. Because I was on a strict budget in the early days, investment in IT had to wait until some debts had been repaid and a solid track record of sales indicated that I had a viable business on my hands. While computers in the early 1990s were not all that sophisticated, they were extremely costly. Purchasing even a used computer involved a cash outflow I was not financially prepared to make. The challenge of making business decisions using manually prepared financial information that was months old was frustrating. Magnifying this frustration was the fact that projected financial statements had to be prepared by hand, making any forecasted financial data extremely time consuming to create. Ultimately, as sales increased, I found a bit of flexibility in my budget; I then invested (what seemed like a fortune) in a used computer that would have the capacity to run a general ledger software program. This proved to be a life changing purchase. After purchasing this used computer, I reviewed many general ledger software packages searching for the best fit with my business. It was important that the software I selected would help me to see beyond the simple numbers; I wanted something that would create reports that

analyzed business trends and provided needed information for decision making. Beyond these features, I also wanted to use software that was universally utilized in small businesses so that finding and replacing bookkeepers would not be a challenge. After a thorough review of numerous software packages, I selected QuickBooks software. This has proven to be a fine choice; QuickBooks is now the most popular financial software used by small businesses.

While I would like to claim that the transition from my paper and pencil accounting system to the computerized system was seamless, the truth is that the transition was quite a challenge. My bookkeeper at the time had little or no computer experience and I was not the most capable computer wizard. To complicate things, I was skeptical that the transition would be flawless, and therefore required that the manual and computerized systems be run simultaneously for at least a few months. Only after comparing the old manual system output to the newly generated computerized output, did I achieve a level of comfort and a willingness to rely exclusively on the new software. While this accounting transition was stressful and difficult, it has proven to be one of the most significant and beneficial business improvements I have made. The benefits of employing adequate information technology in business cannot be overstated (Ndubisi, 2008) and now the challenges of obsolete financial information and inadequate forecasted information are issues of the past.

Making Backup of Financial Data a Priority

While computerization of the company's financial data was a huge improvement, with it came a new responsibility, that of appropriate and adequate system backup. Immediately after implementing the QuickBooks computerized general ledger system, I requested that our IT consultants design a backup system to safeguard our data. The backup system involved the bookkeeper going through a series of steps on the computer to backup data on two CDs at the end of each day. One CD was stored on site in a fire proof safe and the other was taken to the bookkeeper's home where it was stored off site in a second fire proof safe. If ever there was a flood or fire at the business and the on site backup CD damaged, there would always be a second backup CD stored off premises. The backup procedure was simple and it took only minutes each evening to burn the two backup CDs.

Just as I was skeptical that the transition from the old manual accounting system to the new QuickBooks system would be flawless, I was also skeptical that this new backup CD had all the information we needed to completely restore our system in the event of a disaster. This skepticism was instilled in me when I was an auditor in public accounting and has proven to be an invaluable asset throughout my entrepreneurial journey. While I really did not anticipate a problem, I was unwilling to simply rely on the IT consultant exclusively. So, to satisfy my curiosity, I tested the backup CD by restoring a free standing (extra) non-networked computer. I was shocked and horrified to learn that the backup CD we had been burning each night was inadequate; it was unable to restore our data and ultimately proved to be useless. Although we

had been going through specific steps to backup data each evening, the process was flawed and we were actually accomplishing nothing. The revelation that there actually had been no backup for months put me in a state of panic. My IT team was immediately called in and a new backup process was implemented and tested that day. The newly created backup CDs were able to restore our data and I breathed a sigh of relief.

As a precaution to safeguard data, I now continually test the system's backup process. Every week, the system backup is tested by restoring a non-networked computer. Pertinent data in the restored file is checked and I receive a report documenting the restore and the results of the restore. Skeptics make fine entrepreneurs; in this situation, my skepticism saved me from what could have been a true disaster.

Planning for the future

In a challenging economy the outlook for any business is constantly changing and therefore continuous planning is necessary. My future business plans are well documented; I have a working operating budget which is continually analyzed and a comprehensive strategic plan guiding my business decisions. My little business that was conceived at my kitchen table has grown significantly, generating over a million dollars in sales annually. As I look to the future, I consider retaining the business for my family (any of my three adult children would be qualified to run the business), selling the business to a competent individual (who would be willing and able to assume the risk and have the finances available to make the purchase), or liquidating the business by selling it off piece by piece to the highest bidder (have a "going out of business" sale).

I certainly know the book value of my company, but I am unsure how much it would bring if I were to put it up for sale today. My first course of action will be to request an independent accountant's business appraisal to see what the likely sales price would be. I surely need to know the business' worth for planning purposes and if I am not happy with the number, I can take the necessary steps now to improve that number.

But my business is not just about numbers; it is also about people. I may want to pursue an alternate future strategy that involves identifying a new generation of leadership as I consider retirement. If I choose to have my business continue after I retire, it is not too soon to start cultivating individuals who will be prepared for these future responsibilities.

After I have addressed the preliminaries, I will be ready to set specific long-term goals and develop a detailed strategy. Planning for the future can be a daunting task, but I know I do not need to accomplish everything all at once. If I have learned anything over the past eighteen years, it is that well laid plans take time and need not be rushed. From a big-picture perspective, each step I take in this process should lead to my achieving financial security and meeting my personal goals.

CONCLUSION

My entrepreneurial journey was not effortless; it took a lot of blood, sweat and tears. Thousands of hours have been invested in planning, analyzing, and adjusting strategy, but generally the effort of those hours has paid off tenfold. Business ownership requires a willingness to invest significant sweat equity – over and over again; and just when you think you have made it through a challenge successfully, a new challenge often materializes. I have learned not to spend too much time fretting about today’s challenge, for soon it will be overcome, and I will be facing a new (often unanticipated) challenge. Multiple challenges force one to learn to be comfortable with being uncomfortable.

Women have been starting their own businesses in unprecedented numbers in recent years. They are fulfilling personal dreams of entrepreneurship, being their own boss, and achieving success in business. But it appears that the role of female entrepreneurs is still undervalued and underplayed, with women still having an alarmingly poor share of the new venture creation market (Henry & Johnston, 2007). Until recently, most of what we have known about entrepreneurs has been based on the study of men who initiated ventures, but given that the number of women starting their own businesses has grown so large, it is important now to understand whether their experiences are different from those of their male counterparts (Buttner, 1993). The literature surrounding female entrepreneurs often calls for work that allows women to “voice their stories” and “explore their experiences” (Mallon & Cohen, 2001); it is imperative that women entrepreneurs voice their stories and explore their experiences thus contributing to the entrepreneurial success of women business owners everywhere.

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RISK-TAKING AGAINST THE ODDS: THE CASE OF LEE'S RETAIL STORE

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ABSTRACT

This paper presents the entrepreneurial efforts of a Chamorro woman who was born in the mid 1920's, survived World War II as a teenager when Guam was occupied by the Japanese military during the 1940's, and lost her husband when she was eight months pregnant with her second child. Armed with strong determination, and a reputation for being a survivor, Librada "Lee" Angoco Sablan Borja entered the world of small businesses. She established Lee's Retail Store in the heart of the village of Agat, located in the southern end of Guam, a territory of the United States. As an entrepreneur who had faced unique challenges in her life, Lee raised her seven young children almost as a "single" Mother, in an attempt to augment her livelihood. She had no prior retail experience to operate her small convenience retail store, faced heavy competition, and was completely unaware of any technical assistance or small business resources available to her as an aspiring entrepreneur. Lee had no prior training in managing and operating a small business, and had very little start-up capital. Her story concludes with a discussion of the business decisions made by this new entrepreneur, what lessons were learned, and what service could have assisted her throughout her entrepreneurial experiences.

INTRODUCTION

Librada "Lee" Angoco Sablan Borja had survived the odds. Born in 1925, she was only sixteen years old when her island home in the Western Pacific, Guam, came under captivity by the enemy. Guam was one of two populated United States (U.S.) locations to be occupied by another country in World War II. An enemy of the U.S., Japan occupied Guam from late 1941 to 1944, approximately 31 months, which resulted in a loss of Lee's late teenage years. During that period, the indigenous people of Guam, or Chamorros, were subjected to intolerable hardships administered by the Japanese military. Because rapes were common, Lee's mother would periodically smear Lee's face and clothing with mud and chicken manure to shield her from being a victim of rape (Sablan, 2009). Atrocities and grenade slaughters were also threats that Lee and her family had to avoid.

Another life-changing event hit Lee at the age of 31. Pregnant at eight months, and with her three year old daughter Rose, she lost her first husband due to an unexpected illness as he slept in bed by her side. Lee's drive and determination, however, allowed her to forge ahead as a

single mother. The death benefits of her deceased husband kept her and her young daughters afloat financially.

Almost several years later, Lee met her second husband and reared five additional children. An enlisted member of the United States Navy, Lee's husband spent most of his required military service tour at sea, leaving her to raise seven children alone. His earnings at the "enlisted" rank were barely enough to sustain a full household of eight dependents. Having experienced the hardship of the loss of her first husband, and the need to survive and improve upon her livelihood, must have been what prompted Lee's extra drive to pursue a path of the unknown...entering the world of business as a sole proprietor.

THE MOTIVATION BEHIND LEE'S RETAIL STORE

Lee's motivation to establish her small retail store was primarily based on financial need. She wanted to augment her earnings, particularly since she was unemployed at the time. She decided to establish her own retail store. What Lee lacked in retail experience, she apparently made up for through sheer determination. According to Lee's eldest daughter, she didn't have any experience in running a store. She recalled her mother exclaiming, "Even if I don't really know how to do this, I want to give it a try" (Leon Guerrero, 2009). Lee's sister characterized Lee as a hard-working woman who "tried her best" to make her store work (Yatar, 2009). This is indicative of the type of inner strength of a woman who has survived the odds, a risk-taker who was delving into the unknown.

Lee's Retail Store was situated in a prime location. It was located in the lower level of Lee's two-story home, which sat on a corner lot in the central part of Guam's southern village of Agat. The space had to be renovated to accommodate the required shelving and floor space needed to operate her business. In the 1960's, construction costs in Guam were estimated to be about 10 to 50 percent higher than in the United States, depending upon the size of the project and the materials used, and the type of building (PRC D-1163, p. 24). To avoid high construction costs, Lee utilized the services of her sister-in-law's father who was a carpenter by trade, and the labor of her younger brother to renovate the first floor of her two-level home into a retail store space. According to her brother Ben, he used up his entire personal leave time while visiting Guam to help Lee complete the renovation of the retail space (Sablan, Angoco, 2009).

INITIAL CHALLENGES

Several challenges faced Lee in her pursuit of entrepreneurship. First, she had no prior business experience or training required to successfully manage and operate a retail store or any other business. Second, a more established retail establishment was located directly across the narrow two-lane street from her store, approximately 20 feet apart, and had the same corner lot advantage. A second competitor was situated a block and a half away, but was not as accessible

to the majority of the village population situated centrally, where both stores existed. Finally, Lee had little start-up capital that was sufficient to acquire basic merchandise mix of canned food, snacks, and drinks, to support a small “Mom and Pop” convenience store operation.

Despite these challenges, Lee’s Retail Store had the advantage of being located in the heart of the village, with ease of access and high visibility, as well as being surrounded at all sides with residents who lived nearby within walking distance. It also had the advantage of having the appropriate mix of attractions for the youth market that lived nearby and frequented the store daily. Because she was not employed, Lee also had the time to devote to her new retail venture. She was also able to tap into the services of one of her younger adult sisters and her two eldest teenage daughters (Sablan, 2009).

