

Chapter Twenty-one

The New El Paso Saddleblanket World Headquarters

*“Early to bed, early to rise, work like hell,
and AD-VER-TISE.”*

—TED TURNER



IN LATE 2004 and early 2005 we were looking at several expansion possibilities. We had some blue prints drawn up for a huge new “Highway Store” Trading Post we wanted to build west of El Paso on Interstate 10. Tanny Berg—a long time friend and very successful real estate developer (among many other things)—was building his second Microtel motel franchise on a large parcel of land he owned. We planned a joint venture partnership deal on a building to be built next door. El Paso Saddleblanket would do a long-term lease with an option to purchase everything at a later date. We designed this huge forty-thousand-square-foot trading post to look like an Aztec village. It featured an eighty-foot observation tower with a viewing platform at the top that would enable people to see three states and two countries. Tanny was a big thinker, had the resources to do it and was excited about the challenge of the project.

We all loved the idea, wrestled with the concept and crunched the numbers. It's always very tempting to get caught up in emotion and excitement, especially a never-been-done project like this. There was no guarantee this mega-monster was going to be successful.

We began to study the "what if" scenarios and tried to figure exit strategies. Even though I had invested a lot of time and money in the plan, we decided in the end that it was a risk that we were unwilling to take. We will never know for sure, but as I look back now, I am inclined to believe it would have been a success. Big time.

By April we were on another deal to open a smaller trading post in Old Mesilla outside of Las Cruces, New Mexico, which is about forty miles northwest of El Paso. This was to be our prototype and first of the planned franchises that would be called El Paso Saddleblanket DIRECT.

We had picked a one-and-a-half-acre site on Interstate 10 that seemed to have everything we wanted. It was near a freeway exit, sitting in between a newly opened Appleby's Restaurant and a 150-room motel. There were four other hotels within walking distance and two nice RV parks. The six students, Bonnie and I had decided on a more practical eight to ten-thousand-square-foot trading post, which would leave us enough room for a convenience store with gas pumps at the back of the property. Two other friends, Meier Marcus and Bob Ayub, had the land and we were working with them to either buy or form another joint venture similar to what Tanny and us were planning earlier on with the big trading post. The students were excited and very supportive. We were close to making the deal and opening our first of several planned stores. We had planned to open each store and then sell to operators who would become wholesale customers for El Paso Saddleblanket products. We calculated that each store could realistically do up to a million dollars per year.

On May 13, 2005 I received a call from real estate agent Paul Connington telling me of his new listing, just on the market: the Freeway Bowling Lanes. The property was four acres on a freeway frontage with a one-acre bowling center. The building had a wide runway down the center and eighteen lanes on each side of the runway. There was a large billiard

parlor near the front and a complete coffee shop and a separate cocktail lounge in the back part. There were offices, storage rooms, maintenance workshops and a fairly large conference room in the back. There were three acres of parking for cars, trucks and RVs. Traditionally bowling centers have very good roofs and air conditioning systems, which was also a big plus. Freeway Bowling Lanes was across the freeway from the largest and busiest shopping mall in town and was on Interstate 10 in almost the exact center of El Paso. The traffic count was officially 199,000 cars per day. We toured the facility and quickly decided to scrap the plans for the El Paso Saddleblanket DIRECT prototype store and attempt to buy the future home of what would become The El Paso Saddleblanket World Headquarters.

We knew from day one that this was not going to be easy, but were determined to make this deal by almost any means possible. Apart from needing several million dollars, there was already an offer on the table and another buyer hot on the trail. This in just the first two days it was on the market. We immediately went to Bank of the West and to our surprise after only about a fifteen minute discussion with Jon Rogers, Larry Pattan and Rick Francis we received an unofficial “nod.” In 1991 we had invested in and became stockholders in this new bank. Bank of the West now has seven banks in El Paso with more planned.

The property owner was from out of town and could not be reached because he was on a cruise in the Caribbean. It took a little detective work, but we managed to fax him an offer direct to the cruise liner. The next day we received word that he had accepted our offer.

