Chapter Fourteen

Making Deals

"Listen to your business. It'll talk to you."

WE'VE BEEN TRADING MERCHANDISE every day for over forty years. But we have always kept our eyes, ears and noses open for new products. Merchandise is like the weather in Texas—it changes constantly. What sells today won't necessarily sell tomorrow, and that means you should jump at the chance to make money today.

When we consider adding a new product, we have to consider a few basic questions. Will the product sell? Will the product sell at the right price? And is there a good supply of the product?

One of our best-selling items over the years has been pottery. I've always liked pottery. It's got a handmade feeling to it, just like handwoven fabric. And it's tied into the history of the Southwest. So I have always been on the lookout for well-made pottery.

One day in 1984, a fellow walked into our Alameda location from the interior of Mexico. Oscar Quezada was his name, and he was carrying a wicker grain basket. He came into our store, unpacked his basket and

showed us a new style of pottery that we had never seen before, even with all our travels in Mexico. I liked the new pottery immediately. Oscar called it Casas Grandes.

Actually, Casas Grandes pottery was first introduced about one thousand years ago in an area of Northern Mexico called Paquime. Although at first the pots were crude utilitarian vessels, their style, shape and quality improved through trade with the Hohokam and Anasazi people. Paquime pottery featured stylized bird and leaf patterns and was somewhat similar to the pottery of the Northern Pueblos, but was distinct in that it featured very thin walls. The Paquime culture peaked sometime in the thirteenth or fourteenth century and then vanished.

A young man who grew up near the Paquime ruins took great interest in the pottery shards of his ancestors. Now world renowned, Juan Quezada worked tirelessly for many years, not just to bring back what was, but to take the art of pottery to new heights.

Juan Quezada shared his techniques with family and friends until the revival of pottery making became an industry for his village. This industry required a market. After Oscar Quezada first walked into our store, members of the Quezada family brought truckload after truckload of their work to El Paso Saddleblanket Company, and we are proud to say that we helped them develop their market.

While museums and snob galleries clamored for the pieces signed by Juan himself, El Paso Saddleblanket provided an outlet for the tens of thousands of pots produced by aspiring artists. Juan Quezada and his sisters still drop by El Paso Saddleblanket at least once a year to visit with Bonnie and me.

Here we are in the twenty-first century selling articles that are a revival of a fourteenth century craft, and there is a tremendous market. Just like handweaving, handcrafted pottery is another art that people cherish and want to preserve. It is also an art that has been influenced through history by trade and traders. It's an art that responds to the marketplace. And our job as traders is to help that art survive. Today we still offer two grades of pottery from the Casas Grandes region: Casas Grandes and the higher grade Paquime.

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SOMETIMES, I've come up with simple marketing ideas that have made products fly off the shelves. Take freeze-dried piranhas for instance. I came across a dealer of freeze-dried piranhas while I was traveling the Amazon in Brazil. They were kind of gruesome looking things with big jaws and nasty teeth. Well, I bought some, but they weren't selling real well until I had two cards made up and hung them from their mouths. One of the cards said, "Hello, I'm your lawyer and I'm here to help you." And the other card said, "Hello, I'm from the IRS and I'm here to help you."

Just that little marketing gimmick made all the difference, and I couldn't buy enough freeze-dried piranhas to satisfy the demand. Then, I couldn't get any piranhas at all. Brazil started protecting the Amazon crocs, and the Amazon crocs ate the piranhas, so the Brazilians started protecting piranhas and made it illegal to sell them freeze-dried. Oh well.

THE MOST IMPORTANT THING TO DO when introducing a new product is to start off with fair prices at both ends. I really like to pay as much as possible to the vendor and sell as low as possible to the customer. There is usually still plenty of room to make money. I always start at what I can sell something for and work backwards letting everyone make as much as possible. And I seldom look at, or care about, what the competition is doing.

I have all kinds of ways of getting ahold of merchandise. We have people who bring it to me—these people are called pickers. We also have full-time help in Mexico City, Chihuahua and Oaxaca. And I also have business relationships where people send me stuff every week or two weeks or so.