The store operated from 8:00 in the morning and closed at 10:00 p.m. daily, except for Sundays, when it opened at a later time. The day-to-day operations were handled primarily by Lee and one of her adult younger sisters. Although her daughters were able to assist, they could not handle the sale of alcoholic beverages. Lee managed the store late afternoon and into the evening until closing. She dealt with local wholesalers who supplied her merchandise. She also managed the inventory, bookkeeping tasks, and daily cash transactions in her own way.

The assortments of product inventory for Lee’s Retail Store were provided by several wholesalers. A local bakery delivered bread and high-demand apple turnovers. A liquor supplier provided assortments of beer. A third supplier provided soda pops, potato chips, milk, ice cream, and some canned goods. Lee augmented the junk food with her signature pickled papaya and radish (daigo, or Japanese daikon) that she made.

One would assume with the attractive convenience goods sold by Lee’s Retail Store, that she would have a steady stream of revenue. However, cash sales were modest at best. According to Lee’s second daughter, most of the cash flow stemmed from the one jukebox and three pinball machines located in the store. These machines provided the most lucrative cash revenue stream, based on repeat customers who consisted of teenagers who frequented the store. Lee received a percentage of the cash proceeds deposited into the machines each day. In effect, because of these popular recreational machines and junk food merchandise, Lee’s Retail Store became the hot spot for teenagers (Sablan, 2009).

Despite its loyal customer base, Lee’s Retail Store lasted approximately three years (Leon Guerrero, 2009). The demise of the small store was attributed to several factors. Inventory control was mired by small children who would steal edible merchandise, such as candy bars and other junk food, almost on a daily basis. The lack of inventory control, coupled with the extension of store credit to local customers who couldn’t pay their small debt to the store, contributed to cash flow problems (Becker, Herrera, Reyes, 2009). Without any formal entrepreneurial training, these unavoidable factors, if prevented, could have enabled Lee to survive beyond 1971, when Lee’s Retail Store was finally shut down.

LESSONS LEARNED

There were noteworthy business decisions that Lee adopted along the way. Although she had no concept of what a target market segment was, she indeed had one. This segment consisted of the repeat youth customers who were attracted to the junk food and recreational machines. The popular junk food items included ice cream, candy, Lee's pickled papaya and daigo, and sodas.

Another noteworthy strategy was Lee's approach to reducing shrinkage of candy bars. Earlier incidents of candy theft prompted Lee to have the candy bars displayed in jars with screw-on lids. This was a form of retail inventory control and theft prevention. Prior to employing this approach, candy bars used to disappear from originally-displayed boxes on shelves. Unfortunately, not all merchandise which were stocked on the wooden shelves could be protected in jars with lids from the hands of young thieves who could not be seen from the cash register counter where a sole employee was stationed.

Despite the repeat youth customers, the healthy demand for her store offerings was not sufficient to keep Lee's business afloat financially. Sound inventory control and positive cash flow needed to be in place as well. These were not the case.

Upon review of Lee's business decisions or strategies, there were obvious signs of eventual business decline. First, as a somewhat family-run business, the lack of training or prior experience by any of her family members was already a problem. Second, there were no general security measures put in place to prevent shoplifting in the hidden and rear sections of the store. The shoplifting of products by neighboring children resulted in lost revenue that compounded the accumulation of uncollected accounts receivable from in-store credit. Lee recognized that neighboring children will occasionally remove items from the store and run past the cashier counter without paying. Knowing the neighborhood families, she could have easily confronted the parents of the under-aged thieves, but did not. With no advantage of installed security cameras or other measures, one employee manning the retail space could not possibly account for the whereabouts or behavior of these thieving youths, particularly in blind spot areas throughout the store. She had to maintain the cash register counter area at all times, and didn't dare leave it unattended.

Further, Lee's decision to grant store credit to frequent customers, especially family relatives and the after-school youth, which would have been appropriate for relationship marketing, proved negative for long-term survival. The continual granting of store credit to teenagers with (partially unfulfilled) words of "Tan Librada, can I pay you tomorrow?" resulted in increasing uncollectible cash from sales. While her cash accounts receivable increased, cash became scarce and were problematic towards replenishing regular weekly inventory.

CONCLUSION

Lee's risk-taking nature as a start-up entrepreneur is indicative of any sole proprietor entering the world of business. She was also characterized as hardworking, and willing to give her best towards the retail venture's success. She knew that she had a corner-lot location advantage in the central part of the village. She knew what attracted the youth market, who were loyal customers. However, Lee had no known access to small business resource assistance to enable her to succeed with her venture. With training as a retail proprietor, Lee could have avoided the pitfalls of operating her store. The training could have exposed her to the importance of having positive cash flow. Cash flow is noted as the life blood of all businesses, and running out of cash is the definition of failure in business (Campbell, n.d.). In effect, cash flow problems are responsible for causing over 70 percent of businesses to fail within their first year, and consequently attributed as the main reason for business failure (BizHelp24, 2005).

With the advent of the Internet, new retail entrepreneurs are able to gain access to advice on how to avoid retail theft. For example, one could control shoplifting and subsequent shrinkage, through such means as installing security cameras or mirrors, or posting signs throughout the store that security devices have been installed (Reyhle, 2009). Lee could also have learned other ways to avoid pitfalls that lead to small business failure.

Despite the closure of Lee's Retail Store, Lee's entrepreneurial spirit did not end. She decided to convert the store facility into a duplex apartment. She required capital for refurbishing, and was able to acquire a bank loan to make moderate renovations to separate the space into two individual apartment units. The rental income, however, was insufficient to support her seven children, so Lee eventually resorted to full-time employment with a local school district to augment her livelihood.

Like other small business owners who existed in the late 1960's and early 1970's, Lee could have benefitted from technical assistance provided by a small business development center (SBDC). SBDCs are prevalent throughout the United States, and are funded in part by grants from the U.S. Small Business Administration. As a territory of the United States, Guam received some federal government resources, primarily from the U.S. Small Business Administration (SBA) to support businesses. Founded on July 30, 1953 as an independent agency of the federal government, the U.S. SBA's mission is to aid, counsel, assist and protect the interests of small business concerns, for the purpose of strengthening the overall economy of the United States. U.S. Small Business Administration (SBA.) (2008), ¶4. As a territory of the U.S., Guam businesses received benefits from U.S. SBA programs during the 1960's (Technical Proposal B-1630, 1964). However, this was not known to Lee.

The 1990's brought a greater opportunity for aspiring and existing small businesses on Guam, through the establishment of the Guam Small Business Development Center, Pacific Islands Small Business Development Center Network. Established in May 1995, this program, funded by the U.S. Small Business Administration, was situated within the University of Guam's

College of Business and Public Administration. Its mission is to support the growth and economic development of the U.S. affiliated pacific islands in the western pacific region by providing high quality (free) one-on-one confidential counseling and training to existing and prospective small businesses (www.pacificsbdc.com) Hundreds of small business owners on Guam could have benefitted through the services afforded by this operation. Lee was definitely a woman before her time, and survived entrepreneurship as long as she was capable. The existence of a small business development center would have been her saving grace.

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CHASE & FLIGHT: A STORY ABOUT A WOMAN ENTREPRENEUR

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ABSTRACT

Nicole Kawabata believed that she can find opportunities in different economic environments and have the courage to pursue her dreams. In the midst of the global recession, she started her own business on Guam called Chase & Flight, which targets a niche market of women looking for personalized service and experience while they shop for clothing. As a woman entrepreneur, she let her passion guide her to finding a business opportunity.

INTRODUCTION

An entrepreneur is defined as “someone who assumes the financial risk of the initiation, operation and management of a business” (Entrepreneur, 2009). The idea of entrepreneurship has been a growing trend throughout the United States. There are more than 12 million sole proprietorships operated in the U.S. (Entrepreneur, 2009). On Guam, most start-up businesses have begun with sole proprietorships, initiated by the entrepreneur’s dream and vision for business opportunity.

As a result of the growing educated population, the need for innovation increases. What faces most graduates is the need to be creative and pursue their lifelong dreams. What has been discovered is that “we don’t have to do things the same way. We can take the economy in hand and drive our own destinies” (Daley, 2009).

One who has embraced that same business mindset and has had the courage to pursue her dreams is Nicole Kawabata. In the midst of the global recession, she started her own business called Chase & Flight. As a woman entrepreneur, she let her passion guide her to finding a business opportunity.

THE BUSINESS

Chase & Flight is a clothing boutique, catering to women who enjoy the personal shopping experience. Chase & Flight is located in Tumon, Guam in an apartment complex which creates the personal, elegant ambiance. To enhance the mood, champagne is provided along with soothing sounds of R&B and Jazz.

The products provided by Chase & Flight include designer apparel, footwear, swim wear, bags & purses, and jewelry. Although her pricing strategy is aimed toward middle to higher

income earners, the boutique has continued to increase customer base along with customer loyalty. The shopping experience along with uniqueness of apparel offered has impacted her customers creating a consistent demand.

Since Chase & Flight has only been open for four months, her strategy for advertising has been solely word-of-mouth. To her advantage, this type of promotion is the most successful for Guam's local market. By inviting friends and they, in turn, invite and advertise freely, her boutique has prospered and continues to freely advertise by word-of-mouth and the great reviews of her customers (Interview with Kawabata, November 28, 2009).

By observation, her loyal customers consistently utilize her boutique for the various occasions—Christmas parties, birthday parties, balls—in addition to everyday wear. In conversations with them, they repeatedly mention her name in the event that they need “something to wear” or anticipate the new shipments (Interview, November 2009). The engagement and brand experience help create an unforgettable atmosphere and ultimately a “wow” experience. These conversations and consistent talks about her products and “wow” experience prove that the boutique is geared for success (Knowledge@Wharton, 2009).

PERSONAL BACKGROUND

Nicole Kawabata is a 29 year old mother of one with another child on the way. She grew up in Kula, Maui in Hawaii and would visit her mom in Los Angeles, California ever summer. She has spent most of her life thus far in Hawaii and recently moved to Guam to start her family.

She graduated from the University of Hawaii at Manoa with a Bachelors Degree in Apparel Design and Merchandising. Her initial plan was to attain a degree in business; however upon discovery of their apparel design and merchandising program, she fueled her passion and educated herself in that respective field. Her goal was to become a buyer then eventually own her own boutique.

While living in Hawaii, her plan was to open a small boutique there. However, as plans changed and starting a family entered the picture, she moved to Guam with a focus on motherhood.

In relation to Kawabata's focus, Kathy Benson, CEO of Office Remedies, also explained the importance of first becoming a mother then focusing on the business. Her passion for her family is explained by the quote, “I always put my kids first, sometimes at the expense of business growth” (Di Santi, 2009). Although a new mom, just like Kawabata, she managed to maintain the balance and enjoy family. Kawabata's choice to focus first on family is a common motherly alternative that even the most successful women entrepreneurs opt to do.

Once ready to return to the workforce, she landed a job in Tumon as an assistant buyer—one step closer to her goal of becoming a buyer following graduation. After a few days of working as an assistant buyer, she realized that her position ultimately limits her ability to buy.

It was then that she decided that opening her boutique would allow her to be creative and buy at her leisure.

FAMILY SUPPORT

Growing up, her parents have been a huge support in terms of achieving goals and pursuing her dreams. Both her parents have the business mindset. Her father is an accountant and she described him as being “the logical one...where she gets her business side from.” Her mother is also an entrepreneur; she describes her as being “the dreamer...where she gets her courage and confidence from, even during the recession” (Interview with Kawabata, November 28, 2009).