We had the closing set for June 13th and had managed to keep things very hush-hush for the most part. Only a few people knew about the deal, but somehow the press still heard something was up. Luckily we managed to dodge them until a couple of days before the closing. Then the bomb dropped. The previous owner only gave his employees a few days notice before the pink slips went out; everyone was upset. Also the bowling leagues, the customers, the various suppliers and just about everyone else was in an uproar. The owner quickly left town after closing, and we were left holding a time bomb.

The Freeway Bowling Lanes was built in 1957 and was an El Paso landmark. The bar was a famous watering hole with a large local following including generations of people with volumes of memories. The restaurant was known for the best green enchiladas in El Paso.

This was big news in El Paso and I was stunned that most of the publicity was negative. Closing of a tradition, the end of an era, a sad day in sports history and so on. One television station even did a teary interview with an old couple who had gotten married there in 1958 and showed photographs of the then young and happy newlyweds. The Black Baptist Bowling League and many others were pissed off. Some people had shoes and bowling balls locked in the lockers.

The truth was that the Freeway Bowling Lanes was neglected, run down and outdated: its wooden lanes were no longer popular, the equipment in need of repair, and it was losing money. It was for sale and all we did was buy it. Unfortunately the media and a lot of others did not have a clue that one of the biggest attractions in West Texas was about to be born.

After our offer was accepted in May 2005, we had plenty of decisions to make and lots of work ahead of us. With the exception of the pool tables we bought a running turnkey operation complete, including all the bowling equipment, restaurant, bar and on and on. Bowling shoes, the food in the refrigerators, tools, tables and chairs, bowling ball polisher, and thirty-six lanes—each containing sixty feet of maple hardwood flooring and an A-2 Brunswick pinsetter—were all ours.

I remembered watching “Bonanza” on television as a kid. After surveying our latest purchase my first thought was “What do we do now, Pa?”

WE ORIGINALLY calculated that the transformation would not be completed and opened until early 2006. The first order of business was to close the restaurant and bar and sell off the bowling equipment. We gave the food to our employees and sent a truckload of restaurant appliances, coolers, utensils, booths, tables and bowling trophies to Fun Valley. I put the bowling equipment on E-bay and almost immediately started getting inquiries.

I learned a lot about the bowling center business real fast. Modern facilities no longer use the hardwood lanes, but rather some acrylic material that is better and easier to maintain. The Brunswick A-2 pinsetters have long been replaced by new more efficient technology as well as modern scorekeeping screens. Besides that, there were warehouses around the country full of this outdated equipment. Some things are sold for parts and certain model pinsetters are sold to third world countries. Most of the inquiries were interested in shoes, parts and other selected items.

I realized we had a big problem. How do we sell this? If we scrapped everything, there would be a huge cost in labor, not to mention we didn't have a clue where we would dump it. We were also in a time crunch and could not start the moving and remodeling until we cleared the place out. In the mean time I ran some classified ads and sold some miscellaneous odd-lot junk, supplies and other things to salvage dealers from Juárez.

I was really starting to get concerned. Things were basically on hold. We had to do something.

I was never much of a believer in miracles but I must say this is about as close as I've ever seen. I have a pretty strong Texas drawl, but one day I got a call from Selma, Alabama, from a guy with such a heavy southern accent that by comparison it made me sound like some college English professor. As it turned out, these four young partners had a successful small twelve-lane bowling center and had a clientele of mostly poor African-American folks. At first they wanted only twelve lanes and twelve pinsetters for a possible new location in a nearby small town. We talked back and forth over a few days and I e-mailed them some photo images. They were my kind of people: simple and direct. I convinced them they could buy all thirty six lanes and open either two or possibly three smaller centers. I had been asking one thousand dollars per lane. Finally I said, "Bring me \$12,000 cash and I'll give you every damn thing in this place that has anything to do with bowling on two conditions: I want this place totally stripped clean and I want you out and gone in ten days."