Although I have many different arrangements with suppliers and traders, I am always amazed at the similarities between the social systems in craft villages around the world. Whether I am setting up a trade arrangement with a village of weavers in Guatemala or a village of potters in Mexico, I always begin by finding "Mr. Wonderful." Who is Mr. Wonderful? He is the villager who is a little more successful and a little more

ambitious than his neighbors. He is the villager whose home is a little nicer, and whose workshop is a little neater than all the others in the village. Mr. Wonderful is the villager who runs a store in the front of his home or who has collected some surplus inventory which he is eager to sell. Almost every craft village in the world has a Mr. Wonderful, and he is the person with whom I set up my trading relationship.

Just as there is a Mr. Wonderful in every village, so there will inevitably be a crisis in dealing with every Mr. Wonderful. The crisis usually comes six months to a year after the product pipeline has started to flow, when Mr. Wonderful begins to demand higher prices or threatens to sell all of his inventory to another trader. Whenever I set up a relationship with a Mr. Wonderful, I warn him in advance that this crisis is going to come. I let Mr. Wonderful know that I will always treat him fairly and that it is in his best interest to treat me fairly as well. That kind of understanding has allowed me to build successful relationships with Mr. Wonderfuls in villages around the world.

WE NEVER TRIED to sell anyone's culture or traditions because, frankly, most people don't give a damn. Most of our customers are American consumers. We are part of the "me" generation. We are only interested in one thing—what can this product do for ME? How will it look in MY house? How much money can I save? Will MY friends think I am cool?

We have always had good luck with finding an arts and crafts form (such as weaving, pottery, woodcarving, saddles, etc.) made somewhere and redesigning it for the U.S. market. We change it to improve the quality and to make it more attractive to the American market. Once we have done this, we have a product that no one else has, and we can usually offer a lower price than the original style we started with.

MANY AMERICANS stereotype Mexicans and make a lot of generalizations about Mexico. What Americans fail to understand is that Mexico is very similar to the U.S. It is a country made up of different regions with

different cultures, different foods and different languages. Just as in the United States, the people from different areas of Mexico sometimes conflict with one another. For instance, some folks in Juárez have joke bumper stickers on their cars that say in Spanish, "Kill some one from Mexico City. It's patriotic."

I like to say that Mexico City is the New York City of Mexico. Both cities are huge, powerful, exciting, beautiful, ugly, wonderful and dangerous. Many Mexicans, for whatever reasons, don't like Mexico City or its inhabitants, just as many Americans don't like New York City or New Yorkers. The slang name *chilango* refers to people from Mexico City much in the same unflattering way that southerners refer to New Yorkers as Yankees. I personally love New York and Mexico City, and I love doing business in both cities.

You can go to any major bookstore and find all the usual books on arts and crafts of Mexico. These books are usually written by some know-it-all, self-proclaimed expert on Mexico, maybe a Spanish teacher who traveled around for a couple of weeks during the summer. Many wannabe importers purchase these books, travel around buying small quantities of various arts and crafts from remote places, then write cute little descriptions of each craft followed by "more-than-you-want-to-hear" background information. These wannabe importers end their descriptions with gushing glorifications of themselves as heroes who have saved a craft tradition from becoming extinct. Most of these people have unrealistic or nonexistent marketing plans, spend all their money on travel expenses and are almost always out of business after the maiden voyage.

I guess I could say "been there, done that." After putting the *lápiz* (pencil) to it, I quickly figured out that a gathering system of traveling to rural areas and buying handicrafts could not come close to working. Also, the areas with the most concentrated arts and crafts production in Mexico, such as Guadalajara, Oaxaca and San Miguel de Allende, are also major tourist areas where the importer must compete for products with waddling tourists in shorts with cameras around their necks. Because of this, most of the artisans in those areas develop a retail/tourist mindset and are difficult or impossible to deal with.

Nowadays, we manufacture or contract most of our own products, but in the early days we were the largest and about the only major volume importer of native Mexican arts and crafts at the time?

Why were we more successful than most of the other people running around all over Mexico trying to do business? The answer was MEXICO CITY, the capitol city of over twenty-four million people. Mexico City is a cosmopolitan and industrial city that was certainly not famous for small-village-type arts and crafts.

