

1-26-2009

Interview no. 1510

Ray Hernando

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Interview with Ray Hernando by Alejandra Díaz, 2009, "Interview no. 1510," Institute of Oral History, University of Texas at El Paso.

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THE UNIVERSITY OF TEXAS AT EL PASO INSTITUTE OF ORAL HISTORY

Interviewee: Ray Hernando

Interviewer: Alejandra Díaz

Project: Hispanic Entrepreneurs Oral History Project

Location: El Paso, TX

Date of Interview: January 26, 2009

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Transcript No.: 1510

Transcriber / Summary: Patrick Driscoll

Ray Hernando is the founder of RHO Logistics, Inc., he was born in El Paso, TX in 1957 in the Lower Valley; he was the fourth of seven children; both parents were first generation Mexican Americans with families originally from Chihuahua; graduated from Ysleta High; describes three years family lived in San Francisco due to father's need for work, compares it to El Paso, describes the diversity and how it impacted his life and self-confidence. Mr. Hernando describes his parents work and them growing up during the Great Depression and living through World War II; recounts his early work experience in the food service industry and teaching; his efforts to get an education at UTEP and how he initially struggled with studies; describes how he helped influence his younger brothers to get an education, and covers their professions. Mr. Hernando discusses starting his business after getting fired from his job at 43 with \$6,000 and a few office supplies; recalls early efforts to get customers and trucking support to build his company's base; mentions making millions in sales and need to hire more employees due to him working 16 hours a day and handling all the invoicing personally. He outlines the structure of RHO Logistics Inc. and their role in logistics support to vendors; reveals that the company is projected to generate \$15 million in annual sales; his role in developing and mentoring the trucking services that transport for his customers; explains his relationship with the truck lines, past issues of being cheated by some truck businesses; mentions his business in Dallas and Chihuahua; compares difference between U.S. and Mexican business relationships. Mr. Hernando explains how he motivates truckers to give better customer service, his efforts to improve their livelihood and business practices; explains why he has cut hours when business is slow instead of doing layoffs; reveals how constantly setting new goals have been a key to his success; describes his children; reveals his desire to mentor and educate others, as well as the pride he feels from official recognition in business publications; future goal to grow his company's sales to \$50 million annually; describes which years were the best and worst for business. He goes over his children's education and his future plans to have them work for his company; mentions

discrimination and challenges Hispanics face outside of El Paso; describes the treatment he receives from the business community in El Paso; talks about his decision to become a board member of the Hispanic Chamber of Commerce, the benefits to business of being part of it. Mr. Hernando concludes with his regret of not starting his own business earlier and his wish that education for Hispanics would promote entrepreneurship; notes his plan to provide scholarships to Latinos; gives practical advice for those wanting to start a business.

Length of interview 99 minutes

Length of Transcript 41 pages

Name of Interviewee: Ray Hernando
Date of Interview: 26 January 2009
Name of Interviewer: Alejandra Diaz

Today is January 26, 2009. My name is Alejandra Diaz. I'm here with Mr. Ray Hernando in El Paso, Texas.

AD: Hi, Mr. Hernando.

RH: Hello. Let me close this. Okay. Go ahead.

AD: Well, I'm gonna start with some background information, so if you could tell me when and where were you born.

RH: I was born in El Paso, Texas in 1957 in the Lower Valley by Ysleta High School. I have a large family. I'm the fourth of seven children. My parents are first-generation American citizens and their mom and dad were born in Chihuahua. So my first language was Spanish. I have two sisters and five brothers, and again, I'm the middle one. I'm fifty-two years old.

AD: Okay. So you grew up here in El Paso.

RH: Yes, I did. I grew up in an area called Pasodale and it's between Ysleta High School and Riverside High School, somewhere in between. I was born here, went to Cadwallader grade school, and then after that, went to Pasodale grade school, and then went to Ysleta High School and graduated in 1975, but between that time, we moved to San Francisco. My father had lost his job at the age of forty. My dad got a job in San Francisco. So I lived there for three years.

AD: Oh, really?

RH: Yes.

AD: Tell me more about that. How was your life over there?

RH: Life was pretty tough out there because I was a pre-teen, and so, I was about between nine and ten and coming from a culture that was very insulated to being Hispanic American and not really knowing the difference between races or anything like that. We went to a school in the inner city of San Francisco called Bessie Carmichael, and it was a multicultural city—I mean, school. So it was very, very different. Again, I had never seen anybody but Hispanic Americans. So to see blacks and Asian and East Indian and Hawaiian and just every culture you can imagine coming from the West Coast, it was a real big culture shock for us. And so, that was one of the best educations that I ever got, dealing with all that information and dealing with all the going from a very small city, and then, going to a large city like San Francisco.

AD: How do you think that impacted your life?

RH: I think it impacted me tremendously. I always tell everybody that portion of my life really was engraved into my way of being. For one thing, I was not afraid of where I was living. I really didn't have a whole lot of problems there, as far as fights growing up because of the multicultural thing, but I really got along with a lot of people, and I learned how to survive and deal with a lot of different cultures. I learned how to do everything just because we lived right in the inner city. We lived about a block away from Skid Row, it's like the roughest part in town, and the reason we lived there is because my parents already had always made an intention on moving back home. So what we did is we kept our home in El Paso, and we were still paying for our home in El Paso, and we, kind of, put it in mothballs, and we were living off of half my dad's salary. So it was a very, very difficult time. So we had to move into a neighborhood that wasn't so nice because my father intended to keep his home.

AD: So there were always plans to come back to El Paso.

RH: Always, always, and eventually, we came back, and when we came back, I felt that I came back as a teenager, and I felt extremely—I don't want to say advanced, but ahead of the game. My social skills were a little better. I could speak a few languages. Now, I can't do that anymore. I remember I could communicate to the people in the Chinese store or something like that or even some Filipino and stuff like that.

AD: Oh, really?

RH: Yeah. I just felt that I had a great advantage, a great education. I grew up with, again, many cultures in our neighborhood. We grew up, and then, but on the other hand, my brother, Gilbert, he didn't deal with that too well. So it's funny how being from the same family, you know, personalities. Either you become an introvert, an extrovert or you accept it or you don't accept it, and I never really felt threatened while I was over there, but I really enjoyed it. When I moved back, I think that I felt very self-confident because I came back to a small city. It was very neighborhood-like. It was very tranquil. So, of course, I loved that aspect about moving back home, but as an adult now, even I guess since I was able to travel, I've loved to go back to the bigger cities to experience their culture, the food, the music, just what it has to offer.

AD: But just to visit or would you like to move out?

RH: Well, El Paso's always gonna be home, but I love to experience the big city. At one time, my wife and I even thought about buying a home out there in the downtown area. Now, it's much nicer, and now, I can afford things that are a little nicer. But yeah, to buy a condominium in the downtown area, something like that, I would love, and we spend about three weeks a year in the downtown area, and we—

AD: In San Francisco?

RH: Yeah, and—

AD: So you really like it there?

RH: I like it. I like it a lot. I like the aspect of the different cultures and what it brings to my life and how it impacts my life. Yes.

AD: And going back to your parents, what were their occupations?

