

CARIBBEAN E-OUTLOOK

September 2010

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Caribbean E-Outlook is a publication of the U.S. Small Business Administration Puerto Rico and U.S. Virgin Islands District Office

José R. Sifontes
District Director

Angelique F. Adjutant
Editor

Volume # 8, Issue # 3
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Helping small businesses **start, grow** and **succeed**.



Your Small Business Resource

Business Matchmaking Event Takes Puerto Rico West Coast by Storm

Over 160 small business owners came together recently to participate in an Economic Recovery Business Matchmaking Event held at the Inter-American University in San Germán, Puerto Rico, aimed at helping increase federal contracting opportunities among small firms on the island's west coast.

Conducted by the SBA Puerto Rico office in conjunction with the Puerto Rico Small Business & Technology Development Center (PR-SBTDC), the event provided small business entrepreneurs with a chance to learn about federal agency contracting procedures and with important tips on how to effectively market their products and services to potential government buyers.

"As we continue on the path to economic recovery, it is our intention to help small businesses expand their development opportunities by obtaining contracts with the federal government," said SBA District Director José R. Sifontes. "Close to \$1 billion was invested in federal contracts in Puerto Rico last fiscal year, and we want to ensure small firms con-



U.S. Coast Guard Contracting Officers and Purchasing Specialists meet with potential vendor at matchmaking event held in San Germán, Puerto Rico.

tinue to get their fair share of that contracting pie."

Small business owners in attendance had the opportunity to meet with contracting officers and purchasing representatives of such federal agencies as the U.S. Army, the Corps of Engineers, NASA, HUD, U.S. Coast Guard, the Federal Highway Administration, and the Department of Veterans Affairs, in addition to prime contractors, and representatives from the municipalities of San Germán and Cabo Rojo, and the Puerto Rico Department

of Transportation and Public Works.

"This event turned out to be a great marketing opportunity for local firms with federal and state government purchasing representatives that visited us in San Germán," added Carmen Martí, PR-SBTDC executive director.

The matchmaking event also included educational sessions on government certifications, procurement and labor legislation. For more information about SBA, please visit www.sba.gov/pr. ♦

SBA ENCOURAGES PUBLIC TO PLAN FOR DISASTERS

In conjunction with the five-year anniversary of the devastating Gulf Coast storms of 2005, the U.S. Small Business Administration is encouraging business owners, homeowners and others to create their own disaster preparedness plan during National Preparedness Month in September.

SBA, along with many state, local government and private sector coalition partners are participating in this September's National Preparedness Month. To prepare for disasters, SBA offers the following tips:

Develop a solid emergency response plan. Find evacuation routes from the home or business and establish meeting places. Make sure everyone understands the plan beforehand. Keep emergency phone numbers handy.

Make sure you have adequate insurance coverage. Homeowners and business owners should review their policies to see what is or isn't covered. Companies should consider business interruption insurance, which helps cover operating costs during the post-disaster shutdown period. Flood insurance is essential.

Copy important records. It's a good idea to back up vital records and information saved on computer hard drives, and store that

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MESSAGE FROM THE DISTRICT DIRECTOR

As we get ready to close out one fiscal year and welcome another, we couldn't be more pleased with all that we have achieved.

Our loan production continues to be ahead of the same period last year, in both



District Director José R. Sifontes

volume and dollar value. As a matter of fact, we have already injected over \$61 million to the economies of Puerto Rico and the U.S. Virgin Islands.

During the past few months, we have been busy strengthening our existing alliances and forging new ones, helping increase our outreach to a higher number of small businesses in the communities that we serve. Our staff continues to train and provide support to our lenders and resource partners, exploring a variety of initiatives that will result in

expanded business opportunities for established and potential entrepreneurs.

Our entire district office is committed to improving the environment for small businesses to thrive. To all of you out there who have joined us on this journey: *thank you.*

We are on our way to an even greater fiscal year.