Another huge support and contributor is her boyfriend, who is also an entrepreneur on Guam. She explains that “he has also been a huge inspiration and supporter.” His ability to “start and grow what is now a successful business” has also influenced Kawabata to do the same and follow her dreams (Interview with Kawabata, November 28, 2009).

Since she has already attained a lifelong goal, her long-term goals are to continue expanding. She wishes to open another Boutique in Hawaii and continue growth and expansion throughout the years to come.

ECONOMIC ENVIRONMENT

Chase & Flight opened in June 2009, during what is known to be a recessionary period in the U.S. and many major economies, including Guam’s largest tourism markets, Japan and Korea. Guam’s tourism industry, in turn, has been negatively impacted over the past year. In 2008, tourism was estimated to have declined by about 19%, 10% less visitors from Korea and 9% less visitors from Japan. In contrast, and to the benefit of the Guam economy, the military build-up offset the economy during the tourism decline (Laney, 2009). Another contrasting factor is that “Guam’s overall macroeconomic performance has been about stable since early 2008. Job growth (total payroll employment) rose 2.4% in 2008, just barely above the pace of 2007” (Laney, 2009).

Given the economic status on Guam, Kawabata focused on Guam’s local market. The Japan and Asian economies faced a downturn, so tourism did decrease on Guam; however this had no effect on her business since her customer base was composed solely of locals. The Government of Guam also contributed to the economy by issuing bonds to meet its cost of living payments to local residents, along with the distribution of tax refund checks sent by the Department of Revenue and Taxation (Santiago, June 2009). This fueled the economy in terms of consumer spending (Santiago, June 2009).

An issue she had to overcome was that the overall atmosphere of consumers was impacted in terms of price consciousness and limited consumer spending. Ruane (May 2009)

explains that “despite the generally positive economic prospects in the next 12 months, consumers appear cautious with their spending plans during the same period”. With Kawabata’s pricing strategy geared toward the middle – higher income households, the shopping experience provided was able to compensate for higher prices and as a result she continues to grow her customer base.

Guam’s lack of diversified shopping outlets and retailers presents another advantage to Kawabata. Since Guam is such a small island and the shopping is limited, there are only a few retailers that carry trendy clothes. Often what occurs is that there is a large group of customers that own and wear the same clothes. Her competitive advantage is that she offers products that are unique to the Guam market and sells only one of each size so that not too many customers possess the same products.

Lastly, although the weaker economic times had challenged many businesses, the timing was probably favorable for her business. In terms of buying, since the U.S. economy was suffering, and household demand was low, the prices of many products were likely to decrease when she was buying for her boutique. In effect, she might have also minimized the cost of her products, in which case, the global recession worked to her advantage.

CONCLUSION

Innovation and spending are two major economic factors. Kawabata’s dream of becoming an entrepreneur is a classic example of innovation meeting implementation. Her ability to pursue a business concept during a global recessionary period is inspirational. It represents her ability to capitalize on the resources and markets based on trends and household demand. She demonstrated courage and determination for what she has accomplished and continues to strive for.

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CLOSING DOORS AND OPENING WINDOWS: OPPORTUNITIES FOR ENTREPRENEURSHIP IN AN EMERGING ASIAN COUNTRY FOR A SEASONED WOMAN PROFESSIONAL

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ABSTRACT

At 50-years old, this woman professional living in an emerging Asian country decided to take advantage of business opportunities in the growing tourism industry to provide employment opportunities for her spouse and her children who are returning from the United States. Through careful planning and developing relationships with transportation and accommodation companies, she was able to carve out a “niche” service market for her family by relying on their skills, knowledge and abilities, despite limited access to capital. The business has a low fixed cost business structure, being owned and operated by the owner and her family out of the family home. The current economic downturn has necessitated the entrepreneur to look at implementing a strategy to sustain her business in the current global market and to position her for growth in the future.

INTRODUCTION

Naisbitt (1996) predicted that, “The modernization of Asia-economically, politically and culturally-is by far the most important event taking place in the world today.” (p. 18) His assessment and prediction for the future holds true even ten years later. Globalization, combined with advanced communication and the internet, has opened new and exciting entrepreneurial opportunities for people who have limited access to capital in emerging Asian countries, including the country of origin of the woman entrepreneur discussed in this paper. Women, such as this entrepreneur, are becoming a more familiar sight at the leadership helm in all countries. As noted by Kanter (1994), “Meritocracy-letting talent rise to the top regardless of where it is found and whether it is male or female-has become essential to business success.” (p. 173) This not only is true in the larger multinational organizations, but also for small family owned and operated businesses.

The emerging Asian country from where this woman entrepreneur originated is known for its beautiful beaches and landscape and its diverse and rich cultural attributes. It is also emerging as a country in terms of industrialization, with land and a population who are

embracing many of the western attitudes and attributes. Along with industrialization and the proliferation of multinational companies in the country, tourism has begun to flourish. The emerging Asian country offers a rural view back into the simple life, with natural beauty that has not been marred by modern civilization, yet also urban amenities for the international traveler in its larger cities.

THE IDEA EMERGES

The entrepreneur developed her drive and tenacity from a life lived through war and periods of peace in a country where hard work and education are considered the foundation of success and prosperity. She emerged from this background a highly educated and well-traveled professional, with a vision to excel not only intellectually, but also as a business professional, applying her skills and knowledge to her own organization.

As the emerging Asian country grew in tourists and the internet became more easily available to the general population, opportunities for boutique international niche tourism companies became available. As a government professional, employment lifespan for women is generally through the age of 55. As the entrepreneur came closer to that age and her children returned home, the entrepreneur realized she needed to carve out an opportunity to use not only her skills, knowledge and abilities but also to enlist her family's strong skill set to create and maintain a business for future generations.

When her children returned to the emerging Asian country, she determined that it was the right time to launch the venture. She had the human capital to drive the development of contacts to obtain physical capital with a very small fixed cost base. This allowed her to mitigate the lack of accessible start-up capital and to operate at a very low cost base. She determined that the company would cater to the upscale niche markets, including French, Russians and the upper class of her home country. She had business connections with each of these groups and had been asked to refer her upscale associates to a company that provided these services. She determined that the market was there and decided to fill the niche.

THE INITIAL START UP

The beginning was very difficult because of the newness of the venture and limited capital. To offset those challenges, the family had to create a business that relied on their skill sets. Skill sets that the family possessed included:

High level of education and knowledge of finance and economics

The entrepreneur and her children all had college degrees in business and business related fields. The entrepreneur had advanced degrees and had studied abroad in Europe and the United States.

Understanding of current global tourism and economic growth trends

The entrepreneur had researched the tourism market extensively and understood the tourism market system and the customer needs and desired.

The entrepreneur and family members were multi-lingual

The entrepreneur and children all speak English and their native language, and the entrepreneur also speaks Russian and French.

The entrepreneur and her family are originally from the emerging Asian country, but have spent extensive time in Europe and the United States. Because of their diverse experiences in a variety of countries, the entrepreneur and her children can add elements of western-style business to their venture because of their experience in Europe and America.

For the business venture's physical capital, the venture had to depend on contracting out for transportation services and accommodations for their clients. Because of their lack of history as a company and small size, travel and accommodation companies would not deal directly with the small company. Thus, the venture had to adopt the strategy of using larger tour agencies as her suppliers. This allowed for entry into the market, however, because of the multiple layers (large tour agencies dealt directly with the transportation and accommodations companies), her margins were much lower than dealing directly with the suppliers. Another advantage during the first few years was the low cost of articles and services in this country with the currency exchange rate favorable to foreigners and an abundance of human capital.

During the first few years of business, this strategy worked well, as her customer base economies were stable and or growing. Her niche clientele were an elite group – clients referred to her organization by other clients. Her niche market profile was small groups who desired individual and high-end top quality service. They were affluent and willing to pay the price for a quality tour package. Her marketing strategy was inexpensive and effective. She kept in personal contact with her initial client base through the internet and periodic mailing for their birthdays and other special occasions. Her client base became repeat customers, and because of their satisfaction with the service, they referred other affluent customers to her business.

Her business also benefited from the high income profile of her clients. Many of the clients also had the luxuries of time and money. Her client income profile was high, and the average stay was two weeks. The major activities included relaxing on the hotel or resort property, dining on local cuisine and shopping for local products to take back to their homeland. The emerging Asian country also offered tours of historic sites. Because of the ability of the clients to pay top dollar for personalized services and accommodations, the entrepreneur's small boutique travel services venture was able to generate enough revenue from the small margins to make the company viable. The flexible cost structure allowed the business to survive even during the low, non-holiday season.

CURRENT STATUS OF THE BUSINESS AND ANALYSIS

The global economic downturn has affected not only entire Asian countries, but the woman owned small tourist company. While her customer base has stayed steady, they have begun to become a price sensitive market segment. They still demand the quality product and services they have become accustomed to from the company, however, they are not willing (or able) to pay “top dollar”. They have retained the longer-stay pattern, but they are lowering their transportation and accommodation requirements to meet the need of their more limited budgets. For example, whereas several years ago customer “A” would ask for private transportation with a driver in a top of the line vehicle to a 5-star resort, he/she now requests a less expensive vehicle and may stay at a 4-star facility. The average dollar spending on food and merchandise has declined by more than 30% and the frequency of shopping has lessened. Spending more time on less costly activities (such as snorkeling and relaxing on the beach and in their room) has increased.

The company also has suffered a loss of the number of clients that are being referred to the company, as many of the affluent customers’ friends are not longer able to afford the level of service the company offers.

Despite the issues caused by the economic downturn, this emerging Asian country is luring customers from other countries in the region who are experiencing problems with political strife and unrest, health and disease related issues, and those who are targets of acts of terrorism. The emerging Asian country is still considered a very safe and clean destination. There has also been an increase in the investment into tourism and the promotion of tourism by the government. However, this country must now compete for tourism dollars with other Asian destinations, such as Bali and the Philippines who are very price competitive and offer many of the same attractions for tourists.

STRATEGIES MOVING FORWARD

The economic climate, while improving, will take time to recover from its downturn cycle. The entrepreneur is using this time to develop communication and advertising products and channels to maximize the current client base, while driving new business to the venture. The company has a website, which is in the process of being expanded and updated, to include more information about the company and its services. The website, which is currently in English, will be made available in French and Russian. Blogging, Face Book and Twitter are also internet advertising tactics that are being considered for implementation in the near future.

Another strategy that will widen the market it to partner with companies in Europe and the United States for representation in those markets. Her company can fill a small upscale niche for these larger tour companies who may only periodically have requests for specialty upscale tours in the country. This relationship would be based on selling the company’s tour packages or

developing tailored personal tours for clients generated by the tour company. Her company would work off of a commission structure based on percent of sales price.

Other strategies include diversifying the product and service offering to include more tour packages to neighboring Asian countries. These countries offer new and unique historical sites and cultural diversity to expand the offerings and also to maintain the current repeat visitors who may be looking for new experiences. This diversification would allow the repeat visitors to continue to come to the region without returning to the same locations that they have visited in the past. This is a strategy that many countries are adopting – that of regionalization of their tourism to capture the repeat tourist market. This would require developing partnerships and collaborating with other same type upper-scale boutique tourist companies in the surrounding Asian countries in the region for joint promotions and also cross-referrals of clients.

CONCLUDING COMMENTS

During harsh economic times and downturns in the global economy, companies must look at short term strategies to stay in business while continuing to develop and implement growth strategies for the future. In a small home-based company, such as this tour company, the strategic growth plan may have to be revised to reflect a longer time period to reach revenue and profit goals, based on a poor performing economy. However, many times “tough” periods such as a global downturn, actually make surviving companies stronger, as weaker competitors are not able to survive. They also may produce innovations and change that allows for the company to move more quickly to reach goals once the economy rebounds, as the company has restructured and become more competitive in a market with fewer competitors.