RH: My father was a Depression father. He grew up in the Depression. His father was a lumberjack in Cloudcroft, and then, my father had three brothers, and they all worked for the house. At that time, everybody kind of pitched in to the house. So, my father worked as a lumberjack as a teenager. He also was part of the CC Camps, which were camps designed to do government work back in the Depression.

AD: Like—I'm sorry. Like what? Government work like what?

RH: Okay. For example, the CC Camps were actually camps where the deal was is kids or young adults would get three square meals a day, and they'd get paid a little money, and they had a place to stay. Now, what they did back in Cloudcroft is they laid a lot of telephone lines and a lot of fences and a lot of telephone poles and cleared pathways for the railroad and those kind of things. So my father and his brothers went out there to go work to earn money, and they came back on the weekend to El Paso. They would actually jump the train in Alamogordo and get a ride to the downtown area, and then, they would get dropped. Well, they would jump off the train in the downtown area, and they'd go back to the home, and then, Sunday night, they would go back and do that. They would hitch a ride from Alamogordo to Cloudcroft, and then, yeah. Well, anyway, my father after that, he went into the military. He was in World War II, and he was the guy that

would park the planes. At that time, the planes were very small, and it would take two guys and a pulley to kind of position the planes in place. So he was part of that. Then, after he came back from the military, he met my mom, and my mom was at a factory at Farah at that time. Do you know what Farah was? Farah?

AD: I heard—

RH: Okay. Farah, at one time, was one of the biggest employers here in El Paso, and it's that big, white building that—well now, it's that big, white building by the mall, that big brand new building. Okay, but before then, they were on Mills [street] and on Texas [street]. It was a family-owned business at that time. So my mom worked there. As they got older, my father worked for the brewery. There was a brewery here in El Paso, Texas called Falstaff, and my father was what they call a kettle man, and basically, he would brew the beer, and he worked there for twenty-five years, and then, again, they shut that plant down, and that's when we ended up having to go to San Francisco.

AD: After those twenty-five years?

RH: Yeah, uh-huh. When he lost his job at Falstaff, he started working for Safeway, and that's where he got a job at Safeway as a forklift driver. So one time during a vacation that we came back home, he made an application here for a transfer, and about a year later, they gave him a transfer. So we ended up moving back home. My mom, on the other hand, for a long time, she worked at a clothing store in Ysleta. It was called Bonanza, and they sold, I guess, just regular clothes, nothing like a nice label. It was just a regular store, and then, she got tired of working weekends, and then, she went into it. She became a cafeteria lady, and she worked for the cafeteria for about sixteen years at Presa.

AD: While you were at school?

RH: Uh-huh. So my parents, my mom, I believe has a 10th grade education, and my dad has about an 11th grade education, but he got his GED, and he went to some classes after he got out of the military and such.

AD: What's the name of your parents?

RH: My parents are Ernesto and Elisa Hernando, and they speak perfect English, and they speak probably better English than they do Spanish nowadays because they use it more. So yeah, that's what my parents did. I remember so much that when I decided to go to school, to go to college, my father would borrow money from his credit union, and he would—and I remember the amount. It was like \$600 a semester or something like that. It was something really small.

AD: Here at UTEP?

RH: Uh-huh, and he would pay it off with his overtime. Yeah, and so, he did that, and then, of course, I worked also. I worked part-time. I worked at the Iron Skillet as a cook, and then, once I got enough hours, when I had sixty hours or thirty hours, I can't remember. I became a substitute teacher, and then, after that, I just did substitute, taught, and then, I worked at the restaurant and just kind of helped pay my fuel, my gas, my books pretty much, and my senior year, my dad borrowed extra money so I wouldn't have to work that year, my last year of college. So that year, I didn't work, but I was broke. (laughing) I was broke. I was broke, man. It was just bad. I remember I used to sell Coke bottles. I used to find Coke bottles, and back in the time, they used to have these thirty-two ounce Coke bottles, and they'd give you a quarter for them. Well, gas was only about seventy-five cents a gallon there. So I remember I would have to – I would need at least two bucks a day to make it to school and back. So as long as I had two dollars of fuel in my car, I could get to school. The day that I graduated from college, the day that I actually got cleared to graduate, I ran out of gas on the Border Freeway. I'll never forget that, never forget that. Never in my whole life

will I forget that. I was a college grad, and I was on the Border Freeway and on Fonseca Street, all right? I was just passing Fonseca, and I ran out of gas. Well, I didn't have to wait too long before a nice lady picked me up. I think she gave me like five dollars or something like that and came back and gave me five dollars for gas. So I had about two and a half days' worth of going back and forth to UTEP.

AD: So what was your Bachelors' degree?

RH: In Business Administration. I wasn't a great student, and it wasn't because I didn't try. Well, I wasn't a great student the first year, and I think part of that is because I didn't realize how important getting a good high school education was. I didn't realize that you could actually prepare yourself to get into school. I got in school because my girlfriend at that time was in school, and her father said, "You can't date my daughter if you're not going to school." Easy as that. Well, it was a blessing in disguise because I went to school. I struggled, critically, my first two years. Struggled, oh, it was bad, but it seemed like when I became a junior, the light came on. It just, "Ah, that's what it's about." So it became very easy after my junior year.

AD: So how did you decide that you wanted to go to college? Did your parents encourage you?

RH: My parents always encourage us, always. My father, like many fathers, they say that they want their boys to be better than them and that they don't want us to be cheap labor. We don't want to be working in the restaurant business and being a cook or a dishwasher, and he was very, very adamant about that. The unfortunate thing about it is that my dad didn't have a lot of time to make sure that I got the good grades in high school. We had seven kids in high school—or seven kids in school. So how do you monitor that when your mom and dad are working full time, and my oldest sister's making sure that we're eating and making sure that we've showered by the time—you know—that kind of stuff? So they encouraged

it, but they just didn't follow up on it as well as we would do now, but yes. It was always that encouragement to do it.

AD: And did everyone graduate from college?

RH: No. I was the first one that graduated in my whole family. In my whole family—Fernandez and Hernandos, and I graduated in 1981, and it was really a proud moment for my family. It really was.

AD: I bet it was.

RH: And my brothers are very grateful that I went through it, and that I did it because—my younger brothers, really—all my brothers are professionals right now. I've got a couple of brothers with master's, and they all do very well. Thank God. I have a brother that has two businesses in Dallas, and then, I have two brothers here that have—well, I have one brother here that has a business along with myself, and then, two of my brothers are really important guys in their companies where they work. So I guess I might have started or broken a cycle of not going to school. But, yeah, we've been very blessed, very, very blessed.

AD: And how about your sisters?

RH: I have a sister. I have one sister that her name is (Armi??), and she was probably the smartest of all of us, and she was my oldest sister, but she didn't go to school simply because she was helping raise kids, her brothers. Back then, I think the oldest got the short stick of the—because they were helping mom and dad raise the kids and making sure, just doing what they're supposed to do, I guess. I think when she was thirty, she went back to school. [She] got a lot of classes, but she had an A in every class. She was really bright. I mean, she made the Dean's List every time. I think she went to (Lawton??) Junior College. And I don't know if she got her associate's, but I know that every class she took, she got an A, but

again, she was raising a family. So she probably had to put that on the backburner, but she's worked for a doctor for, probably, twenty-five years, right now. She has a great job. Yeah, and my other sister, Betty, she's married to a policeman. She was never really interested in school. She just never was, but the rest of us, we all went to school and graduated, and fortunately, have a nice life.