We made the verbal agreement on a Friday in the first week of July.

Then Bonnie and I took the dogs and went to Hillsboro for the weekend. On Monday morning about 9 A.M. I received a call from them. They had seven guys in a caravan of three pick-up trucks and they had been driving eighteen hours nonstop from Alabama. They were in Van Horn, Texas, about two hours out of El Paso. I gave them directions to Freeway Lanes and suggested they grab a motel room, rest up, and we have some barbecue over at my house later. After that we could further discuss this giant upcoming moving project. "Mr. Henson, we appreciate your sure-nuff kind invitation, but if it's all the same to you, we would like to start workin' right away, so if you can just meet us there, that would be mighty good," said Andy.

We went to meet the Alabama boys not knowing exactly what to expect, but I guess to describe this crew as "colorful" would be the understatement of the day. Maybe if central casting were looking for some ragtag Confederate soldiers for a sequel to *Gone with the Wind* they would consider this a jackpot.

After a brief tour, the guys backed up their pick-ups and unloaded a large assortment of tools and pallet jacks. They brought sleeping bags; their plan was to work around the clock and grab a little sleep from time to time, which was great as far as we were concerned. I helped arrange twelve to fifteen temporary labor guys from RMT Staffing and some fifty-three-foot tractor trailers to be loaded with equipment and hauled to Alabama as each trailer was filled. We wound up sending a total of seven trailers, each very full. I have never witnessed anything like this. It was about 105 degrees outside and as grueling a work as imaginable. They worked nonstop and never left the building except to get fried chicken and Chinese takeout. The last trailer was loaded and took off for Alabama about 4 P.M. Friday. They got motel rooms, cleaned up and came back to Freeway Lanes where El Paso Saddleblanket threw a big barbecue, with plenty of beer and Jack Daniels, for the Alabama boys, some of the temps and our own crew.

They left the next morning having never seen any other part of El Paso.



AFTER the Alabama boys left, things started to go a little faster. Inside the building, there was a big sunken trench about eight-foot wide and a foot deep on both sides that needed to be filled. This is where the pinsetters had been installed. After much debate we decided the fastest thing to do would be to knock some holes in the side of the building, run a large hose and pump the cement from the trucks. We removed most of the restaurant and bar equipment pretty fast.

One day as we were removing one of the stoves we punctured a gas line in the wall. Gas started spraying everywhere. So like the little Dutch boy holding the water leak in the dam, Cosme—one of our employees—goes over and sticks his finger in the hole. He kept the gas from escaping while the rest of us were running around trying to figure out how to cut the gas off.

I bought an old twenty-seven-foot U-Haul truck, sight unseen, over the telephone from someone in Albuquerque and we began the move. We purchased about a dozen forty-foot metal containers, placed them in the back parking lot and quickly moved all the products from Warehouse #2. (Warehouse #1 is in Juárez. At the same time we renewed the lease on the ten-thousand-square-foot Warehouse #3 in El Paso for another year. It was about a mile from the old downtown store.) We had a big moving sale at the downtown store, knowing that the more we sold the less we had to move. Remember, we had been closed to the public for about five years at that point. We had a respectable turnout for the sale even though I had expected more.

We had a large work force and things really began to move. Originally the plan was to open in January 2006 but we saw an opportunity to open sooner. Eighty truckloads later, the old downtown store was empty.

In June I had made a deal with a large tannery owner from Brazil to come in as partner on our old downtown location. He helped his son start a furniture factory in Novo Hamburgo, Brazil that would make chairs, sofas and other products upholstered with “hair on” cowhides from his tannery. The plan was to have the wholesale showroom outlet here in

El Paso and then we would ship all over the U.S. and into Canada. He changed his mind later, which I believe was because he feared too much competition would come from China. He is a very smart man and it was probably a good decision.

