

4 Challenge the Conventional Wisdom

Conventional wisdom is a term coined by the economist John Kenneth Galbraith in his 1958 book *The Affluent Society*, second edition (New York: Houghton & Mifflin, 1958). It is used to describe certain ideas or explanations that have become generally accepted as true. However, conventional wisdom may actually be either true or false.

Conventional wisdom often stops people in their tracks. This is not necessarily bad. If the conventional wisdom is that a small business will not survive and grow without proper financing -- a truism that has been shown to be true countless times -- and this rightly should act as a stumbling block to the nascent small business owner who intends to start a venture on a shoestring and hope for the best.

But conventional wisdom should not stand in the way when the belief is based on outmoded facts, wrong premises, or prejudice.

As Galbraith said, "The enemy of the conventional wisdom is not ideas, but the march of events." Take, for example, the conventional wisdom of years gone by that the construction trades are clearly a man's world and that women need not apply.

Linda Alvarado and Mercedes LaPorta have never met. They live over 2,000 miles apart, one in Denver and the other in Miami. Both are the head of successful companies they built from the ground up over many years. The stories of their phenomenal success are so identical that at first glance they seem to be the same story. Although they are not the same story, success stories of very different small businesses often seem to have the same roots.

The success of Alvarado Construction, Inc. and of Mercedes Electric Supply, Inc. have at their core the willingness of two women to follow their dreams and to challenge the conventional wisdom that neither of them had any possible chance of success. Both have found success in different facets of the construction industry, which is notably hostile to women generally. Minorities often face that same hostility in management and ownership. When both women started their businesses more than 20 years ago, women doing what they wanted to do were simply unheard of. The conventional wisdom was not simply that they would fail, but that they were crazy to even begin. However, they each pitted their will against this conventional wisdom and in the end not only succeeded beyond anyone's expectations -- including quite probably their own -- but, in doing so, also changed their respective industries, both for their gender and for minorities, generally.

Linda Alvarado was brought up in a highly competitive family with five brothers and no sisters. "Both my grandfathers were Protestant ministers, which was a little unusual because we are Hispanic," she remembers. "As you might imagine, our life revolved around the church."

"My parents were very, very positive people. It was clear what your priorities were growing up. There were high expectations in school that not only would you bring home an A, but you would tell them what you had learned."

Mercedes LaPorta was born in Havana, Cuba, and her family emigrated to the United States and settled in Chicago. "As I was growing up, I kind of always knew that some day I wanted to have my own business," she says. "I come from an entrepreneurial family. In Cuba, my father had his own business and my uncles had their businesses. When we came to this country, my dad, as soon as he had saved enough money, opened up a small grocery store. I was about 13 years old, and I would work in the store on weekends. I always had this bug in me that I wanted to own my own business."

Linda Alvarado admits with a laugh she was not born an entrepreneur. "We don't have any entrepreneurial history in my family. I wasn't even a Girl Scout, so I never sold Girl Scout cookies. I never really thought about owning my own business or being my own boss."

During her college years, Linda bucked the conventional wisdom in her first work-study job. Young women worked in the cafeteria or did things like filing and answering the phone. But she took a job working for the college's landscaping department, and in doing so soon found she liked working outdoors. She began to fall in love with the construction industry. "I took very unusual classes for a woman: surveying, estimating, and construction supervision classes. This was very nontraditional as you could imagine."

After college, she went to work for a construction company. "I started actually in a project accounting position on site, later moved into a support position to a project manager, and as my skill level developed, moved into a project engineering function." In those positions, she admits, "I liked being on the construction sites as well, watching the buildings come up out of the ground. When a superstructure went up, it gave me a great sense of the creative process that ended up with this structure of great permanence and beauty."

After high school, Mercedes LaPorta went to work for the A&P supermarket chain and quickly became its first woman buyer, eventually purchasing grocery items with a budget of more than \$200 million per year. She also helped end a labor strike by the chain's Mexican-dominated workforce. She could have gone on to senior management with the company, but her entrepreneurial genes surfaced about the same time she and her husband Victor decided they had enough of Chicago's winters.