AD: And did your dad or your mom ever talk about having your own business?

RH: No. I'll be honest. My oldest brother, Ernie, he worked for a company called Utility Trailer, and he worked there for twenty-five years or almost thirty years. Well, they shut the plant down here in El Paso. It was in Socorro, and he got a nice chunk of change when they cashed him out. Well, he's the one that kind of said, "Well, I think I can have a trailer repair company." And he did that. Well, with the help of his wife also, they decided to get an SBL, and they started a nice business, and he's had a business since I can't remember how long, but he's had that business for a long, long time, and he still has that business. The way I started my business is because—well, hold on one second. I need to sneeze. The reason I started my business was not because I had dreamed about starting my business, no. I really started my business because I was forty-two years old. I knew that my goal was always to make over a hundred thousand dollars a year. That was just a benchmark for me. I thought, You know, if you make a hundred thousand dollars a year, you're doing pretty good. I always kind of said that, and I was really close to making a hundred thousand dollars, working for other people.

AD: Where did you work?

RH: I worked for a company called Blueberry Confections here in El Paso, and I worked for a company called **Southwest Not or SNA now**. And those people were very generous and paid me well, but once I set my marks to get that goal to start making, and I don't want to be—but start making money like a white guy.

You know what I mean? (laughter) Just trying to make some real money, and I went up to this person, and he said, “No. I can’t pay you that kind of money.” I said, “Well, I do this, this, and that, and I’ve made you a tremendous amount of money. I should be worth it.” Well, about a week later, I got fired. So I was forty-two years old, I had \$6,000 in my pocket because that’s what he gave me, \$6,000, and I didn’t even go home. I can’t remember the mobile company that was—but I went and got myself a mobile. I went to Home Depot, got myself the cheapest fax machine that you could possibly buy, went to go get some paper and pens, and then, I went to go apply for my authority because I knew a little bit about this business, and I said, “I’m gonna go for it.” I mean, I’m not gonna get fired again. I’m just not. If I don’t make it, it’s because it’s on me.

AD: How did you pick this business?

RH: Well, I had been in transportation. I was a traffic manager and I was really good at it. I felt I was really good at it. I was fair. I didn’t want to screw anybody. I just, you know, I thought if you do it right, I always felt that your vendors and your trucking companies will treat you right, and they’ll be honest with you. So I always try to have a high level of integrity with my vendors, even though the business wasn’t mine, but I acted on behalf of an honest person. So I felt, well, if I do it right, if I start it right, I’ll be okay. And the company that I used to work for, Southwest Not or it’s SNA (Southwest Nut??) now, they had started another plant, and they were pretty small, and I had just started. I went to talk to them. I said, “Hey, look. I’m gonna go on my own. Can I count on some business,” and they said, “Yeah.” They were really nice, and I said, “Another thing, can you pay me very fast,” because I needed to turn the money quickly. Well, so they said, Yes. Now, I had to find a trucking company that would give me credit because you don’t have any credit. Your business is a day or two old. So I found a gentleman by the name of Rudy Silva, and I had worked for them for years, and he said, “Yeah, I’ll pull your load. I’ll pull your load.” So I got these two friends, and at first, I thought, Well, if I can make two hundred dollars a day, I can pay my

bills, and I can pay—at the time I was divorced, I can pay my child support, and I can live in a small apartment. Well, I ended up doing fifteen loads a week, and then, I ended up doing twenty loads a week, and for six months, I did like \$700,000 in sales, and then, the next year, I did \$999,000 in sales, and I thought, Oh, my God. I said, “Oh, my God. I’m \$1,000 away from a million dollars.” I was looking for a sale at the last day. I couldn’t find that sale. So I did like \$999,000 in sales my first year, which means I probably made about \$150,000 that year but, of course, I didn’t make it, physically. I had to pay my bills. And the third year, we did like \$2.2 million, and by that time, I was doing all the invoicing myself. So I worked sixteen, seventeen hours a day. It was just tremendous work, and like at the end of the day, I would do all my invoicing, and then, I’d make sure that I go to the post office because I didn’t put anything in the—because I want the money to come quickly. So I’d go to the post office, put everything in the mail, and so, that’s what I did, I guess, for a couple of years. It just flew by. I just don’t even remember, hardly.

AD: So you took care of the whole thing by yourself?

RH: The whole thing. Yeah, the first two years.

AD: How many employees do you have?

RH: Just me, for two years, and then, after a while, I was killing myself. I was going, “Golly, I can afford to pay somebody ten bucks an hour.” I’ve always overpaid, but I was probably paying eight or nine bucks an hour, years back, and she helped me out a little bit, and then, I hired another person. Then, I met my wife. Her name is Rosie, and she was working for a company called Ad Tech (Antac??), and one day she called, and she said her company had closed down, and she was boo-hooing and all this, and I had purchased a home, and she came over. I said, “What are you crying about? Get to work. I have a lot of work.” Well, we grew the business to about \$3.5 million, out of the house, and we needed money

because we just couldn't keep up with the cash flow and stuff, and so, we just worked at it.

AD: So you had your office at your home?

RH: For three years. Well, about two and a half years.

AD: And what was the name of the company when you first started?

RH: It was RHO Logistics. It was still the same. Yeah, we've been around almost ten years. In March, it will be ten years.

AD: Yeah, I read it was 1998. Oh, wow. So tell me about your business right now. How many employees do you have? What's the product, the services that you offer?

RH: Well, RHO Logistics is a logistics company, and it's a company that is totally on service and relationships and making sure that there's a connection with our customer and our vendor. What separates us is that we really—they can trust us. We have a high integrity. I believe we do. We have fifteen employees. They all have benefits. We're gonna start 401K in February. We're at about \$11.5 million a year now. This year, even with the economy, we're working very hard, and we should hit about fifteen million dollars in sales, which it's a tremendous amount of money.

AD: It is? (laughter)

RH: So, I think, for the most part, I want to have impact on the local economy. A lot of the times, these trucking companies that come in, they have no clue. They have no clue on how to invoice. They have no concept of reliability and accountability. So what we've done, we've managed to get these young, new businesses and develop them into, really, overachievers. And I think I'm an

overachiever. I mean, I'm not a rocket science. I mean, I just work hard, try to work smart. So we've managed to get this group of about forty truck lines to really do well. They don't have the newest equipment. They don't have all the bells and whistles of the satellite and all that, but you know what they do have is they have a lot of pride in what they do. So we can compete with anybody, anybody. I could go to any company and say, "We have the best service."

AD: So what you do is you're hired by the truck companies.