The woman entrepreneur has maintained a positive outlook on the future for this company and has determined that the family can augment the income from the tour company with income from outside employment of two of the family members. While hoping to eventually work only for the family business, the current economic climate requires that outside employment be maintained until the company can sustain the family and their financial needs. When the economy rebounds, the tour company will be positioned for growth and success.

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SOHO: THE RIGHT VENTURE AT THE RIGHT TIME

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ABSTRACT

2007 was a rough year for businesses in the United States. The economic crisis affected small and large businesses alike. There were, however, businesses that thrived in this intense environment. One of these businesses is Soho, headed by Stacy Evan. As a woman entrepreneur, she had in place a thriving business in a niche market located in a small town in upstate New York. Through her tenacity, personal background and confidence, she survived. This is her story.

INTRODUCTION

Soho is a small clothing store business located in a small rural community supporting approximately 8,000 residents. Soho's competitive advantage is that it sells second hand, brand label clothes. Also it is located in the main street retail area where there are few retail/non-service businesses, like many small town main street communities. This is the first business Stacy Evans has ever owned and if the truth be known, it is an occupation, that being a small business owner, she never dreamed of holding. Her path to this occupation, like many entrepreneurs' was not a planned one.

THE ENTREPRENEUR

Stacy Evans was born in the early 1960s in Buffalo New York. Growing up with her brother, her mother and father is remembered as happy and supportive. Her father was very outgoing, and charismatic which led him to numerous job situations and ultimately in and out of employment. As Evans remembers, her father "at one point opened his own business at one point" during his varied employment history. This often led to uncertain income streams which put stress on the family. Her mother is described as a classic 1950s mom, dedicated to the family, dependent and to some extent subservient to her husband's employment whims. Yet, this was not enough to keep the family together. By the time Evans reached her freshman year in college, the family had disintegrated, leaving Evans' mother responsible for supporting her two children. Evans' mother did what she could financially; however Evans was burdened with much of her college expenses. Reflecting upon this part of her life, Evans believes that these events added to her success as a business person. As a reaction to her mother's situation, Evans

feels that she developed a need to be in control of her life (not dependent upon another person as was her mother) and financially stable. Yet, she knows she is her father's daughter: outgoing and street-smart. While she had no idea at this point where her life was headed, she carried essential characteristics which would facilitate her success as a women entrepreneur.

Evans graduated in the late 1980s with a degree in English, a major that proved to be the least of all evils. For the next few years, Evans sought adventures, moving out to Los Angeles because "that is just where I always dreamed of going". There she worked in a casting agency, eventually ending up working in human resources for the American Golfing Corporation. Through all of her experiences in L.A. she learned the importance of finding the right person for the right job, a lesson that serves her well today. Certainly as she views her business with a critical eye today, "customer service is everything". In the small community where she prospers, "no one can leave my shop with a negative experience or impression. I know all of my customers' names and some of their history. I impress upon my employee that they must also know my customers and treat them as family. Word of mouth in a small town is too powerful. One person, one customer can have tremendous impact on my patronage in a positive or negative manner".

Her travels and jobs eventually led her back home to Buffalo (East Aurora, New York) where she met her future husband, also an entrepreneur who had a small business two hours south east of Buffalo. Unable to relocate his business, Evans relocated to this small community where she hoped to continue her career in human resources, a career that she enjoyed. However common for most spouses following their partners to small communities, employment in a specific area of expertise is hard to find. Within six months, she still remained unemployed with no options. Ironically, she found herself in the same position her mother was just 10 years previously, dependent upon her husband with no job possibilities.

THE BUSINESS IDEA

Having a lunch with a friend in East Aurora, bemoaning her situation, her friend suggested that Evans try opening a retail store just like hers, a second hand clothing store. Within the span of a few hours, Evans believed strongly that this might be a successful business venture for her. However she knew that to take a risk such as this, she would need to do her homework and immediately started researching those key factors that would make this business a success in her community. She began by interviewing other owners of similar shops to determine what they believed to be necessary factors for a profitable business. What she discovered was

large distances from malls and other second hand store (her competitors) would serve to her advantage.

Good/high quality of second hand clothes was necessary. She needed to be very discerning in her purchases.

Creating reliable sources of clothing for her store was critical. She could not depend solely on “donated” clothes from the community. She had to be able to source clothes from outside the area.

Keeping a clear vision of her target market was essential. For most of these types of stores, the target market was 18 to 30 year olds because they enjoy new clothes but often cannot afford or have limited access to them. Hence this market sought to constantly turnover their wardrobe or add new pieces but had to do so through accessing inexpensive purchases.

Location in a central /convenient shopping area was necessary to enhance impulse purchasing. Attractive store front was also needed

All of these factors for success could be and were put into place. The last area to be researched was the demands of financial entry into this business arena so not to put her or her family at risk. She had to be sure that financial entry and exit would be at a minimum, a common issue for women starting their own business (Bird and Sapp, 2004).

After discussions with her husband and 6,000 U.S. dollars of investment provided by her husband, Soho was launched.

PREPARING FOR THE GRAND OPENING

Soho is a retail store situated in a rented space along Main Street, located next to the most popular women’s hair salon in town. Evans spent months buying second hand clothing items by posting signs “Used Clothes for Cash” all over the community as well as accessing clothes from her Buffalo connections. These clothes were housed in her basement to delay paying rent on the store until she was ready to open. She interviewed her employees but kept staffing to a minimum knowing that she would be working long hours until the business got on its feet. She remodeled the interior of the store almost single handedly, using bright feminine colors on the existing walls and creating attractive window treatments to attract her target market walking or driving along Main Street. All of this was completed within 6 months. On June 11, 2006, Soho was officially opened for business and there has been no looking back. This business has been so successful that she has had to double her retail space, minimizing storage space to make room for more floor space. She has expanded her store selections by adding footwear, jewelry, sunglasses and purses, all of which have been successful not only with her primary target market but with creating secondary markets such as mothers/grandmothers who are gift-buying for their daughters 18 to30 year old.

FUTURE PLANS

Where to now? As Evans said, “Who knows? But I believe I have a future with this business”, a view held by many women entrepreneurs. (Sandberg, 2003) While she does not see herself continuing this venture for the rest of her life, it certainly has allowed herself a career

which she loves, along with financial security and independence. Looking back on her life, she is modest in saying that she was “never driven by wearing the latest fashions, but she always enjoyed dressing other people”. Soho allows her to employ a natural, creative talent in her work as well as being challenged by “all the things you have to watch out for in running your own business”, such as cash flow, Profit and Loss statements, merchandise selection.

As with any successful entrepreneur, there are a variety of factors which lead to their success (or failure), some of which are in their control and some of which are not. Evans has always worked hard for what she wanted. She got herself through college with little financial help from her mother and no support from her father. She wanted to move to L.A. and she did, supporting herself entirely. She had to do something in her community, and she did the only thing she could, create an opportunity. Evans also did her research to make sure she was successful and she did so by minimizing her risks. As much of the literature in entrepreneurship states, few entrepreneurs view themselves as risk takers (Marlow, 2009). Evans also believes this venture posed minimal risk. How did she do this? She sought low investment from her husband, she required no capital investment (building/remodeling) and she still continues to run the business, being involved with its day-to-day operations and employee management. Evans is Soho.

However there are factors which are not under an entrepreneurs’ control and can lead to their success or demise. For Evans, she ironically points to the economy as one of her key factors for success. As gas prices soared, people were less willing to drive one and a half hours to the nearest mall, which made them look locally for their needs. Then as the economy soured, people had less money to spend in general. Similar to the business reports of Dollar General and Wal-Mart, consumers were seeking bargains. Soho was and is a business that was created at the right time in the right place and headed by the right entrepreneur.

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DENISE MENDIOLA HERTSLET: A WOMAN ENTREPRENEUR'S JOURNEY TO COFFEE, JUST THE BEGINNING

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ABSTRACT

This paper profiles a woman entrepreneur and the impact her life experiences play in her entrepreneurial journey. The case is framed around key points in this entrepreneur's life and the tough decisions she must make at each point. It offers an opportunity to discuss the pros and cons of this entrepreneur's decision-making, lessons to be learned, and identify factors that impact woman-owned businesses. The story is compelling as it highlights common challenges that most women entrepreneurs can readily relate to. It describes the struggles associated with being a woman entrepreneur as well as the opportunities to pursue new horizons. This is a story of a woman entrepreneur who had to go through some bad times to learn about her strengths, her ability to acknowledge and embrace her entrepreneurial qualities, and have the good fortune to find a job that fills her spirit of social entrepreneurship. Beyond the struggles and losses, this woman entrepreneur does not give up easily, her perseverance continues to fuel her passion for owning her own business.

INTRODUCTION

On October 16, 2009, a rainy afternoon in Mangilao, Guam, I waited outside I.P. Coffee Co., for the opportune time to dart out of my car into the coffee shop. I had a 3:30 pm meeting with the owner and my goal was to be prompt, but to stay as dry as possible. As I made my brisk entrance to the coffee shop, it seemed I disrupted a staff meeting as Ms. Denise Mendiola Hertslet welcomes me to the shop and the staff knowingly disburses. The coffee shop is bright, decorated with local artwork and exudes an ambiance of diverse ethnic themes. I sat at a table by the coffee bar and was offered a house specialty drink, a skinny green tea smoothie. With a clean notepad and pen in hand, I was geared up to listen. Excitement overcomes me as Mendiola Hertslet tells her story and shares her experiences of being a young woman entrepreneur on Guam.

ABOUT THE WOMAN ENTREPRENEUR

Mendiola Hertslet was born on March 5, 1973 in Tamuning, Guam. Her father, now retired, worked as a department supervisor at the Guam Power Authority. Her mother, also

retired, was employed as a secretary at the Department of Education. She has three younger brothers. Mendiola Hertslet attended public school in elementary and middle school, an all-girl Catholic high school for two years, moved to the state of Washington in her junior year and then moved back home to Guam for senior year and graduated from Guam Adventist Academy in Talofofo. She attended college at Chaminade University in Hawaii, University of Southern Colorado, Guam Community College and University of Guam. She lives on Guam with her husband, Boris, and daughters, Alexandria Margarite and Christiana Maria.

THE RIGAMAROLE OF ENTREPRENEURSHIP

On August 13, 1994, Mendiola Hertslet married a young man in the air force and they relocated to his new base assignment in Colorado Springs, Colorado. The move was not an easy one, Mendiola Hertslet had to make some major adjustments having moved from an island whose entire population of 149,620 (1994 est.) would be the same size as the new town she would now have to call home. Without her family and friends, Mendiola Hertslet was in a whirlwind of change surrounded by unfamiliar faces, having to adapt to variable weather, a new lifestyle of marriage, and simply trying to fit in. The move alone was a major adjustment and was accompanied by feelings of being homesick further exacerbated by the difficulties of finding a job. It was a complete shock to her to find out that it was not easy finding employment, especially once the potential employer finds out that you are a military dependent. Military dependents are transient and employers tend to look for long term employees. Being the resilient person that she is, Mendiola Hertslet looked inward for guidance. She found that during her very-lonely days at home, she would watch videos of her cultural dance group and practice the dance skills she learned. She also created new dances and developed dance lessons. She was not one to easily give up. She looked at her strengths and thought that she could use her skills to help others. One day she decided to call around to different dance studios and found one that she could rent for a reasonable cost. She advertised her “hula” dance classes and was able to begin teaching children and women to dance hula. She also included Chamorro (Guam native) cultural dances into her course offerings. This led her to her first self-started venture, teaching Chamorro style dancing to children in Colorado Springs. Excited at this prospective business, Mendiola Hertslet’s energy was recharged and she was on her way to starting up her new business. She had to learn the basics of owning her own business such as obtaining a business license, purchasing supplies from Hawaii and advertising. She did not realize the steps she would have to take to get a business started, the processes involved and the costs to start her dance company. She had to learn the basics of owning her own business step by step. Eventually, she formed a dance troupe “*Famagu'on Natibu Guahan*” which became known as the sister group to the Natibu, a famous cultural dance group on Guam. The cultural dance group was made up of Chamorro, Hawaiian, and Japanese children from the islands that wanted to experience their culture. The dance group became very popular in both Colorado Springs and Denver and Denise was proud of her efforts.