Until then,

SBA ENTERS ALLIANCE WITH DISUR TO HELP FOSTER SOUTHERN PUERTO RICO ECONOMY



SBA District Director José R. Sifontes and Viviam Puig, executive director of Southern Integral Development Inc. (DISUR), sign a Strategic Alliance Memorandum between both organizations, which will help strengthen and expand small businesses by fostering the economy in Puerto Rico's southern region.

A SMALL BUSINESS GROWS IN MOROVIS: AN SBA SUCCESS STORY

For almost two decades, Edwin Ortiz has dedicated his professional life to the business of supermarkets.

In the heart of Morovis, a town with a population shy of 30,000 in the central mountainous region of Puerto Rico, Supermercados Selectos Mr. Cash serves close to 2,000 customers a day. Its success is largely due to Edwin, who bought it from his brother Ovidio in 1995 and turned it into a service-oriented, customer-friendly shopping venue.

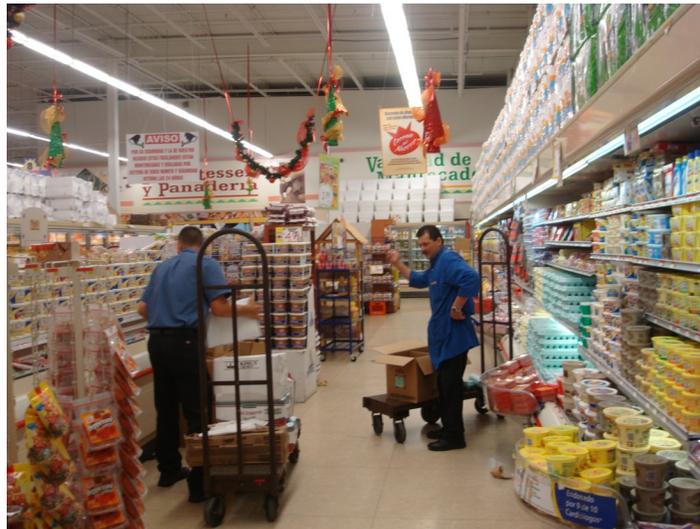
The supermarket wasn't always thriving. In fact, Ovidio acquired it at public auction in 1983, shortly after its previous owner declared bankruptcy. Ovidio saw an opportunity to re-establish the store as a profitable business and named it Mr. Cash.

True to its namesake, the supermarket generated \$6,000 in sales on opening day and began growing steadily, employing 30 people. Soon after, Mr. Cash required additional space, and Ovidio moved it to a bigger commercial lot across the street. Mr. Cash had indeed begun to thrive.

After 12 years of successful operations, however, Ovidio decided it was time for someone else's turn at the wheel, and he asked Edwin to go work with him at the store. Ovidio's plans were to employ Edwin and later sell him the business, which he did in 1995.

"I had no money and no idea how I was going to buy the supermarket," Edwin says. "But my brother set forth some reasonable conditions and gave me a term of five years to pay him. I accomplished it in a little over four."

Edwin was already well-familiarized with the food industry. Years before, he had worked as a sales rep for a meat distributor and



his routes included supermarkets, butcher shops, restaurants, and cash and carry warehouses. His experiences served as a basis for his future success in the supermarket business. Edwin was also well-trained as an administrator.

At the time his brother called on him to join the supermarket, Edwin was the manager of credit union Cooperativa de Ahorro y Crédito Moroveña. In that position, he got to

know the people in the area and establish a direct relationship with his customers.

During Edwin's first year as Mr. Cash president, sales increased by 17 percent. In 2000, Edwin decided to join Supermercados Selectos, a local supermarket chain that allows its members to partner in making purchase negotiations in bulk and offer more competitive prices to

their customers.

"The Selectos concept relieved me from having to pay for advertising or a warehouse," Edwin indicates. "I don't have to design or distribute my own shopper. The Selectos chain has an in-house advertising team and a central warehouse that serve all member stores."

But renaming the supermarket wasn't an easy task. The townsfolk saw Mr. Cash as *the* supermar-

ket in Morovis, and Edwin felt that by changing its name he would somehow be taking from its identity. A deal was reached with Selectos' board of directors, and the supermarket became Supermercados Selectos Mr. Cash.