RH: No. We're a broker. So what I've managed to do is create a business that can go to a customer, to go to a manufacturer, and say, "Hey, look. I've got an ability to help you cover your loads, maybe not at the best price, but at the best service, and that we will monitor your truck from the time that it leaves your dock to the time it delivers. We'll make sure it's invoiced right. We'll make sure that you agree on the price before we even do anything." Now with the truck line, we say, I can get you a load that you're gonna be paid fair. You'll get paid upon delivery with the original bill [inaudible] and you won't have to wait for your money. Your load, you won't have to touch it, and if you do have to touch the load, as far as help unload, you'll get paid for it. And so, we've managed to be able to sell the truck. What makes us different is that we treat our vendor like our customer with a lot of respect, and these guys might have one truck, maybe two trucks, but we've got a bunch of guys like that. We sent out, maybe, seven hundred twenty seven truck lines last year—seven hundred truck lines, different truck lines.

AD: And how do you get those?

RH: There are systems in place to be able to pool them together. There's systems called DAT. There's Internet Truck Stop, and those all come into play.

AD: But are those all local?

RH: No.

AD: Oh, okay. So where do you—

RH: Well, again, there are systems in place where you can locate a truck wanting to get back into El Paso, or get back into California, wherever your loads are going. You put it like on an email, just to make it simple, and it will get to their dispatchers, and say, “Hey, there’s a load from New York to California.” Well, chances are there’s a California truck in New York. So you can come back, and so, you’ll negotiate the price and your information. You have to have a lot of trust, but then, you have to verify it. You have to make sure because there are a lot of scams out there. You have to make sure that the paper’s legit, that they come back and sign it. You have to be very careful.

AD: A lot of paperwork, too.

RH: Yes, a lot of paperwork. So you have to be careful. You have to be prudent. I mean, we’ve been burned a few times where guys—God knows how they think about this stuff, but they’ll find a way to how to screw somebody.

AD: What do they do? They keep the load or they—

RH: No, they wouldn’t keep the load, but for example, a load will come up on what they call the board at a truck stop, and some of them say, Ah, that’s a load that I want. Well, somebody can call and say, “Hey, I want this load,” and you go, “Oh, yeah. Really?” He goes, “Yeah, yeah. What does it pay,” and you’ll tell him, and the guy will say, “Can I get an advance on the loads so I can put fuel, so I can get going?” That’s very typical. Well, before, you used to give an advance. Now, you have to wait until the guy gets loaded to make sure that he gets loaded, right, and then you give him the advance because he could get the advance and never go pick up the load.

AD: So you have to find your (kicks??).

RH: Yeah. So you have to be very careful, and there's hundreds of ways they can get you. So you always have to have your antennas up and make sure because there's bad people everywhere, and the less protected you are, the more you're gonna get nailed. So last year, I think we dropped about—I say it's a little amount, but it hurt. It's about ten thousand bucks in guys that found a way to get an advance or found a way to not pick up the load and take the money or say they picked it up, and then, you verify with the carrier, or the shipper and they never picked—yeah.

AD: So what happened in those cases? What do you do?

RH: Well, you have to hunt them down, but a lot of times, they won't even be a legit business. So you never track them down. They use disposable phones.

AD: And then, you get in trouble with your customer.

RH: Of course, I have to pay that money back. So I end up losing. Yes. Today, I'll give you an example. We made a mistake today or we made a mistake in December. We did. And I'll tell you, because it happens. We, as companies, we make mistakes. We made a mistake where we should have gone down on a price, and I told my guys, "We need to go down on price because fuel is coming down." Well, we only did it on a certain part of our business. We didn't do it across the board. Well, my customer calls up. He said, "Hey, I'm not paying this." So I look back, and yeah, there's thirty-six loads that we overcharged them. \$10,200 or something like that, that I'm gonna have to write a check out and credit them.

AD: You have to pay it back?

RH: Of course.

AD: Well, that's only if you want to keep good relations with your customers, right?

RH: Of course. I don't want anybody to have a bad taste in their mouth on a mistake that I made or that my staff made. I mean, ultimately, it's my mistake. Just say, "Okay, ten thousand bucks. We got to find a way to make it up and find a way to recover it, and we'll get better, and we won't make the same mistake again."

AD: You learn from your mistakes, right? I was reading that you have offices in Dallas and Chihuahua.

RH: Yes. They are two-man offices. We have a little business in Dallas, and that's a very difficult venture because you're not there to monitor. Chihuahua works a little differently because it's driven by our customer. There is freight every day in Chihuahua just about. So the business is driving the office. You know what I mean? It's like your projects drive you. Whereas in Dallas, we don't have that base yet, so we're having to look for freight. We're having to generate business.

AD: Is that recent, the office in Dallas?

RH: Well, we felt that if we were closer to our customer there or we—it's such a huge market that we could make an impact. It's proven to be a little slower than—

AD: You thought.

RH: Than we thought. We might bring those people back into El Paso and just run it out here because it costs me a tremendous amount of money. It costs me about \$100,000 a year to run that office.

AD: And how do you decide to go, like, specifically to Dallas?

RH: Well, because our Chihuahua business generated a lot of Dallas freight. So we felt, it's natural. We're doing ten loads a day into Dallas. So it's natural to be there because we're right there. So we felt that we had a good opportunity there, and it hasn't proven to be as good as we thought, but we'll make those decisions as the year goes on. We might just go ahead and reel it in and maybe save, in the long run, about \$30,000 or so at the end of the year because rent is expensive.

AD: All those things you have to pay for.

RH: Yes, rent and insurance and those kinds of things.

AD: And how (why??) Chihuahua, how did you decide to expand?

RH: The reason is, in Chihuahua, we started seeing some opportunity with Interceramic and Interceramic is based in Chihuahua, and the Mexican trade system is a little different than it is here. If I go see my customers once every two months, it's too much, but in Mexico, it's a little different. It seems like their culture loves, "Oh, how are you? Let's go have lunch." The lunch is two hours. "Oh, let's go have dinner." So they need that affirmation. "Oh, you're a good guy."

AD: So that's why you decided to—

RH: Yes.

AD: Oh, okay. And how is that going with the situation right now with the violence and all that?

RH: Well, in our case, it's been okay. We're not traveling as much over there because we would go there once a month just to go shake hands and do all that stuff, but we're not going there often. We might go there once every two weeks, and we

go, go to our business at the business. No more lunches, no more anything because, no. It's not worth the risk.

AD: The business there hasn't been affected directly?

RH: No. I mean, we just stay out of that type of deal, and we don't want any—we don't talk about it too much. We just kind of just stay out of the way.

AD: How do you feel the relationship with Mexico, like the twin plant operation in Juárez and all that?

RH: We need them. There's no question that we need them. There's a tremendous amount of freight that is generated over there. Every major corporation is over there. For the most part, it's not real hard to work with them when you're in there. The hardest part of doing business with the maquilas is making that contact, getting in. Once you're there, I'm not saying you're done, but once you're there, at least you have an opportunity to work.

AD: But why do you think that's the hardest part? Is it a trust—?

RH: No. Most of the guys that we deal with are purchasing managers. So each purchasing manager might have his own group of carriers that he likes to work with. So finding a manager that fits our personality or there's something, a friendship or whatever, it's hard. It's hard because people are knocking on their doors every day. "Hey, come to lunch with me. Hey, come play golf with me. Hey, come to Vegas with me." That kind of stuff. I don't have time to do that, nor do I want to do that. I just don't have time. So we feel that we'll do the best we can. We've been successful doing it the traditional way, and we'll probably continue doing it that way. But I'm not saying all the managers are like. What I'm saying is that the relationships that sales people have with their trucking

companies is critical, the same way that maybe I have them with our companies here, the assurance that they give them.