After some time, Mendiola Hertslet decided to return back to Guam when she was in the process of a divorce. It was like starting over again. Upon her return and hopes to start fresh, Mendiola Hertslet would soon find out she would face similar challenges trying to find a job on Guam. She took on a job at a well-known media company. While employed, she became pregnant and had to take a few months off to take care of her newborn daughter. When she returned to work after three months, her manager told her that he did not think she could perform her job effectively since she “is now a mother”. There would be many hard lessons that Mendiola Hertslet would learn from this company, ones, which she chooses not to elaborate on. Seemingly, her experiences at this company were filled with upsetting challenges and sparked a fight or flight decision that she would need to make immediately. She left the company.

Gaining her bearings and once again consumed with enthusiasm to move forward, Mendiola Hertslet spent some time reflecting on her life and what opportunities exist in the future. In January 2002, she was excited to open her first retail business enterprise, Real Image Specialty Store, a plus-size store specializing in island wear for women. This idea came about when she and her aunts were sitting at a table and complained about their inability to find decent and trendy clothes for plus size women. Mendiola Hertslet thought this was a great idea because there was no store like this available at the time. She borrowed money from her father, ordered apparel from the United States and opened a 2,000 square foot facility. What she did not do was her homework. She had neither a business plan nor a financial plan, she did not research her market appropriately, and most importantly, she did not ask for help. Mendiola Hertslet describes the opening of her store as a horrifying business experience. Unprepared for the realities of owning a retail enterprise, Mendiola Hertslet quickly realized that the ideal vision of owning a shop and the actual experience of owning it are very different. She was undercapitalized from the beginning, her rent was too high, and she did not have enough of the right kind of clothes. She quickly experienced the challenges associated with lease agreements, inventory, cash flow, and if that were not enough, the damage that resulted from super typhoon Chata’an. In July 2002 Super typhoon Chata’an approached Guam with winds gusting upwards of 110 miles per hour and was enough to spin the business in a downward spiral. Gravely naïve, an important factor that Mendiola Hertslet did not take into consideration was the importance of having business insurance. Her landlord failed to secure the typhoon shutters and the powerful winds blew in the glass pane of the shop window letting in rain that ruined most of her inventory. Without inventory and cash, she had no business. Mendiola Hertslet was downtrodden, left for broke, and ready to call it quits. After a year of challenging experiences, she threw in the towel, the business shut down in December 2002.

Fortunately, during the term of “REAL” plus size specialty store, Mendiola Hertslet created a women’s newsletter to help her market her clothing line and serve as a networking piece for her customers. This slowly became more popular so she enlisted the help of a graphic artist to create a full fledged magazine. After Typhoon Chata’an ruined the specialty store, Mendiola Hertslet immediately moved on to focus on the magazine company called Real

Woman Magazine in January 2003. She relocated her office to the Chamorro Village, originally designed to be a business incubator site, and began pounding the pavement to generate advertising sponsors and infuse cash into the business. The magazine focused on women's rights including identifying various resources available for women, spanning personal, professional and intellectual domains. As owner, publisher and trainer, Mendiola Hertslet operated this company for five years. While she operated this magazine for a good cause, it did not make any money. This also put a strain on her personal relationship, which resulted in further loss. She had a fledgling business, little cash in her pocket, a three-year old daughter to support and lacked the proper resources to continue paying rent for the business. She remembers a very dark moment when she was driving to her office in Hagatna. She had a few dollars in her wallet and she had to decide whether to buy gas or food. She was so overwhelmed with emotion that she had to park her car, turn off the engine and cry. It was at that moment that she had to decide if she was going to give up or keep fighting to make her business work.

With \$2 in her pocket, Mendiola Hertslet sought the services of the Guam Small Business Development Center and met Marie Mesa, the Women in Business Director and Business Counselor. They immediately became friends and Mendiola Hertslet constantly looked to her for advice and mentorship. Mendiola Hertslet continued to publish Real Woman Magazine and continued her struggle to attain sponsors and advertisers, while still printing the magazine on a consistent basis. Finally, after much struggle trying to make ends meet, her friend and mentor, Marie, informed her of an opportunity that she could not pass up when Marie accepted another career opportunity, which created a job opening at the SBDC for a Women In Business Director. Mendiola Hertslet had to go through the application and interview process, but because she had the most experience working with women's issues as the publisher of the only women's magazine on Guam, and she had direct experience in business ownership, she was the best candidate for the position. With nothing to lose, Mendiola Hertslet applied for the job and with luck on her side, Mendiola Hertslet got the job. This was a major turning point in her life. She remembers being notified that she was being officially offered the position. It was a surreal moment for her to know that she would be in a position to help other women trying to start and successfully operate a business, and most importantly, that she would be paid to do this. The biggest fear that Mendiola Hertslet had was not feeling confident enough about running a successful business to be able to counsel others to succeed. Mendiola Hertslet was determined to overcome this challenge, so she enrolled in all business training courses available, became a certified trainer and business counselor, and continues to keep abreast of all new information that affect business owners.

The Woman in Business Director position was ideal. The job related to the personal mission Mendiola Hertslet advocated to promote women in business. Where she had no major reach through her magazine, Mendiola Hertslet now had access to a larger following. As business director, Mendiola Hertslet is now actively reaching out and supporting women in need and possesses the credibility to accomplish her life passion through her new job.

THE PRESENT

Mendiola Hertslet once overheard a co-worker say that “Denise likes to keep busy...she is still trying to figure out if that gentleman was giving her a compliment or insulting her.” Mendiola Hertslet wears many hats and does admit to being very busy. Having experienced the excitement and disappointment, successes and struggles of an entrepreneur, Mendiola Hertslet has much to boast about today. She is a full time business counselor and program coordinator for the Bank of Guam Women in Business Program and Guam SBDC Microcredit Program. She is also a part time executive director for the Pacific Islands Microcredit Institute, sole proprietor of I.P. Coffee Co., and business consultant. Mendiola Hertslet volunteers her time as the past president and current member of Soroptimist International of the Marianas, and secretary of the Guam Council of Women’s Clubs. She also hosts the Women in Business radio talk show on K-57 every Friday from noon to one addressing women’s issues in business. Being an entrepreneur, holding two jobs, and taking care of her family has its challenges. Mendiola Hertslet believes that “There is no balance.” Each day she must decide which takes priority.

In her purse, Mendiola Hertslet carries a list of personal goals to help remind her why she does what she does. Her current list includes goals up to 2011 with a three-year horizon. This helps to keep her focused. Mendiola Hertslet says it is important to have a life plan, a vision. Her vision is to live in a safer, healthier, cleaner Guam that has a new generation of young adults that believe in responsibility and accountability. She believes that the current and upcoming entrepreneurs will be the driving force behind this vision. Her immediate goals include more education, training and professional development, re-organization of her current businesses and personal budget, savings and investment plans for her children, and most importantly, a focus on self-improvement to improve her physical and mental capabilities that will require more energy to accomplish her goals.

As an entrepreneur, Mendiola Hertslet owns and manages I.P. Coffee Co. Owning a coffee shop was not in her plans two years ago. As a coffee lover, she would drive to Hagatna almost every morning to pick up her favorite gourmet coffee, Iced Mocha, and drive back to Mangilao to try and get to work on time. In 2008, she happened to be in the right place at the right time. Arnold’s, a coffee shop named after its owner was faced with no cash and was having issues trying to stay open. The owner offered Mendiola Hertslet to sub lease the coffee bar inside his restaurant. She agreed and not even two months later, Arnold informed Mendiola Hertslet that he was closing his business and offered her to purchase the contents of the restaurant. Being rather “bull headed” and an optimist, Mendiola Hertslet agreed to purchase the contents, opened the coffee shop and hired family and friends to work there, all without the consultation of her husband and family members. Needless to say, her husband has eaten at the coffee shop twice in the last year.

Mendiola Hertslet's daily activities include a wake-up alarm at 5:30am, which means she gets out of bed at 6:30am. She prepares the kids' meals, snacks, and breakfast, drops them to school, stops by the coffee shop to check in, goes to work, checks in at the coffee shop during lunch and late afternoon. After 5pm, she picks up the girls, goes home and prepares dinner. She is very fortunate to have the domestic support of her husband, who cleans the house, makes most of the dinners, washes the clothes, and takes care of the household budget and bills.

When asked what it takes to run smooth operations, she responded that trust is key. You must trust your staff and managers. She learned this through her past business experiences. There must be a fit between the members of the team and the company. You give employees the freedom to make good, sound decisions and this freedom must be based on trust. However, you should also find a way to minimize risk to you and the business by setting up policies and procedures to ensure a check and balance system. When asked what risks exist in owning her own business, Mendiola Hertslet says the biggest risk is waste of consumables. Currently, Mendiola Hertslet compares receipts to cash. She also indicates that periodic training is necessary with a keen focus on customer service. The biggest issue that Mendiola Hertslet faces as an off-site manager/owner is the inability to monitor the day to day operations of the business. Mendiola Hertslet does not advise this to new business owners who lack family support or working capital. This is a risky way to run a business.

The work culture at I.P. Coffee Co. is casual, fun, and a work-friendly environment. She aspires to have her business stand out from other businesses in Mangilao. The company's competitive advantage is offering healthy and fun alternatives and high quality food. This requires preparation of food items as they are ordered so that food is fresh. For customers who do not understand the uncompromising commitment to fresh, high quality food, the restaurant is described as slow. One of the biggest weaknesses of her full- service coffee shop is customer service. This is easier to address when the service requires customers to order at the counter. Once you begin serving the customers at their tables, it becomes challenging to provide efficient service at a fast pace.

Mendiola Hertslet describes entrepreneurs as a special breed of people, they are risk takers. Their attitude must be one that embraces failure as a way to learn. If you fail at doing it one way, you find a different way to do it, a better way. Entrepreneurs are passionate. They are not attached to money. Entrepreneurs view money as a tool, not the end all.

Entrepreneurs seek opportunities in our community to provide something of value. They provide services and/or products and expect to be paid fairly for the work they do. There are great demands that come with being an entrepreneur. They are regarded as leaders and highly responsible. They cannot afford to get sick. As an example, if a person owns and operates a retail establishment, they cannot afford to close the business for a day, let alone a week. The customers will go somewhere else and might not come back.

There is a major misconception about entrepreneurs, Mendiola Hertslet says. They get a bad rap. Most people view entrepreneurs as business people who are in it to get rich. The fact is,

entrepreneurs are in business because they are passionate by what they do. Entrepreneurs are individuals and unique in their thinking. Mendiola Hertslet states that entrepreneurs are people who do things their way. Many people with a disability are resorting to opening their own businesses. They have no choice, they have to in order to support themselves. She knows this through her work at the SBDC working with clients from diverse backgrounds.