Anyway, there was plenty of work to do opening the new World Headquarters of El Paso Saddleblanket. I'm actually glad we didn't do it because I didn't need the distraction.

WE HIRED my second cousin, Luc Wells, as the new general manager shortly before we opened. Luc was a graduate of the Naval Academy in Annapolis where he had played football and studied Spanish. He then went on active duty in Iraq. When he returned he was a Marine Captain and a decorated war hero. After four years at the Academy and five years as a Marine, we thought he was exactly what El Paso Saddleblanket needed. His experience in leadership, work discipline, computers—plus his ability to speak Spanish—turned out to be a good move.

THE DOORS to the new one-acre World Headquarters opened on October 1st, 2005 with an inexperienced new crew, half-opened boxes and unfinished shelving. It was less than spectacular, but we managed to start doing business.

Looking back now I know I made at least two big mistakes (probably more).

First was the lack of initial advertising for the retail side of our business. The wholesale part was solid and steady, but we had been out of the retail business for almost five years and many people still believed we were not open to the public. Since I had spent a lot of money on the move, I thought I could save some money by not advertising as much. Instead I tried to get the word out by press releases, free publicity and word of mouth. I did buy about thirty large highway billboards on both sides of El Paso and some minimal newspaper and radio ads. I even ran a few TV spots.

If I had it to do over, I would have spent much more on advertising the opening. Ted Turner—founder of CNN and an advertising genius—used to say: “Early to bed, early to rise, work like hell, and AD-VER-TISE.”

I believe him!

I THINK THE SECOND MISTAKE we made was the entire concept of the World Headquarters. Before we closed the old downtown store to the public in 2000 it was a fun shopping experience with a Mexican mercado atmosphere. We sold a lot of trinket curio items as well as a lot of middle and higher range products.

Now we had decided we wanted to create a new identity as an outlet type place with big stacks of selected limited merchandise with simple signs and very basic, drab decor. The big stacks had prices like \$28 each; if a customer bought three it would be \$25 each; six would cost \$23 each; and so on. Then we ran a partition down the middle of the store. This left half the store for a warehouse area for wholesale buyers and the other half would be for the walk-in (retail buyers) trade. We had hoped it would give the retail buyer the feeling they were buying direct from a manufacturer (which they were) rather than some Route 66 type roadside tourist trap. We placed a desk staffed with our sales people at the front door in hopes of interviewing and qualifying buyers. We knew for sure that we did not care to be in the postcard, rubber tomahawk, cheap Mexican pottery, trinket type business again.

When El Paso Saddleblanket World Headquarters opened on October 1, 2005 the wholesale side was still very good. But the retail part was only a mild success. Although we were selling products, I noticed that the retail side was not living up to what I thought was its full potential. First off, the staffed desk in the front was an obstacle people really didn't like. So was the partition down the middle. The concept of big stacks with quantity prices did not go over well because most people only wanted one of an item but felt ripped off because we were offering the quantity retail buyers a cheaper price.

Our warehouse concept was drab and boring. Many of the customers

who used to shop with us were whining about not having the selection we used to, and so on.

Generally speaking, wholesalers do not make the transition into retail business very well. Some wholesalers think they are too smart and many others are used to talking with business owners and have little patience with retail consumers. Just the opposite, people with a retail background usually can do very well in the wholesale business. Some places are decorated too cute or too snobby, giving the customer the feeling everything is expensive and overpriced. Some places are over decorated and become some museum that people enjoy but wind up not buying from. But on the other hand a nice store should not look like a junk store or a low-end flea market. Lots of thought needs to be put into these things before you open a new store. I have personally always liked the Ford-and-Chevrolet, middle-of-the-road type business because more of the population fits in this category.

Things were just not working out like we had hoped on the retail side. We even considered closing the retail part and going back to wholesale only, but with a four-acre freeway location like this it would be a shame. Some redesigning, rethinking and rearranging needed to be done. We needed to reinvent the retail side of our business, because even though we were doing business, we were off the mark. Things needed to change.