AD: Of course, and how do you determine—when you first started the business that the customer service was needed? Did you have a bad experience with that?

RH: Yes. I always felt that from the very beginning as a traffic manager. I always felt that the level of service from the trucking companies was always lacking, not from all of them, but from most of them, very average. So what I wanted to do is just give a superior service and make some really strong commitments to upholding that service. And again, it's like anything else, if you raise the bar, everybody else will come up. I mean, if you say, "Hey, look. I need a call in the morning at seven o'clock, and if you don't call me, I'm gonna dock twenty-five dollars off your invoice." So pretty soon, they start getting the idea, Hey, well, this guy means business, and then, pretty soon, it makes their job easier. It's I'm not calling them [asking,] "Hey, where you at," that kind of stuff.

AD: Like more organized.

RH: Yes, it's more a level of commitment. I found that when I was working as a traffic manager. Man, it was hard to locate trucks, but then again, now in our case, we won't load anybody if they don't have a cell number. We won't load anybody if they don't have a phone.

AD: So you think those were your main technological issues when you first started, the cell phone?

RH: Yes, absolutely. The cell phones helped tremendously—cell phone and the GPS. (both laughing) See, you needed the GPS.

AD: I need it.

RH: You needed one. I tell you what. I can't travel without a GPS. Well, in El Paso, I can travel anywhere, but when I travel, like I was in Dallas all week last week or the week before. Well, my car has a GPS, but like for my sales guys, I got them a GPS. I don't want this thing. "Oh, I got lost." Oh, no, no. Here, here.

AD: No excuses.

RH: No excuses. You got to hit the mark.

AD: That's right. So what were the economic conditions of the community when you first started and the initial reactions of the actual community?

RH: Oh, the community of—because there could be community of the trucking community, because that's a community, or you can have the brokerage community. I'm gonna talk about the trucking community. I feel that RHO has developed the local trucking community. I really do. My wife has done a great job in that she's taught them how to—a lot of these trucks, taught them how to invoice, taught them to bring their packets in order, and not only that, but we'll tell them, Hey, pay your taxes because ten years down the line, Uncle Sam's gonna come back and tell you, 'Hey, you didn't pay taxes here, here, and here. You owe me half a million dollars' and then, you're broke. So we don't deal in any cash—myself. I don't want to deal in cash. It's too easy. We want to deal in checks only. That way you give me a check, we see the check number, we know what happens to that check and how it gets dispersed. I don't want to deal in any cash, and we tell our trucking companies, Don't deal in cash. It's too easy not to pay your taxes. Get insurance for yourself. Get retirement for yourself. Get a 401K. We as brokers, we need them to be here tomorrow. That's why we pay them fairly. It doesn't do me any good to screw this guy year in and year out because he's not gonna be in. His equipment's gonna look like crap. He's gonna look like crap. He's not gonna be happy because he's not making any money. So

if you look at my office, I'm proud of my office, too. It doesn't look like a trucking company. It looks like a professional office, and we treat everybody with—

AD: So do you think your image—

RH: Yes, absolutely. That's critical.

AD: And that you thought about it from the beginning?

RH: Yes, absolutely. I had a friend once call it 'pride of ownership.' I'm proud of the guys that I use. I'm proud of that my staff is a good looking staff. I'm proud that my guys dress well and they can afford their own homes. I'm proud of that. I really am. I don't want to have a business that my guys can't afford a nice vehicle or they can't afford insurance or they can't afford retirement. I'll sacrifice my margin to do that, and I have. I would bet you that my guys probably make 40 percent more money, or maybe even more, than people doing their job.

AD: And do you think that's important to your business or as a person, you just want to—

RH: Yeah, what I wanted to do is I wanted to create a place that the employees would be proud of what they do, and that they could afford to buy a house or to buy a vehicle, those kind of things or to have insurance, more importantly to have insurance. That's very important to me that that happens because I see so many successful companies here in El Paso and elsewhere that the owners, I know, are making a tremendous amount [of money]. But the employees, they don't have heat, they don't have any kind of lunch place where they can go sit down and eat lunch and, you know, crap like that. I think it's horrible. I never want to be one of those—I never will be one of those employers. It's horrible, and I just I feel very strongly about that. So, that's, kind of, what I think. What good would it be

for me to have so much money and my employees look like crap when they come into work? No, I don't want that.

AD: And they're not happy.

RH: And they're not happy. I don't have any turnover. My company's gonna be ten years old, and I have a guy that's been with me seven years, another guy, most of them, five and six years. They don't want to leave. They get bonuses.

AD: And they're productive, too.

RH: Very, very productive. Very, very productive. I feel like it's my responsibility to provide them with an opportunity to make money, to buy a home. I mean, two of my employees have already bought their own home, and they're twenty-three, twenty-four years old. I mean, that's awesome. I feel good about that. I mean, there's people out there working for all these places, and they don't even have medical. That's horrible.

AD: Unfair. That's unfair.

RH: And unfair. It doesn't cost that much money. I mean, okay, if you got three thousand employees, it costs money. *Pero digo yo*, you can work that in. I mean, it might cost \$250 a month. Yeah, it costs me about \$3,000 a month to have insurance for my guys. As long as I'm not losing money, I'm fine. This month, we're off 50 percent from last year, 50 percent, maybe more. Am I worried? Yes. Can we beat it? Yes. Can we improve? Yeah. Will we have to make some sacrifices? Yes.

AD: What kind of sacrifices are you planning on making?

RH: Probably cut them down to four days, but not laying off anybody.

AD: Have you talked about that to them?

RH: Yeah, they kind of know that it's coming. Last year, we did it for a little bit, for about two months, just because you need to make adjustments. You need to. If not, you're putting your head in the sand. As an owner, you're responsible to make those decisions because you don't want to drive the business out of business.

AD: And then, you're prepared.

RH: Yes. You say, "Hey, look. You know what? For the next three weeks, we're gonna go to four days, and if business gets better, then we go back to where—" I mean, they all have a lot of incentive to do well, and I had to deal with them last year. I mean, we were doing really well last year, and I said, "Okay. If you guys hit this mark here, I will pay all your guys' rent or mortgage." Well, suckers hit it about three months in a row. (both laughing) You know? Bastards.

AD: Talking about that, what kind of obstacles did you face before starting your business, and how do you deal with them? For example, now that the economy, like—what was—?

RH: Well, the thing is, one thing you have to know is that you have to make the tough decisions, right. I mean, I don't want to lay off anybody, and I probably won't, and we've managed to have a place here that—all these people know that they're overpaid, that they get paid more than the same people doing their job. So, you have to tell them, "Okay, when it's good, it's good. I'm not saying it's bad or tragic, but we've got to make an adjustment," and we'll make it across the board. Everybody has to do it, not just them. All of us do. I remember last year for that time, I didn't have any expenses. So I put my American Express card in the safe and my wife's, and I took everybody's business card. Close it, that's it. You

have to wait. You have to do it, and we got to watch the money we spend on gas, and that doesn't make just only for the business, but for our families, too. I mean, I've got kids, and hey, don't twenty dollar me to death. I mean, "Hey, Dad can I have a twenty? Hey, Dad." You know everybody.