MAJOR CHALLENGES

When asked what her biggest challenges are with being a woman business owner, she states, "Cash is the biggest challenge." You need it to start a business. Other challenges include obtaining proper licenses and tools. Banks are typically helpful in loaning anywhere between 15,000 US dollars to 20,000 US dollars. Microcredit loan opportunities provide 500 US dollars support. Women entrepreneurs are challenged with a leveled playing field. Seven years ago, women entrepreneurs like Mendiola Hertslet were challenged with perceptions of being young, they were not taken seriously, lacked experience and credibility, and had difficulty building relationships. With the assistance of such programs as the Bank of Guam Women in Business Program, Microcredit Programs, as well as the SBA Women-owned business goals for Federal Contracting, women entrepreneurs are finding that the playing field has been leveled.

HER INSPIRATION

Mendiola Hertslet offers the following advice. Begin with the end in mind. Decide where you want to see yourself at the end of your lifetime. Business is just one component of your life; it is the tool to do other things in your life. Give back to others and leave a legacy for your children. Ensure that your business impacts the community in a positive way. Her inspiration: "Have as much fun as you possibly can, but be careful." She is also inspired by this famous quote, "Be the change you want to see in the world." (Gandhi). Lastly, "If you don't like it, change."

THE FUTURE

As a natural optimist, Mendiola Hertslet believes that the future will be filled with more opportunities for personal and professional growth for her and her family. Mendiola Hertslet hopes to continue to expand her businesses and be able to begin planting the entrepreneurial spirit with her daughters. Eventually, Mendiola Hertslet plans to be able to hand the businesses over to her children and hopefully concentrate on humanitarian projects in her community. If Mendiola Hertslet could view the future of entrepreneurship and small business on Guam, she would predict that the number of entrepreneurs and small businesses will double on Guam, there

will be more structure, support and enforcement by the local and federal government, and there will be flourishing entrepreneur-focused programs within the secondary and middle schools.

EPILOGUE

And so our interview comes to an end and it feels like I had just completed a trip through a thrill park or finished watching a really good five-star movie. I run into Mendiola Hertslet every so often and typically a fortnight for our Soroptimist luncheons. As busy as she is, she maintains a bubbly, considerate, and pleasant personality. She is amazing and I was inspired by her story. I hope you were, too.

By the way, that skinny green tea smoothie, it was really delicious and recurring thoughts of it beckon me to return each time I pass the coffee shop on my way to work. Cheers, Denise!

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DOES NICHE MARKETING LEAD TO BUSINESS SUCCESS? THE CASE OF M.C. TAMURA

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ABSTRACT

Does market niching lead to business success? Maria Cecilia G. Tamura has used this strategy in managing her businesses. These businesses are Okasaki Industrial Corporation, which is engaged in import and export, and Airily Corporation which is mainly a Business Process Outsourcing (BPO) company. The case discusses how a female employee, who later became the employer, use market niching and product life cycle as business strategies. In so doing, the case shows an example of how a highly motivated woman entrepreneur managed her businesses through good and bad times.

THE ENTREPRENEUR

Women entrepreneurship has been significant in economic development. The Philippines has compared favorably with other countries in women entrepreneurship. Based on a survey conducted by Let's Go Foundation and GE Bank, Filipino women have a fairly equal chance of making it big as entrepreneurs (<http://www.womenentrepreneurship.org>).

According to Tara Brannigan (2005), women entrepreneurs have formed businesses to make a better living for themselves. The sense of adventure and the thrill of challenge have motivated them to organize their businesses. The rise of women entrepreneurship has allowed women to create jobs for themselves and to create jobs for others. Female traits, such as patience and attention to details, have influenced their management styles and business success.

One female entrepreneur that has been patient in developing markets for her products is Maria Cecilia Gumban Tamura. She joined Okasaki Industrial Corporation in the Philippines in 1985 as Head of Human Resources Department. The Philippine office was a liaison office of the mother company in Japan. It was set up to bid for the Light Railway Transit (LRT) project. Unfortunately, Okasaki lost the bid. To sustain its operation in the Philippines, Okasaki engaged in the trading business. Dealing with the business market, Okasaki's clients are businesses that can afford to buy high-end industrial products with the best quality.

A person who always wants to learn as much as she could, Tamura was also taking MBA courses while enrolled as a law student. Okasaki Industrial Corporation, like any Japanese company, was very male-oriented. In this work environment, Tamura had to prove her worth. It seemed that she was the first to arrive in office and the last to leave in spite of her law and MBA courses at that time. Tamura invested in books and technical training to be able to learn as much

as she could about Okasaki and its industrial products. She researched as much as she could and worked on developing sales contacts for Okasaki's products.

When asked what made her an entrepreneur, Tamura said that being an entrepreneur was the last thing that she had in mind. She wanted to be an excellent medical doctor or lawyer. She was good in writing, math and the arts. She became an entrepreneur because she enjoyed challenges, especially in converting non-selling or slow-selling products to "winners". Aware that product sales can go up and down, she was always on the lookout for products whose sales can be profitable for the company's clients, which are industrial companies that can afford to buy quality products at expensive prices. She also enjoyed the challenge of being able to sell industrial products in a market dominated by male sellers because men are more knowledgeable about industrial products than women.

Tamura and countless other Filipino women have dominated today's business world. According to data provided by GE Money Bank Philippines, the Philippines has the second highest percentage of women in business, next only to Peru (Dumlao, 2009). Fifty-one percent of new businesses in the Philippines are put up by women, implying that Philippine society accepts or welcomes entrepreneurship among women. Unlike Tamura, however, these women are normally in the following businesses (Dumlao, 2009): manufacturing (41%), garments, jewelry and furniture (37%), marketing (9%), real estate (7%) and other businesses (6%) such as food processing and health and beauty.

MARKET NICHING AND PRODUCT LIFE CYCLE STRATEGIES AT OKASAKI INDUSTRIAL CORPORATION

Okasaki's Japanese General Manager assigned Tamura to work on an industrial product that was not generating revenues. Zinc ingots were being introduced to the market at that time. After studying this product, she knew that this was a metal for foundry use, which was stronger than cast aluminum. Armed with these products to sell, Tamura patiently marketed her products to Jacinto Steel for four long months. About to give up after many unproductive sales calls, she chanced upon the Managing Director of Jacinto Steel in one of her sales visits. Jacinto Iron and Steel Sheets Corporation is a manufacturer and distributor of galvanized iron sheets and other construction materials. With this rare opportunity to sell her products to the Managing Director directly, she talked how her zinc ingots were much better than the competitors' products in terms of quality. Although these were more expensive than the competitors' products, these would yield more customer satisfaction.

In her heart, Tamura knew that she found a niche. Market niching is a strategy where the firm goes after a segment of the market as opposed to a large share of the market (Kotler, Armstrong, Ang, Leong, Tan and Hon-Ming, 2009). According to Kotler et al, niching is particularly viable for Asian businesses because it offers smaller companies an opportunity to compete by focusing on serving niches that maybe unimportant or overlooked by bigger

companies (2009). Market niching allows the firm to achieve a stronger market position than its competitors because the firms become more aware of customers' needs in the niche that it serves. It also allows the firm to market to the needs of a carefully defined niche that it can serve best and profitably.

Examples of firms that were successful market nichers are Apple and Air Asia. With only 2% share of the market for personal computers in the world, Apple decided not to compete head-on with the market leader but it invested in research and development and became known as a trendsetter (Kotler et al, 2009). On the other hand, Air Asia served the niche of intrastate, no-frills and price-conscious commuters in Malaysia. It has expanded to serve regional destinations such as Thailand, Indonesia, Macau, Xiamen in China, Vietnam, Cambodia, Brunei and Myanmar (Kotler et al, 2009).

Tamura decided to use market niching as a strategy. Further, she also studied how to deliver customer value. Customer value is the unique combination of benefits that includes price, quality, convenience, timely delivery and pre-sale and post-sales service (Kerin, Hartley, Berkowitz and Rudelius, 2006). According to Kerin et al, studies show that successful firms have chosen to deliver outstanding customer value with one of the three value strategies: best price, best product and best service (2006). Tamura chose to deliver customer value with best product and best service.

Two months dragged after her sales presentation before she was finally able to get a full container load of order. Her hard work paid off when Jacinto Steel continued to order regularly after the first order. Tamura credits her feminine virtues of patience and perseverance in this lucky break. If she was a man, she would have stopped after the long and agonizing four months of sales calls to Jacinto Steel. She would never have gotten this lucky break.

Tamura believes that women entrepreneurs are patient and dedicated because these traits are needed in managing a home. According to her, there are people who underestimate women entrepreneurs but women's work from managing a company to managing a home does not end. Due to the traits of patience and dedication, women entrepreneurs excel in negotiation. Tamura believes that she is lucky that the Philippines has a supportive environment for women entrepreneurs. This support for women entrepreneurs has enhanced the success of Filipino women entrepreneurs.

Hill, Carraher and Carraher (2004) explained that women were successful in their companies, whether as employer or employee of an enterprise, because of their social skills that men were observed to lack. Further, women were more stable when it came to receiving feedback from superiors, appreciative of the team concept and better in relationship-building with clients (2004).

The strong relationship between Jacinto Steel and Okasaki led to steady sales of zinc ingots. Tamura knew that zinc ingots have grown from the introduction stage to the growth stage of the product life cycle. Presently, zinc ingots are in the maturity stage of the product life cycle. Although not all products follow the product life cycle, it is beneficial for the firm to know that

products undergo different stages from product development, introduction, growth, maturity and decline (Kotler et al, 2009). Table 1 shows the product life cycle characteristics and strategies.

Characteristics	Introduction	Growth	Maturity	Decline
Sales	Low Sales	Rising Sales	Peak Sales	Decreasing Sales
Costs	High cost per customer	Average cost per customer	Low cost per customer	Low cost per customer
Profits	Negative	Rising profits	High profits	Declining profits
Customers	Innovators	Early Adopters	Middle Majority	Laggards
Competitors	Few	Growing number	Stable number beginning to decline	Declining number
Strategies				
Product	Offer a basic product	Offer product extensions, service warranty	Diversify brand and models	Phase out weak items
Price	Use cost-plus pricing	Price to penetrate market	Price to match or beat competitors	Cut Price
Distribution	Build selective distribution	Build intensive distribution	Build more intensive distribution	Go selective : phase out unprofitable outlets
Advertising	Build product awareness among early adopters and dealers	Build awareness and interest in the mass market	Stress brand differences and benefits	Reduce to level needed to retain hardcore loyals
Sales Promotion	Use heavy sales promotion to entice trial	Reduce to take advantage of heavy consumer demand	Increase to encourage brand switching	Reduce to minimal level
Source: Kotler, Armstrong, Ang, Leong, Tan and Hon-Ming, 2009				

Tamura knew that there were other products which had increasing sales, As a strategy for a product in the growth stage of the product life cycle, she offered service warranty for her capillary tubes. Capillary tubes are used for air-conditioning units. It took her twelve months of persistent sales calls to be able to have her much-needed sales break from Concepcion Industries. Founded in 1960s, Concepcion Industries produces electrical appliances such as air-conditioning units and refrigerators. Its famous brands include Carrier, Condura and Kelvinator. Knowing that she had to build strong relations with this client, she offered customer value. This meant that she delivered the best product with the best service.

Tamura's marketing efforts did not go unnoticed. When there was a vacancy for the General Manager position of Okasaki in 1988, Tamura was appointed as General Manager. During this time, she would also meet Mr. Tom Tamura; Chairman of the Board of Okasaki. Mr. Tamura courted Tamura for years before Tamura finally said yes. After their marriage in Hawaii, they decided to settle in the Philippines and manage Okasaki.