The chain of Supermercados Selectos has a track record of excellence in its industry. Upon joining Selectos, Edwin's supermarket experienced an increase in client demand, resulting in a 10 to 12 percent increase in sales, figures that have remained steady throughout the years. Sales continued to rise to the point where the supermarket needed bigger space.

In order to solve the problem, Edwin visited Banco Popular de Puerto Rico, who referred Edwin to Marketing Small Business Finance Corporation, a Certified Development Company (CDC) authorized to deliver the U.S. Small Business Administration's 504 Loan Program. With the loan proceeds, Edwin purchased four *cuerdas* of land—or 16,000 square meters—outside the urban center of Morovis and built several commercial buildings.

In 2003, the business moved to its new facilities, occupying close to 30,000 square feet and leasing the remaining space, which is occupied by a restaurant, a beauty parlor, a dry cleaner, and a cake decorating school. Also, the

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information at a distant offsite location in fireproof safe deposit boxes. You should have copies/back ups of important documents ready to take with you if you have to evacuate.

Create a “Disaster Survival Kit.”

The kit should include a flashlight, a portable radio, extra batteries, first-aid supplies, non-perishable food, bottled water, a basic tool kit, plastic sheeting and garbage bags, cash, and a digital camera to take pictures of the property damage after the storm.

More preparedness tips for businesses, homeowners and renters are available on the SBA’s website at www.sba.gov. The Institute for Business and Home Safety (www.disastersafety.org) also has information on protecting your home or business. Additional information on developing an emergency plan is available at the federal government’s preparedness website www.ready.gov.

When disaster strikes, the SBA makes low-interest loans to homeowners, renters and non-farm businesses of all sizes. To learn more about the SBA’s disaster assistance program, visit www.sba.gov/disasterassistance.♦

PR & VI LOAN PRODUCTION AS OF AUG. 31, 2010

LENDER	LOANS	\$\$\$ VALUE
7(A) LOAN GUARANTY PROGRAM		
Banco Santander Puerto Rico	79	\$3,637,300
Banco Popular de Puerto Rico	74	\$7,259,600
Banco Bilbao Vizcaya Argentaria	42	\$2,513,600
FirstBank*	33	\$4,074,100
Scotiabank of Puerto Rico	21	\$1,271,900
Economic Development Bank for PR	20	\$3,892,800
Borrego Springs Bank, N.A.	15	\$660,000
First Chatham Bank	2	\$1,620,000
Independence Bank	1	\$500,000
Eurobank	1	\$400,000
Bank of Nova Scotia	1	\$35,000
TOTAL 7(A) LOANS * Includes loans in VI	289	\$25,864,300
CERTIFIED DEVELOPMENT COMPANY PROGRAM		
PYMES Financial Partners Inc.	32	\$15,788,000
COFECC	24	\$11,348,000
Marketing Small Business Finance Corp.	13	\$5,355,000
Puerto Rico Business Development Corp.	5	\$1,980,000
North Puerto Rico Local Development Co. Inc.	2	\$678,000
TOTAL CDC LOANS	76	\$35,149,000
GRAND TOTAL	365	\$61,013,300

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stores share a parking lot that accommodates close to 300 vehicles.

Today, Supermercados Selectos Mr. Cash’s sales are four times higher than when Edwin bought it from his brother, and 80 people are employed. Successful as he is

as a small business entrepreneur, when asked about his most satisfying moment Edwin laughs and says “the day I paid off my mortgage”. Then, he grows serious.

“The most satisfying thing is to see my family well positioned,” Edwin declares. “My oldest son owns a bakery, two daughters are engi-

neers and another a dentist, and my youngest son will soon graduate as an engineer. All that was possible thanks to this business.”

Edwin is also quick to attribute his success to the dedication and commitment of his wife Carmen.

“I have been married for

30 years to a wonderful woman who has always supported me and has shared with me an entire lifetime. Her name is Carmen M. ‘Mary’ Rivera and nothing of what we have achieved would be possible without her unconditional devotion and disposition to work alongside of me.”♦