

Moving into an Untapped Niche: The Spanish-Speaking Market

BY ROSALYN RETKWA

New York City is full of "man-with-a-van" movers—spunky entrepreneurs who get a truck or a van, convince a friend to lend a hand, and open up shop. Such was La Rosa del Monte Express Inc.'s humble beginning, a company that won New York City's first Hispanic Heritage Business Award this past year.

La Rosa del Monte, or "rose of the mountain," blossomed amid the empty lots and burned-out tenements of the South Bronx. The neighborhood is a favorite touring site for politicians looking for a symbol of urban decay and poverty for the TV cameras.

When Hiram Rodriguez started his one-man, one-truck moving company in 1968, he was 21 and a recent immigrant from Puerto Rico. The Bronx was experiencing waves of arson and vandalism that almost led to the young company's demise. In 1970 vandals torched his truck, but damage was minimal. The following year vandals burned his office and cleaned out his safe. Except for \$5,000, which he had hidden in order to deposit it in the bank the next day, "I lost everything I had; I had no record of anything," Rodriguez says.

Rodriguez never did find out who set the fire, but the experience "made me stronger and made me work harder," he says, knowing that someone was "trying to intimidate me and get me out." Today Rodriguez keeps a scorched ledger in his office as a souvenir.

Since those trying years, La Rosa del Monte has gone from one truck and \$20,000 in annual revenues to a fleet of more than 60 trucks and \$8.3 million in revenues this past year. Rodriguez projects revenues will hit \$10 million by the end of 1989. His 160 employees in 10 locations (the main office is in the South Bronx) include seven of his 11 brothers and sisters and four nephews.

SOLVING FINANCING WOES

Rodriguez was unable to get private bank financing to support his

young company, so he self-funded his growth from profits. His only financial aid came from a small loan (\$10,000) he obtained from the Small Business Administration. In order to help struggling loan applicants, such as he himself once was, he later cofounded with eight others the New York National Bank. Rodriguez currently serves as the bank's director.

The bank opened for business in February 1982 by acquiring a former Bankers Trust branch in the Bronx. It later acquired two more offices from Manufacturers Hanover, one in the Bronx and one in East Harlem. Today the bank has \$69 million in assets concentrated in loans to small and midsized minority-owned businesses.



Hiram Rodriguez's firm concentrates on moving families back and forth between Puerto Rico and Santa Domingo and eight U.S. sites with large Hispanic populations.

CARVING A NICHE

La Rosa del Monte concentrates on moving families back and forth between the islands—Puerto Rico and Santo Domingo—and eight sites in the United States with large Hispanic populations. These include Miami, Orlando, and Chicago. While other moving companies already offered similar services, there was "a very definite need for a bilingual organization,"

says Jerry D'Amato, of Cirkers Moving & Storage Inc. in New York City, who has known Rodriguez for 15 years. And "other companies were not astute enough to fill that need," he says. As of yet, Rodriguez hasn't entered the competitive domestic market for interstate moving—one that was hit hard by deregulation and deep discounting.

"To be successful today you have to carve a niche," says Charles Irions, president of the American Movers Conference (AMC), a trade association based in Alexandria, Virginia. But, he adds, "there are only so many niches to dig into." One untapped niche is the Spanish-speaking market, Irions says. Some of his member firms in the Miami area recognize the need for bilingual services and have "very successfully switched over to a largely Hispanic workforce."

As a whole, the moving industry has experienced a healthy increase in tonnage hauled and revenues. "Business is good, but we're not getting very good profits" because of widespread discounting, Irions explains. And although tonnage hauled increased 9.5 percent between 1987 and 1988, and revenues were up by 4.7 percent, the industry's overall profits declined by 6.7 percent, according to the AMC.

MAKING MOVING A BARGAIN

Rodriguez makes moving economical for customers by doubling up their possessions in large containers. "If we don't have enough freight to fill a container, the customer may have to wait a month or two" for delivery, he says. But the wait will cut costs by two-thirds to an average of \$1,500 for the typical household.

But low prices do not imply cut-rate service. "We do all the packing at the customer's house, and before we move anything out, we do an inventory and mark every item with the name, lot number, and location," Rodriguez says. "Some companies just bring everything to the warehouse, and then they lose track of what's what."

Full-time furniture restorers fix any damage that occurs during moving, and this keeps La Rosa del Monte's insurance rates down. The insurance company he has used for 15 years gives him a "good rate" because he almost never has losses to report, according to Rodriguez.

Currently Rodriguez is planning to build a larger warehouse that would increase his storage space by about 50 percent. "I'm planning on starting new branches in South America and Europe, but those [shipments] have to be crated, and for that you need a big space," he explains. The additional space would also let him expand into commercial moving jobs and generate more storage income, he adds.

His biggest obstacle lies in the zoning laws. Although there's very little livable housing in the immediate vicinity—most buildings have been reduced to rubble—the neighborhood is zoned as residential, and before Rodriguez can build the warehouse, he has to obtain a commercial variance from the Board of Estimate. Rodriguez has already filed forms to ob-



La Rosa del Monte's financial success and contributions to the local community were recently recognized by New York City Mayor Ed Koch (far right).

tain small business financing from the city for the \$2.5 million construction project, and he is optimistic about the project: "They're dying to do some-

thing in the South Bronx because they haven't done anything for so long and because it's for a minority business."

The warehouse will reap benefits for both the company and the neighborhood, Rodriguez points out. For the company, it will add another 10 to 15 jobs to the Bronx office and increase revenues by a minimum of 30 percent over five years, he estimates. It will create more construction jobs as well as free up the street for traffic; previously trucks loading and unloading blocked the street. Instead trucks will be able to pull into the warehouse.

So far, Rodriguez has spent three years and \$50,000 to get the zoning changed, and in February he obtained tentative approval from the Board of Estimate. He always believed that the city would give him his way—because Rodriguez has never been known to give up without a fight. □

Rosalyn Retkwa is a New York City-based freelance writer specializing in business and finance.

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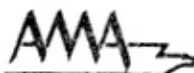
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