

Chapter Nineteen

The Wholesale Experience

“January 1, 2000...El Paso Saddleblanket Company closed it’s doors to the public. Wholesale only to stores and dealers...”



IT WAS ABOUT MID-MAY 1999 by the time we were completely out of El Cid. Sold, moved, and out! The '90s had been good, particularly the early '90s. Those were recession years in America, but El Paso Saddleblanket has always done very well in recessions. We sold to a lot of folks who were unemployed or needed extra income. It's one thing to sell to the “hobby” or “fun” vendors who enjoy selling our products at craft shows, fairs, home shows, and such but who do not have to sell. The “hobby” vendor is totally different from the unemployed person who **MUST SELL** in order to make ends meet and feed the family. In tough economic times, a lot of hard-selling customers came to us, and almost all of them did well, since we offered them good products at affordable prices. Ambitious vendors who worked hard were almost always successful.

The mid-'90s were good steady business years and then things started slowly slipping in '96; 1997 was still profitable but down from earlier years primarily because we were occupied with working and having fun at the ranch.

When we made the decision to close the El Cid factory in 1998 we started concentrating more on the wholesale side of the business in El Paso and developing new textile products from overseas. As we were closing down the Mexico operation in 1998 we were going through a lot of changes in El Paso. Three of the five major hotels downtown closed, including the two hundred room International Hotel next to the store. Freeway construction, poor management of our Convention Bureau, the drug wars and murders in Juárez and a few other things caused a slow-down in tourism.

Our retail business declined but our wholesale business was having HUGE growth. By early 1999 we had two additional large warehouses. The central office and shipping department doubled in size. Our merchandise strategy also changed. We had been a real tourist attraction, a colorful Mexican mercado with great souvenirs and trinkets.

This was great fun and we made a nice mark-up. But it was difficult to make money: you prepay the vendors in Mexico, go through all the hassles of Customs in both Mexico and the U.S., pay freight and duty, transport goods first to the warehouse and then to the store, unpack, mark prices, sell, make tickets, repack, box the product for the customers...and on and on.

We slowly replaced much of the trinkets and souvenirs with higher grade products. We lost a lot of sales because many of our customers were either poorer people from El Paso and Mexico or low-budget tourist travelers. Retail traffic was down but our wholesale walk-in traffic was up. Most of our wholesale customers were not interested in souvenir curios anyway. And the wholesale orders from our catalogs were setting sales records every month. We started experimenting with a new concept of advertising and selling called the internet. We missed Rancho El Cid, but an exciting new transformation was taking place in El Paso.



I BELIEVE in listening to your business because I know it will talk to you.

By this time, my business was telling me to close the retail operation and concentrate exclusively on wholesale. A wholesale operation is more efficient. Fewer employees. No marking or displaying. No shoplifting problems. Less chance of injuries and lawsuits. No retail advertising cost. Higher numbers in sales transactions. Better space utilization. And we could close Saturdays, thus having happier employees. Our wholesale profits were lower, but we made up for the lower margins with higher volume and lower overhead. Bonnie and I had been working nonstop for twenty-five years and knew nothing else. Our business was our life and neither of us had hobbies or social obligations. We never took pleasure vacations or cruises; all of our travels had always been for business in one way or another. We thought that being tourists laying around the beach somewhere was both boring and nonproductive. Bonnie and I were in our fifties by then and started talking about taking time off—whatever that was.

Although we had planned it a few months earlier, we made the announcement around the middle of November, in time for the Christmas season. We liquidated most of the souvenir curios and Indian jewelry at discounted prices. There was a lot of negative press about us closing a downtown institution after being open to the public in that location for thirteen years. We had lots of calls from unhappy longtime customers.

I think one of the reasons for the complaints was the fact that local El Paso and Las Cruces people could get out of taking visitors to Juárez by taking them to El Paso Saddleblanket Company and explaining to them that we had more items than the markets in Juárez and at a better price. This was true, plus Juárez had problems with long lines, aggressive street hustlers and rip-off prices. The once thriving shopping strip on Juárez Avenue had now mostly turned into underage drinking places and stores that catered to the locals: shoe stores, wedding dress stores and lots of pharmacies. While some customers whined, our overall business was very good.

The situation surrounding us in downtown El Paso was not so good. In fact, downtown was sliding into ruin. More vacant buildings. More street people begging. Dirtier streets and sidewalks.

But the more things went down around us, the more our business went up. Through time, our store had gotten further away from the cute Mexican market look and had gone to a more gritty warehouse look with merchandise stacked to the ceiling. We were less of an attraction for the retail buying tourist, but the wholesale buyers seemed more impressed than ever. As the wholesale side of our business continued to zoom up, we made the decision...

“JANUARY 1, 2000...EL PASO SADDLEBLANKET COMPANY CLOSED IT’S DOORS TO THE PUBLIC. WHOLESALE ONLY TO STORES AND DEALERS...”

We did it!