As General Manager and co-owner of Okasaki, Tamura embarked on selling soldering iron from Japan. Okasaki is known as the distributor of soldering iron whose service, quality and delivery became the company's hallmarks. Tamura has even advocated a delivery at 2 am if the client urgently needs the soldering irons. Most of the clients for soldering iron were Japanese companies in the export zones. This was her company's market segment. Her constant sales pitch was her market niching strategy; that her products were more expensive than the competitors' products but her post-sales service was reliable. She constantly harped on customer value.

Through the years, Okasaki became the preferred supplier of Japanese companies in the Philippines. One of Okasaki's clients is Matsushita Electric Philippines Corporation. This is part of the Matsushita Group of Companies, which is an electronic equipment producer. In 2005, the company changed its name to Panasonic Manufacturing Philippines Corporation. As Okasaki's client, this company experienced savings in electrical consumption, production time and rejects when they started using Okasaki's soldering irons. It was initially difficult to sell to them since the soldering irons from Okasaki are 20% more expensive than the competitor's products. Used to niche marketing, Tamura relied again on selling high-quality soldering iron at a higher price. Okasaki's satisfied clients urged Tamura to supply soldering iron tools aside from soldering irons. As a market nicher, it was easier for Okasaki versus its competitors to know the needs of its customers. Thus, Tamura started selling pneumatic soldering iron tools, which were sold to car companies. Initially, it was difficult to sell to penetrate the market for soldering iron tools. It took Tamura another year to have a sales breakthrough. Unfazed by the length of time to make a sale due to her past experiences, Tamura knew that she could gain clients because she was selling real tools as opposed to fake soldering iron tools in the market. From soldering iron tools, Tamura continued to sell electric screw drivers and parts to car companies. She also ventured to selling conveyor belts to other clients.

Knowing that each product would have a product life cycle (Kotler et al, 2009), Tamura would be prepared to develop new products once existing products would experience declining sales. Familiar with the product life cycle strategy, she would always be on look-out for products that can be introduced to the company's niche of growing clients. When the soldering iron experienced declining sales due to the unfavorable business environment for electronic products, Tamura knew that she should switched to other potential products that can be cash cows or stars. She began selling dispensing equipments for hard disk manufacturers. Sales were increasing until Intel moved out of the Philippines and the country was not spared from the financial crisis that started in 2008.

While studying the market for fine dining, Tamura thought of selling high-end spoons and forks priced at 800 Philippine peso (or 17 U.S. dollars) per piece versus the 15 Philippine peso (or 0.32 U.S. dollar) per piece offered by the competitor. These would not be under the industrial products that Okasaki has been accustomed to selling but there are lines that are needed by high-end restaurants, hotels and airlines. Switching from industrial products to consumer products was easy for Tamura. In this niche, she became reliable in delivering best quality spoons and forks. Soon enough, she was also asked to supply cutlery, pots and pans. Her customers were airlines, hotels and high-end restaurants.

Tamura thought of more products that were the domain of women entrepreneurs. She sold high-end fashion jewelry designed by Harumi, who is a famous Japanese designer based in Switzerland. Sales were good but were also affected by the financial crisis in 2008. She coped with the financial crisis by selling less for more. She sold less high-end jewelries at more expensive prices.

Always on the lookout for new products to sell, Tamura thinks that she may venture into selling small-scale wind turbine in the near future. Instead of using electricity for household needs, this new product will harness wind power. Thus, it is more environment-friendly. Her strategy will be to build more product awareness among early adopters and dealers when this product will be introduced in the marketplace.

A NEW BUSINESS OPPORTUNITY FROM THE BPO BOOM: THE BIRTH OF AIRILY CORPORATION

On July 2007, a Japanese businessman was looking for a partner to sell video-conferencing equipment in the Philippines. Tamura saw this as a new business opportunity as the equipment was different from yahoo and skype because of its high resolution. She also saw that this equipment will not require the user to report to a conference room where the video conferencing equipment has been set up as in the case of the video conferencing facilities of the Philippine Long Distance Telephone Company. At this time, she also wanted to set up a BPO company. Tamura became President of Airily Corporation in the Philippines. Although Airily is engaged in video conferencing equipments, internet provided convergence and video on demand, its major income would come from BPO activities.

BPO activities emerged because of rising labor costs in developed countries such as the U.S., Canada, U.K. and Australia. Businesses in these countries outsource their non-core business functions to developing countries. Processes that are outsourced include call centers, medical transcription, animation, engineering design, legal transcription, payroll and other financial services (Alave, 2006). Outsourcing and offshoring are cost-effective strategies that led the BPO boom (Friedman, 2005).

In an interview with Manila Bulletin, which is a major newspaper in the Philippines, Tamura said that the Philippines has competitive edge against its rivals on the BPO boom

(Retrieved October 24, 2009 from <http://www.mb.com.ph/node/197600>). According to her, there are many Filipinos who are capable of doing legal transcription, accounting, engineering, information technology and other high-end outsourcing services or non-voice BPO activities. She also believes that Filipinos excel in voice activities which include call centers. According to her, the country's competitiveness lies in the low cost of services, good infrastructure and good business environment.

The Philippine advantage in the BPO boom is as follows (Suplico, Garcia and Esguerra, 2007):

1. English Proficiency. Next to the U.S. and the U.K., the Philippines is considered as the third largest English-speaking nation. Since English is the major language used in most BPO activities, the Philippines is an ideal hub for BPOs. It is known for its dedicated, customer-friendly and English-speaking human resources.
2. Affordable Telecommunication Infrastructure and Office Spaces. The Philippines has an affordable telecommunication infrastructure and abundant office spaces that have lower lease rates than Singapore, India and China. The Global 50 index has reported that the Philippines has one of the lowest office occupancy costs in spite of the growth of BPO. The country's 12-hour difference with the West also makes it an ideal BPO hub, especially for call centers.
3. World-Class Technologies. There are available world-class technologies like Customer Relationship Management (CRM) softwares, interactive voice response systems, computer telephony integration technologies, call management systems, automated quality monitoring and recording systems that BPOs can use.
4. Lower Turn-Over Rate Compared to U.S. and Indian counterparts. Even if there is high personnel turnover in the Philippine call center industry, Philippine agents stay for an average length of 2.5 years versus only 8-9 months for their U.S. counterparts (Manaloto, 2006).
5. Lower Costs. A Philippine agent is said to cost 1/5 as that of his U.S. counterpart. Philippine agents have lower salaries than their Indian counterparts (Ros, 2006).
6. Highly-Trainable and Adaptable Work Force. Filipinos are highly-trainable and adaptable versus their counterparts in India, China and other Asian countries (Ros, 2006).

The heart of this BPO boom is voice activities or the call centers (70% to 80% of the market). Call centers are customer service operations where the agent, or commonly known as the customer care specialist or customer service representative, handle telephone calls on behalf of the client (Manaloto, 2006). The other non-voice activities (30% of the market) include general transcription, subtitling of films, finance, accounting, research, logistics, engineering, retail, etc.

Most of the call center work that is done in the Philippines focuses on high-end work which requires highly-skilled and educated agents (Manaloto, 2006). Although the call center industry started with technical support, it is now capable of handling any customer interaction

from travel services, financial services and online business support. It is now rare for Philippine call centers to handle low-end work such as dealing with directory assistance. The top call center companies such as Convergys, Sykes, Teletech, West and Sitel have set up offices in the Philippines. Most call centers handle inbound calls. The companies that have outsourced their call centers in the Philippines are Citibank, Dell, American Express, Microsoft, Procter and Gamble, Nokia, Chevron, MCI, JP Morgan, etc.

The size of a call center operation is described in terms of “seats” (Manaloto, 2006). A seat is a station with 2 or 3 people alternating in several shifts to provide a 24-hour call center service (Manaloto). Since these people have to work at odd hours, the personnel turnover in the call center industry is high.

Because of its high growth rate, the Philippine call center industry is considered a sunshine industry. Table 2 shows the growth trends of the Philippine call center industry versus the call centers in other Asian countries (Manaloto, 2006):

Country	Total Seats in 2003	Total Seats in 2004	% Growth
China	38,000	53,500	41
HK	10,000	10,700	7
India	96,000	158,000	65
Malaysia	12,000	13,750	15
Philippines	20,000	40,000	100
Singapore	10,000	10,100	1
Thailand	11,000	12,650	15

Table 2 shows that the Philippine call center industry had the highest growth rate (100%) from 2003 to 2004. As number one in the Asian region, it secured 20% of the total global market share in call center services in 2004 (Philippine IT Offshore Network, 2009). Philippine call centers have less seats but higher growth rates compared to call centers in other Asian countries (Ros, 2006). According to Ros, all the seats in Philippine call centers are often sold out (2006). The Philippine call centers earned 862 million U.S. dollars in 2004 and employed 70,000 Filipinos (Manaloto, 2006). In 2005, the Philippine call centers earned revenues exceeding one billion U.S. dollars and employed 112,000 call center professionals (Philippine IT Offshore Network, 2009). The Philippine IT Offshore Network has predicted that the industry will generate more than a million jobs and over 12 billion U.S. dollars in revenues in 2010 (2009).

Encouraged by this bright outlook in the BPO industry, especially in the call center industry, Airily engaged in BPO activities. Tamura studied the niche where Airily can excel.

She found this market niche in non-voice BPO activities. Thus, Airily has handled the following activities for clients in Canada, U.K. and U.S.:

1. General Transcription. These involve transcribing thesis, books and lectures. Airily has also been handling academic publishing. Academic journals which used to be published in the US or other developed countries are now outsourced to companies such as Airily.
2. Subtitling of films. Films which are in other languages should have English subtitles. Airily handles this work.

Tamura believes that because of the U.S. financial crisis which started in 2008, there would be an outsurge in BPO activities because companies would like to minimize their costs. Using market niching at Airily, Tamura acquired new clients who paid three times more than the regular price for the specialized jobs such as transcribing lectures, subtitling of films in English and academic publishing. As with Okasaki, Tamura believed in offering customer value; best product and best service.

While Airily's BPO activities result to steady sales, Tamura has gotten 40 subscribers for Airily's video conferencing equipment. The subscribers pay a subscription fee of 40 U.S. dollars a month aside from paying for the video equipment which is 700 U.S. dollars. The equipment is very portable. It has customer-friendly instructions on how it would be set-up and connected to a TV and Local Area Network (LAN). Just like the previous products that she handled, the sales for the video equipment took off in 2009, some 2 years after Airily was organized.

In the future, Tamura hopes that their subscribers would enjoy multipoint video conferencing which means that a subscriber can connect to 8 different screens on various parts of the world.

BUSINESS ENVIRONMENT

Okasaki Industrial Corporation and Airily Corporation have been affected by the macroenvironment which include demographic, economic, natural, technological, political and cultural factors (Kotler et al, 2009). The financial crisis that started in 2008 caused Intel to pull out of the Philippines. This affected the sales of Okasaki's dispensing equipment for hard disk. The business slowdown in 2009 has affected the overall sales of Okasaki's industrial products.

Typhoon Ondoy which flooded Manila, the Philippine capital, on September 26, 2009 damaged the goods in Okasaki and Airily's warehouses (<http://www.philstar.com>). The extent of the damage is still being evaluated.

Tamura has remained optimistic in spite of the challenges in the economic and natural environment. She said that the upcoming Philippine election on May 2010 has caused the increase in the demand for Airily's video conferencing equipments because political candidates

are now investing in these to gain more exposure. She also plans to target the Overseas Filipino Workers as a niche for these equipments in the near future.