We were familiar with Mexico City as a layover place for airplane flights but not as a source for arts and crafts. That was before we met Rudolfo Martinez. Rudolfo was a Mexico City computer programmer whose late father had been a smalltime peddler of baskets, pottery, onyx, leather goods and other crafts around Mexico. Bonnie and I partnered with young Rudolfo and opened a warehouse in his old barrio neighborhood in the central part of Mexico City. Rudolfo moved both his small computer business and his mother into a small warehouse on 5th of February Street. Rudolfo had the ambition and the contacts, and Mama watched over her "two sons, Rudolfo and Dusty." Doing business with the protection of a Mexican *mamacita* is hard to describe, but if you are Hispanic, you will know what I'm talking about. She was great, rest her soul. I still think about her often.

What we discovered was that many, many poor people of Mexican-Indian origin had immigrated to Mexico City in search of factory jobs. Being from various craft producing villages all over the Republic, many moonlighted with the craft skills they had learned back in their native villages. And whenever they became unemployed, they worked at their crafts full-time. In fact, the outlying areas of Mexico City were almost like villages in themselves, with populations from remote locations that still practiced their traditional arts and crafts.

We set up and promoted all kinds of back-street workshops making every type of product you could imagine. The subway was only a peso or two from anywhere in the city to our central area warehouse. Usually Friday was the day we received the week's production. After we had accumulated a large truck full, we would blast off for El Paso. Thanks to

Rudolfo, everything was accurate and computerized, and the pipeline from the interior to the border was in full flow for fifteen years or so. As we gradually got into more and more of our own manufacturing and our Rancho El Cid project, we closed down our operation in Mexico City. Rudolfo is now a big shot computer executive, and our old 5th of February Street warehouse is now a funeral parlor.

SOME OF THE THINGS I've traded for haven't wound up in our catalog or our showroom. For a while, I was big into trading for antique Cadillacs. I had one of every Cadillac from 1949 to 1961 and two of a couple of them, sixteen altogether. I don't know why I traded for them. I just liked them. And I figured they'd be worth something sometime.

One Monday morning in 1988, a guy called me at the store. He was a real smooth guy, a real good talker. "Mr. Henson," he said. "I have seen your old cars and you seem like a gentleman of good taste. I myself believe I share your taste, and I have something that you might be interested in."

"Sure," I said. "Whaddya got? Rugs, old cars…"

"I've got a house."

I said, "Sir, I don't do real estate of any kind. I don't do stocks or savings bonds. I'm strictly a merchandise guy."

He said, "Let me tell you about this house, Mr. Henson. This may be something that you want for yourself."

"I got the house I'm gonna be in the rest of my life," I told him. It was a great California mission-style house on Silver Street in central El Paso. But this old boy got to telling me about the house he had. The elevator. The stained glass window. A four level, five bedroom house on five big lots built in 1916—7,200 square feet. He got my interest up. I told Bonnie, "Look, let's go over and meet this guy. He's gonna show us this house and if you like it, you give me a nod because I think I can deal with him…"

So we go over to the house. I remember I looked at my watch. It was about eleven in the morning. We looked around, and Bonnie gave me a nod. Twenty-nine minutes later, we had a deal.

It was a pretty complex deal. I wrote down the list of seven old Cadillacs I was going to trade the guy, and I threw in a couple U-hauls of merchandise and some wooden Indians. I agreed to assume the note and a small second he had. We also wound up buying a lot of the furniture, plus I gave him $20,000 green cash. That Friday, while they were moving out, we were moving in. Bonnie and I still live in the house we traded for, and we love it.

WITH ALL THE PRODUCTS we've sold, all the deals we've made, we've stuck to one rule: always listen to your business.

Being successful is easy if you listen to your business. So many people don't. They get a "gallery" mentality. They try to sell merchandise *they* like instead of merchandise *their customers* like. If people keep asking for black saddles and all you've got is brown, get some black ones. That's listening to your business.

PHOTO
Scrapbook

1947 – 2007