AD: You all adjust.

RH: Hey, we all have to adjust.

AD: And what factors do you think helped grow your business throughout the years?

RH: I think setting goals, definitely, setting the marker and saying – I like to watch TV, but I don't like to watch bad news. I just don't. I'd rather read, and I don't read novels or anything. I read anything that's positive, anything. It could be religious or spiritual or somebody has something good to say. We're not reinventing the wheel. Everybody in business has gone through this. I mean, if it was that easy, everybody would have a business.

AD: So you set goals every year.

RH: Every year.

AD: Every year?

RH: Yes, and not only that, but one of the best tools that I have is—that was given to me was you just write everything down you want to do. It's like a to-do list. It's like a punch list. And me and Jesse, I say, "Okay, let's bring your punch list," and we'll say, Okay, what are we doing? And he goes, "Well, we're doing this and this," and we'll go down. We might have thirty items, and then, after we get these thirty items, we'll say, Okay, well, when can you get this done, and he'll give me dates. "Well, I think I can get this done by here," and we go through

them. But that, it's a perpetual list because there's something to do every day, every day, and if you—and I have lists dating back to—and I keep them. I bet you I have lists all the way up until maybe—well, for sure 2000, but I know that I have them since about 1990 or something like that. They're somewhere in storage. Yeah, and it's a good tool just to keep you on track, and if you're not looking at that thing every day, you're gonna fall off track. You will. So if you just make a list of everything you want to do, goals, just whatever. This project needs to get done or you need to fix that doorknob or you need to—just everything. Well, my car needs an oil change—everything, and then you put a date on it. It's amazing how much you can get done, amazing.

AD: So you think that you being motivated and positive affects your employees and the business?

RH: Oh, yeah. There's no question about it. Oh, yeah. There's no question about it. Yeah. I mean, I believe that—look—it's not hard. You just have to have the will to get off your butt and deal with the stuff as it comes. It doesn't do you any good to wait until tomorrow. Just do it. Just do it. It's not that hard. It really isn't. There's a few things that are hard in life. One is to get a bank to lend you money when you're not making money. That's hard. (both laughing) That's hard. A bank will let you borrow money when everything is (good??). They want to throw money at you. That's hard. That's a hard thing to do. Yeah, that's a hard thing to do. That's probably the hardest thing ever, get a bank to let you borrow money when you're not making money. But honestly, if you're motivated, if you're positive, you can do a lot of stuff.

AD: What do you think was the hardest decision you ever made for this business?

RH: That's a good one. What's the hardest decision I made in this business? I don't know. That's a good question. I don't think there's—I mean, I don't want to sound—but the decisions that I have to make, it's because I have to make them.

When they're hard, it's because you don't want to make them or you're torn between two, but if you ask my wife that, I have no idea what she would say, maybe to terminate an employee. But an operational decision, they're easy because like this decision on this money I have to pay. That's easy. I mean, it's hard to give it up, but it's an easy decision.

AD: Yeah, because you know what you have to do.

RH: You know what you have to do, and all of us, when you think about the things that we have to do or that are programmed in your life, the decisions are pretty easy. You got a headache. You take an aspirin. You run out of gas, put gas. It's as easy as that. I don't think there's been things that have tugged at my heartstrings to make it difficult, no.

AD: And how about the major successes that you've had here?

RH: I think the most major success that I've had is that I can employ fifteen people, and they're happy with their job. They're all good at it, and they're good at it because I treat them very fair, and I think they like me. I think they genuinely like me, but I don't know. I think that's my success. I get to have my kids working with me. I have my daughter working here. I have two sons working here.

AD: How many kids do you have?

RH: I have a bunch of them. (both laugh) I have a lot of them. No, I have three boys. I have one that's twenty-four [years old] and one that's eighteen [years old] and another one that's seventeen [years old], and then, I adopted a son that is sixteen [years old], and I adopted a daughter that is twenty-five [years old].

AD: Wow. Five kids.

RH: Five kids.

AD: Big family.

RH: Very big family and I have got a beautiful granddaughter.

AD: Oh, congratulations.

RH: Thank you and she's eight years old. But no, again, it's you just have to get up every morning and want to go to work. I mean, you couldn't have achieved what you achieved if you—I mean I'm proud—I mean, I'm nobody to be proud of you, but to have your master's by twenty-one [years of age]. I mean, that is phenomenal. I mean, Jesus.

AD: Thank you.

RH: You got to be pretty smart to do that.

AD: Well, I try. I'm a hard worker.

RH: Well, and that supersedes a lot of stuff. I think that's the best attribute that anybody can [have]. If you're a hard worker, if you don't mind getting up in the morning and paying your dues, I think you can achieve so much, and it's just, I was blessed to have parents that were hard workers. So what else?

AD: I was gonna ask you what year do you consider that was the best one, financially speaking?

RH: For me?

AD: Or which ones? If there were a lot.

RH: I don't know how to answer that question. There are a lot of things I measure success, and it's not all financial, believe me. I think this year with the Hispanic Chamber that I was able to help them a little bit.

AD: How was that?

RH: The Hispanic Chamber?

AD: Um-hm.

RH: Yeah, I'm part of their board, and that was neat, and then, I did get some recognition with the Department of Commerce, which was nice, but all in all, I think I measure it by how many people I impact positively, and that's what I want to do. I like to mentor. I like to teach, and I like to motivate, and I think those attributes—this job has given me an ability to provide some of that to some people, not that I'm the greatest by no means, but that's in part that we can. We can do it just with a little hard work and a little initiative.

AD: Tell me more about your recognitions. Yes, tell me because I read that you were named the twenty-ninth company in transportation.

RH: Yeah, I mean those are—

AD: Don't be modest.

RH: Well, a lot of that, they ask you to fill out these papers, and we made the Hispanic 500 and the Fastest Growing Companies in the Country.

AD: How does that make you feel?

RH: It makes you a little proud. Yes, of course, it does, but that's not the measurement. It really isn't the measurement. I know that sounds really cliché, but the measurement is quality of life, and I don't mean, "Oh, I can go here." No, no. It means quality of life that you can provide other people, the charity that you provide other people, the help you can give other people. I really measure it on that. Yeah, I mean, I like to drive the nice car and a nice house and all that, but that's not who, really, I am. I've been fortunate enough to be able to have a little bit of success, but what I want to do now is grow the business. What I'd like to do is grow it to about a fifty million dollar company, and hopefully, I can do it in the next five years. And can I handle that type of business right now? No. Am I working towards setting up the infrastructure to do that? Yes, I am. And so, I guess you can't take that next step until you're ready. So I need to work harder. I need to learn more, and so I'm always willing to learn more, but people like you that take these wonderful surveys, and I'll be reading other people's ideas and successes. Maybe that could help me. One of the guys that I look up to tremendous is Fred Loya Jr. and Fred Loya. Those guys are amazing, and they started at a very—now, they're huge.

AD: They are.