The technological environment has been favorable for Okasaki's industrial products and Airily's BPO activities. Both Okasaki and Airily have continued to enjoy the support of the Japanese firms in the Philippines.

Tamura has continued to practice market niching in Okasaki and Airily. Armed with product life cycle strategies, she has noted down the trend in sales of companies' various products. Although she has not been discouraged by zero or low sales, she has looked forward to rapidly growing sales and peak sales of various product lines. When there is a steady decline in sales, she has to reduce her price or phase out weak items.

She knows that if she has been successful in managing a busy household for a husband and three growing kids, she believes that there is a bright future for Okasaki and Airily. After all, business success is secondary to having a happy and successful family.

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NENE AND HER BUSINESSES: ENTREPRENEURSHIP BY NECESSITY

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ABSTRACT

This paper documents the life of Nemesia “Nene” Magbuhat, described here as an “entrepreneur by necessity”, and the series of businesses she created as well as some unintended entrepreneurial activities in which she engaged. The paper highlights how Nene’s early life experiences shaped her character and developed the skills that prepared her for her journey as an entrepreneur. The paper identifies the key factors that contributed to Nene’s success as a woman entrepreneur.

INTRODUCTION

Nemesia Magbuhat was born in 1937 in the city of Batangas (123 kilometers or 77 miles south of Manila), Philippines (Philippine Convention and Visitors Corporation, n.d.). Soon thereafter, she was affectionately nicknamed “Nene”, a variation of the Spanish word for young girl, *niña*. Nene is the second among ten siblings and the oldest among four sisters. Her family was poor. Her father was the sole income-earner who supported the large family with his meager income as a bus driver. The family was able to afford a college education for only one of her siblings, her youngest sister and the third from the youngest. Although she loved school and dreamed of being a lawyer and was quite a strong student in grade school, she had to quit school after sixth grade to begin working to supplement her family's income and support her younger siblings. Later, she replaced her father as the family’s primary income-earner following a terrible accident in which her father was involved while he was still a bus driver. It was the combination of her family influence and circumstances that taught her independence and leadership from an early age. Given the climate of the time in the male-dominated society in which she lived, Nene’s take charge attitude, strong drive to succeed and apparent self-esteem put her ahead of many women of her time.

While in her mid-twenties and working as a clerk at a local gas station, Nene met her husband whose family, in the 1960s-early 1970s, owned a large business in the capital city of Manila. Her marrying into a wealthy family was like a “rags to riches” story and was every poor woman’s dream in a male-dominated society. It was a time when many women relied on their husband for financial security and that, although some couples married for love, others married (some others even agree to arranged marriages) with practical, in addition to or instead of romantic, considerations in mind.

NECESSITY AS MOTIVATION

After the wedding, Nene joined her husband in their family's compound in Manila where she helped out in the family business. Soon thereafter, she found out that things were done differently than she was used to. Of particular challenge for her was that she was put on a budget and that she had to ask permission to use one of the family-owned vehicles. These were quite a change for someone who, from her early age and until she got married, was used to taking a leadership role in her family, especially when it came to financial matters. Always a positive-thinker and problem-solver, Nene felt it necessary to regain her financial independence which, at the minimum, would allow her to finance her own mode of transportation and restore her physical mobility. It was her desire for financial independence that motivated her to begin a series of her own businesses, thus, becoming an entrepreneur *by necessity* and not by choice.

NENE'S BUSINESSES

From the late 1970s until the late 1980s, after which Nene migrated to California to join her children, she operated a home-based business when she sold embroidered shirts (also called *camisa de barong*) and handkerchief. For this business, her main suppliers were from Taal, a city in the province of Batangas, well-known for these products. Her profit margin was small but being a home-based business saved her from having to rent a store space. It also offered convenience since she could do housework and care for her children when she did not customers to take care of.

Simultaneous with her embroidered products business were several other business activities, including delivery fresh eggs to hotels in the financial district of Makati in the late 1970s to early 1980s. She partnered with a sister-in-law in this business venture.

When her egg delivery business ended, she engaged in several businesses in the early 1980s, including lunch catering and delivery to business offices and medical centers; operating a kiosk and bakery at a stall in an indoor market, which she later relocated to the garage at home, which later was relocated in a rented space in Manila, where she combined a bakery with a take-out restaurant or canteen. In the mid to late-1980s, she operated a cafeteria that was located in the building of a labor recruiting company and catered to the company's employees. She operated this business until she migrated to California in late 1980s.

“UNINTENDED” ENTREPRENEURIAL ACTIVITIES

As if her businesses did not keep her busy enough, she also managed the day-to-day operation of her husband's share of the family business, which put around twenty employees

under her direct supervision. At the same time, she also engaged in other activities with no intention of pursuing entrepreneurial interests but, *de facto*, did so.

Purely out of friendship, Nene served as “liaison” between friends in buy-sell arrangements mainly to assist her friends and without expecting any compensation. She would search for the best exchange rate for the U.S. dollar and exchange dollars for her friends, several of them own businesses. The foreign debt crisis in the Philippines in the early eighties was a busy time for exchanging U.S. dollars as the exchange rate changed quickly and significantly (for example, the Philippine peso went from 7.37 per U.S. dollar in January 1979 to 14 per U.S. dollar in May 1984 to 18 per U.S. dollar one month later (in June 1984) to 20 per U.S. dollar at the end of the year (by December 1984), Bangko Sentral ng Pilipinas, n.d.). Expectedly, the U.S. dollar was at a premium as many people in the Philippines, including many of her friends, hoarded the stronger and more stable U.S. dollar instead of the local currency. Her friends would call on her to exchange dollars for them, often at the black market which came into existence when the official exchange rates could not keep pace with the true market exchange rate, as well as attempts of the central bank authorities to restrict private individuals’ access to U.S. dollars as the Philippines faced pressure to use these dollar to service its debt to foreign creditors. For Nene’s “legwork” in the foreign exchange market, she often received small cash gifts from her friends and a well-deserved thanks, not to mention a boost in her reputation for being reliable and resourceful.

In addition, she sold jewelry on a consignment basis to assist a friend who is a jeweler, as well as becoming a “broker” for friends who wanted to sell real estate who she matched with other friends who wanted to buy real estate. In one of these transactions in the early 1980s, the seller (a cousin of hers) thanked her by selling to her a piece of land in the city of Parañaque (8 kilometers or 5 miles south of Manila; Parañaque City website, n.d.) at a highly discounted price. The same piece of land has appreciated in value by approximately 4000% over twenty five years, an average appreciate of 160% per year.

Her talent in matching needs of one party with those of another did not stop there. She also matched labor skills that were available to opportunities that required them, in this case, to assist a company that recruited skilled labor for construction projects in the Middle East during the construction boom which began in the mid-1970s. By the late 1970s and into the 1980s, a number of Filipino workers were employed on these projects (International Labour Organization, 1996). In this case, the opportunity to “assist” came to Nene through a cousin whose husband was a major partner at a Manila-based company that supplied skilled labor to construction companies in the Middle East.

Most skilled labor came from Northern Philippines, mainly the province of Pampanga, where Nene became a household name. Large groups of workers and their families would visit her at home to ask for her help, more like intercession, to get overseas employment. She was indeed in demand, largely because she did not charge anything in exchange for her help. This is in contrast to labor recruiting agencies around the country that would do the same at the going

price equivalent to 100 U.S. dollars. With so many of these agencies, it was not easy to distinguish the good ones from the bad ones, which were “fly by night” operations that disappeared after they collected recruitment fees from individuals who were prospecting overseas employment.

Of course, Nene’s efforts to help many workers find overseas employment and earn much higher income did not go unrewarded. After returning from working overseas usually after a one-year contract, often renewable, workers and their families would show their gratitude to Nene by bringing many types of gifts such as wooden furniture with elaborate carvings, as well as live chickens, meat and other food products, while others gave cash gifts.

WHY NENE SUCCEEDED AS A WOMAN ENTREPRENEUR?

Evaluated narrowly against her original goal of reestablishing her financial independence, one might say that Nene was successful. Her businesses allowed her the extra resources she needed to support her children as well as to purchase two personal vehicles, neither fancy but exactly what she needed for the physical mobility she valued. In the larger picture of Nene as an entrepreneur by necessity, her success is more subtle and often manifested in unintentional ways that are reminiscent of the non-deliberate and often accidental nature of the personal and business successes by the 1994 movie character, Forrest Gump (Wikipedia, n.d.). There were several factors that contributed to Nene’s entrepreneurial success when it is viewed in this larger context: she was busy; fearless and ignorant; made friends in “high” and “low” places; and got by with a little help from her friends.

Her “busy-ness”

She was busy, indeed! She was constantly searching for business opportunities. She was always on the go, following through with her commitments and making sure that she was reliable and that she delivered results. Needless to say, she mastered the skill of multi-tasking as she had to juggle being the owner and manager of her businesses while being a mother to her four children, all of school-age.

The Right Attitude: Fearless and Ignorant

She was fearless and bold, not afraid to take risk by continually trying something new. Lacking formal education, she made business decisions using an informal and unscientific version of a cost-benefit analysis combined with a good dose of common sense, a tool that she used to evaluate the business alternatives that were available to her. Furthermore, she was undeterred by her lack of education. On the contrary, it was her lack of education, her

“ignorance” as she called it, which inspired her to learn something new every day. In a way, it was her “ignorance” that drove her to want to be “less ignorant”.

Made friends in “high” and “low” places

It might have been her husband’s family name, which had gained some prominence because of the successful family business, which gave Nene a pass to meet people of wealth. It might also be her son’s attendance to an exclusive school attended only by children of wealthy locals and expatriates that provided her opportunity to meet people in “high” places. Combined with friends she has in the “low” places, including those from her humble beginnings and those she helped improve their livelihood through overseas employment, she had friends from different social status. However, it was her loyalty to her friends from both “high” and “low” places that earned their respect, admiration, and ultimately their friendships, many of them she continues to enjoy up to the present.

From a business perspective, her friends in “high” and “low” places created a network that supported what can be likened to a “supply chain”. At the top of the chain were her friends in “high” places who trusted her with tasks that often brought business opportunities to her. She then would collaborate with and sometimes delegate her friends in “low” places who made sure that she accomplished her tasks and pursued business opportunities to their successful completion. What an excellent business model it was, although the business aspect was more of an unintended consequence of her simply being a friend to her friends.

A little help from her friends (in the family circle and trusted assistants)

She had wisdom to know that she could not or need not do everything alone, that she could get by with a little help from her friends, including trusted family members and assistants. One family member was her first cousin from Batangas, who stayed with her while going to college in Manila. Nene’s cousin assisted her with raising her four children while her two eldest kids were in pre-school and early grades. Nene was also blessed with a handful of trustworthy hired help (live-in maids and drivers), who became part of her family and provided care to her children under her supervision from near and far. As if by divine intervention, she also made smart choices to send her children to the right schools whose caring teachers assisted a busy mother like Nene in developing and reinforcing her children’s value system.

WHAT A LIFE!

By the late 1980s, Nene moved to California to join her four children. She now enjoys being retired and a grandmother to two adorable granddaughters. Reflecting on her businesses, she says her businesses was a source of additional financial resources, physical activity and

entertainment. “My businesses allowed me to generate additional financial resources that I could spend at my discretion. I also enjoyed being ‘on the go’ as I attended to my businesses, so in effect my businesses also kept me physically active. It was like getting some kind of exercise. My businesses also kept me busy after I was became an empty-nester when I was temporarily left behind in Manila after my children migrated to California ahead of me. Until I could be reunited with my children, my businesses were a source of entertainment for me.” (Interview, 2010)

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