RH: Fred Loya and Viramontes, those guys were phenomenal in their day. Those guys—oh, the Castros, the guys who owned the McDonalds. Have you talked to those guys?

AD: We are going to.

RH: He's an amazing guy. I'm gonna get to work with him in a couple of projects, and I'm excited because I had aspired to be somebody as successful as him, and not for—again, not for the money, but he provides how many jobs? He's an amazing guy, and you talk to him. Have you ever met him?

AD: I haven't.

RH: He's a nice guy, approachable, down to earth. Those are the guys that I say, "Golly, when I grow up, I want to be just like that guy," and he's probably younger than I am, but he's really a good guy, wonderful guy.

AD: I guess as long as you're happy with what you're doing.

RH: Oh, yeah, and I am. My dad says, "You found your niche." Yeah, I think I did. I think I did, a little too late, though.

AD: No, it's never too late.

RH: I mean I found it at forty-two [years of age].

AD: But you found it.

RH: Yeah, I found it.

AD: A lot of people don't.

RH: So to answer your question which one's the most successful, I think, for the most part, financially probably '07 was the best year. I mean, that was a killer year, '08 was a rough year.

AD: Was it?

RH: Yeah. Well, '08 was a rough year in that we had to work twice as hard to achieve that extra \$1.5 million. We really worked hard, and I think '09 is gonna be rough, but we're gonna keep our nose to the grindstone, and we'll be all right.

AD: In what role do you see your family playing for the next five years that you want to achieve the fifty million [dollars]?

RH: Well, I have a son that's a freshman in college right now. He's at Community, but he will be going to UTEP soon. My daughter graduates from UTEP this next semester. I hope that they take more of a leadership role. I really do.

AD: Here with you?

RH: Yes, I hope that they do. Will they love it as much as I do? I don't know. I don't think I'll ever retire. I think at some point in time, I'll just kind of hang out because, really, this is my office. I gave my office to one of my guys because I'm not here every day or every minute of the day. Today, I am because I had four meetings today, but for the most part, I would like them to take more of a, really, a handle on it. I really would. My son, Christopher, he likes the operational part. So that's good. My daughter, she's in the financial part. That's good. So I feel that I've got them in the right place. My eighteen-year-old, he's just learning. He just got out of high school. So he's just being the gopher right now, throwing the trash, cleaning the bathrooms. He's doing the grunt work like he should. He should be humble. He is so funny because he is spoiled rotten, but he's not an ugly spoiled rotten, but he loves the nice cars. I said, "Hey, man. Do you know what I drove when I was eighteen years old? I ran out of gas. I drove like a '57 Chevy when I was in college, no air conditioner, vinyl seats." He's driving a nice car. Anyway, they just have a different attitude, but he's—

AD: Different times, too.

RH: Oh, yeah. He's a great kid. My kids are humble. Thank God they are. So you have to stay humble—true to who we are—the guy from the lower valley.

AD: And do you think that being Hispanic has affected, in some way, your business or at the beginning, something?

RH: You know I'll tell you. Dallas has suffered because of that, my Dallas office.

AD: Even nowadays?

RH: Oh, yeah. It is. Look. You go to anywhere in the big city in Dallas or in Houston, and you're not gonna see too many Mexican Americans in positions of decision. You just don't see it. In El Paso, you do, but you just don't, and Dallas is very white and very other color, but there's not too many brown in the middle. There really isn't. I guess I saw maybe thirty customers in Dallas last week, or two weeks ago, and I think only two were Hispanic Americans. So they see a—this is my opinion, it's not a fact or anything, but I feel that they see a Hispanic American that can articulate well, who is passionate about his position, or his company, who can relay an effective presentation, and I think they—I mean, I think they're taken aback by that. I don't think they accept that very well yet. There's a quick story I'll tell you, and see how you can relate to it. My brother, John, is a successful guy in Dallas, Hispanic American. He's doing his lawn at his house, his beautiful home. He's clipping the things, and he's blowing the, you know. What does one of the guys around the street? They go up to him and ask him how much he charges, and my brother said, "This is my home," and the guy was, "Oh, I'm sorry."

AD: So there's stereotypes.

RH: Absolutely there are. My wife drives a beautiful car, and I drive a beautiful car, too. I didn't bring it today. And I got stopped by the cops, and I drive this beautiful BMW, and they ask me if it's my car. "Yes, sir," and what do I do for a living, and they give me a warning, for some reason, but they're just checking. They'll check you out. I mean, it's stereotypical, and I'm not saying it happens

all the time because it doesn't. It really doesn't, but it does happen, and it's very hard in those abundantly white cities. Again, El Paso is still very insulated. As Mexican Americans, we're very fortunate to live here. We're able to achieve anything here, and we bring value to our community. We do. In other cities, they don't view us that way, and I'm not saying everybody, but you do feel it. Just go to Lubbock.

AD: So you, traveling around with your business, have felt that?

RH: Oh, sure. Sure you do. You do.

AD: And your clients are they mostly Hispanics?

RH: No, they're all major corporations, and I'll find that the clients that I have now, who know us, who know about the integrity that we have, who know about our values and how we treat our customers and how we treat our people, I think, for the most, part they really like working with us. They do. It's the new business that's really hard to get to, to break that little barrier because there is a barrier. I'm not saying all the time, but I'm saying sometimes.

AD: And on a scale of one to ten, how do you rank your acceptance in the local business community?

RH: Oh, I think I'm really accepted. I mean, *me tienen chiple, bien chiple*.

AD: So ten [or] eleven? (laughing)

RH: I get a lot. I get calls from the El Paso Times, and they ask me, Hey, Hernando, what do you think about this? I feel very privileged that somebody would ask my opinion on something.

AD: Yeah, of course.

RH: I do. I feel very privileged, and so, I feel that, yes, the business community treats me extremely well.

AD: So do you feel as a business leader?

RH: I don't know if a business leader, but I know that I can help somebody. There are a lot of great guys out there, a lot of them. They are. Some with more influence than me and some very genuine, like Mr. Castro. He's an awesome dude. Fred Loya, those guys are great. I aspire to be charitable like them and to impact the community like them, and hopefully, God willing, I will.

AD: Do you think you have impacted the community?

RH: I think a little bit.

AD: How so?

RH: Just by the local trucking community. I know that the trucks that are working with me are making money. I do, and I know that, and I can tell by what they drive and how they dress and where their kids go to school. They go to private schools. They're doing well, and they're not going out of business.

AD: That's always good.

RH: Yeah, I'm not out to screw them. I'm not. What for? I love to—

AD: I think it's mutual.

RH: Yes, I love to sleep at night. I don't have a hard time sleeping. I don't.

AD: And why did you decide to be a member of the, well, a board member of the Hispanic Chamber?

RH: I think I was surprised that they asked me.

AD: Were you involved with them before?

RH: I had gotten an award.

AD: Tell me more.

RH: Yeah, I had gotten an award called Entrepreneurial Spirit or something award about three or four years ago, and they know the story. They know how I got started and how we've grown this business. So we've managed to have a little success, and Cindy Ramos says, "God, you would be a good poster boy for us." [I said,] "Why?" "Well, because that's the way." Like I'm kind of a good example of what could happen if you do things a certain way and all that.

AD: So they used you as a role model.

RH: Yeah, as a role model. I guess that's the word, and I said, "Oh, yeah. Oh, that'd be great," and so, one year, they asked me—they said, "You need to say yes," and I said, "Well, yes." "Okay, so you're gonna be a board member, executive board member." I said, "Wait a minute." He goes, "No, no, no. We'll coach you the first year. We'll kind of show you the ropes." So, the first year, I was like involved in everything. I said, "Jesus." I was spending way too much time over there, and I was having meetings, and I said, "Geez, I can't do this like that so much." So anyway, so the second year, yeah, it was a little better. I kind of tapered off a little bit because I wanted to kind of show a—because you're dealing with a lot of guys that are really big, powerful guys. And I felt, kind of, intimidated

because those guys—I mean, my business does well, but some of those businesses are doing like—well, I mean, only one or two businesses are really doing well, like Castro and Loya. I mean, those guys are big-time hitters, right. Most of them are just a little higher revenue than mine, but I felt a little intimidated because those guys, I think they're smart guys. Those guys are smart guys. So I just started getting my feet wet, going to a lot of meetings and just doing whatever I could to fill in. I won a couple of other awards, and they submitted this thing to the Department of Commerce, and that was the one that was really surprising. I was Minority Supplier of the Year.

AD: Oh, yes.

RH: So that one was really surprising to me, and I was most proud of that one. I said, “Golly, that’s pretty good.”

AD: Was everyone real excited?

RH: Yeah, I invited my parents and a couple of family members and stuff. It was really nice. That was a nice honor for me. That’s a nice honor.

AD: So do you think that relationship with the Hispanic Chamber of Commerce has helped your business?

RH: There’s no doubt about it.

AD: How so?

RH: For one thing, the way they interact with you as a business owner, really high expectations. Okay, it’s you’re dealing with a lot of professional people who have done very well. So, it’s like I say, they raise the bar. So that and you bring that back to the office. You bring that organizational structure to the office.

AD: So it's a personal growth that you bring to your business.

RH: Absolutely. So all it does is you just spread that into our guys' lives, and then, they expect more, and then, it's just a beautiful trickle down effect or trickle up effect or however you want to call it because it raises the bar, but if you don't get involved, then it's no good. The whole idea is to get involved.

AD: Because then you don't experience that.

RH: Absolutely. You don't experience. You don't experience the organization. You don't experience the collaboration.

AD: Oh, wow. Well, for the final reflections, I'm just gonna ask you some questions about it. Looking back on your business what, if anything, would you have done differently?

RH: Looking back on my business, I wish I would have had the courage to start it earlier. I think, I don't know if I talked to you about it, but they don't teach you how to start up a business in high school or in college. There's not a entrepreneurial something.

AD: Correct. That's exactly what this project is for.

RH: So I think that one of the biggest things that high school does, especially for us Latinos, it teaches you (DECA??), (HECE??), whatever those things are, right. They teach you how to work for somebody. I wish that there was an educational track that would encourage entrepreneurship, if that's a word. So I would start it differently. A lot of people, like myself, don't start a business or start a business, because it's the last resort, and it was my last resort. So if somebody—

AD: So you thought you wouldn't get another job?

RH: I just knew that I wouldn't get a job paying me what I was making. I was too old. I was forty-two. Yes, I have an education. Yes, all that good stuff, I have a lot of experience, but I don't want to make \$45,000 a year. No, I don't. I'm worth a lot more.

AD: So life took you there.

RH: Yes, life did take me there. As much as I went kicking and screaming, but yes.

AD: So what dreams do you have for the future, for you, and your business?

RH: I think my biggest dream is to get my business to a point where it's completely solvent, where I can use it as a training ground for internship, just internship for, let's say, high school kids, where I could provide scholarships. I'll probably do a scholarship this year. If I have a good year, I'll probably do a nice scholarship for somebody, for a Latino, where I can have male or female person that has that spirit, entrepreneurial spirit, and just the goal is fifty million dollars, but it's not for the money. It's just a marker. It's really not. It's really not the money because I'm not gonna buy another house. I'm not gonna go on—

AD: It's about the growth.

RH: It's about growth. It's about having a business last a hundred years. I hear companies go fifty, sixty years. I'd love for my business to be something like that.

AD: So you want to keep it a family business.

RH: I want to keep it a viable business. I want to keep it a business where my kids could run it or my kids' kids can run it or maybe take it public one day. I don't know, but I want it to be around. I feel that we provide a good service to our community.

AD: What advice would you offer a Hispanic starting a business today?

RH: Today. Pay your taxes. Well, and I say that tongue in cheek. If you're gonna start a business, you need to have a checking account. I mean, it sounds really basic, but there's – you'd be surprised how many businesses deal in cash, and they squander their money because they have money in their pocket, and they don't deposit it. They don't create a paper trail. Paper trails are awesome if you're doing things right. One is to be organized. You have to be organized, and you have to hire somebody. You can't do it by yourself. I mean, you can't do it by yourself. You have to trust, but, I guess, the most important thing is that you have to have a good product, and like the kids say, "If you don't feel it here, nobody else is gonna feel it." If you're not enthusiastic about what you do for a living, you're not gonna be able to sell that to anybody. You're not. If you can't sell what you're doing right now, how are you expecting me to sell or sell it to me? You got to feel it. So you got to have a good product or you got to believe in your product. It doesn't matter what you're doing. It just could be a daycare. It could be whatever. If you are 100 percent behind it, they'll get behind you. They will.

AD: And do you feel the business climate today is better or worse for Hispanic business owners than when you started your company?

RH: Well, that's a good question because let me tell you something. When I started the business, I didn't know about climate. I didn't know about anything. It didn't matter to me. It was a matter of survival. Looking back at it, was it a good climate? Was it a better climate? Probably it was a better climate because it was

easier to get in the business. It was easier. Eight years ago, I don't think trucking companies and brokers were as good as they are now. That business has evolved into a better business. I think it's easier to start up a business because there are more things available like the SBA, the Hispanic Chamber of Commerce will help you get a business startup. I think there are things available out there to help you get started, but I think you should start much earlier than that. I think like you talked about. There should be an entrepreneurial—what did you say? Corridor, someplace where it directs people that have that spirit in them to pursue that, a business that will be—

AD: To guide you.

RH: To guide them. Yes.

AD: Would you recommend someone else to be interviewed for this project that you know?

RH: Yeah, I do. I have a good friend of mine. His name is Rick Hernandez. He's a good guy. In fact, he just won an award, too.

AD: He did?

RH: Yeah, he won one just recently. I think it was the Future 15. He won the Future 15, Mustang Express, and I'll give you his number as soon as this thing turns on.

AD: Okay, and is there anything else you would like to add?

RH: I don't know. What do you think? I talk so much.

AD: No, it was very interesting. Just something that—

RH: I didn't bore you, did I?

AD: No, not at all. Just something that I didn't ask that you would like to add or some advice or—

RH: When do you get out of your Masters program?

AD: In one year.

RH: Really? That's awesome.

AD: Let me just finish up this then. This is the end of the interview with Mr. Ray Hernando. This was Alejandra Diaz.

End of Interview

DRAFT