Mercedes and Victor LaPorta arrived in Miami, Florida, and in March 1979 they began Mercedes Lighting, Inc. They began in a 1,000-square-foot office selling only Sylvania light bulbs. The decision to start her own business was simple. She says, "I always had this bug in me that I wanted to own my own business. I really never wanted to work for anybody else, my first job in Chicago was one born of necessity."

Just three years before Mercedes and Victor LaPorta arrived in Miami, Linda Alvarado had decided to get into the construction business by starting small:

As I was on these construction sites, there were very, very large projects going on. I began to dream about building a project of my own. It was a pretty modest dream at the time and I began to think of it as a possibility. I decided I would start a small construction management company.

My start was very nontraditional. Many times, you draw up a business plan and follow it. I never dreamed of owning a business. I started very, very small, working in the development.

Of course, banks didn't like to fund construction companies. To make a long story short, I had this blue suit and I went to several banks, but I was rejected by all of them, six banks. My parents finally mortgaged their house for me to get going for \$2,500. It was the bridge money needed to get me over the gap until I was able to get a small business loan. Perseverance and persistence have kept me going. They are important to the extent that I believe I will outwork most people in finding a solution.

This led to starting a company as a curb cutter and doing sidewalks and foundation work -- it was really a foundation for building my business to what it is today.

The growth of both the companies started by these two women has been nothing short of inspirational.

Less than 10 years after it started, Mercedes Electric had achieved its goal of being one of the leaders in the distribution of electrical equipment in South Florida. By 1992, Mercedes Electric Supply, Inc. moved into a 300,000-square-foot warehouse and office building, housing over \$2 million worth of inventory.

The company Mercedes now heads acts as an electrical, automation, and data communications distributor that employs 45 workers, has annual sales of over \$25 million, and is growing rapidly. It ranks among the 200 largest electrical supply houses in the country. In the past couple of years, as Miami International Airport has undergone a significant expansion and rehabilitation, Mercedes Electric Supply, Inc. has won the largest it won the largest contracts in history. First, it won a \$10.2 million contract from American Airlines to supply the electric distribution and lighting system for its new terminal. Then it won a \$9.2 million subcontract from the general contractor doing the South Terminal modernization and now has started a \$3 million contract on the North Terminal modernization.

Linda Alvarado never lost her dream of building grand projects. Her small sidewalk and foundation company morphed into a small general construction firm and soon became one of the fastest growing commercial general contracting firms in the country. It was one of three firms that built the new Denver Broncos stadium and was also part of the construction of the Denver International Airport and the Colorado Convention Center. Today, it employs 450 workers and has revenues in the multimillions, building projects for public and private sectors, both domestically and internationally.

Both Linda Alvarado and Mercedes LaPorta are successful not because they had some better idea for a new product or service. Both, after all, are in very settled, old line industries. Although both brought innovative techniques to what they do, so did their competitors. Nor are they successful simply because they worked hard. When talking about their years in the construction industry, their stories of what they overcame are so similar that you realize they succeeded because they stood up to decades of prejudice. They chose not just to ignore the conventional wisdom, but to meet it head -- on and steam roll right over it.

Their stories of their early years are very alike. Mercedes remembers with a laugh:

It's hard enough for a woman to start a new small business, but it's doubly hard when that business is typically a "man's business." When I started 28 years ago, I don't remember running into a woman anywhere in this industry down here in South Florida. I had a lot of doors slammed in my face. In the early years, I had to use whatever tools might be available to me to break in. In those times, I was kind of relegated to the back room because I couldn't get my foot in the door anywhere. So my partner, who was a man, would have to go out to make all the calls.

Linda remembers that, at that time, women just weren't welcomed on construction sites:

I experienced graffiti being written on the walls and pictures of me in various stages of undress. Nevertheless, I worked with some really good people and I knew this was an industry that I really wanted to stay a part of.

Being optimistic by nature gave me some sense of personal mission to show that women could succeed in this field. You have to smile because what people are looking for when I walk in the room is somebody six foot five and burley. And in reality, I'm five foot five.

I would be asked, "Do you know what you're doing . . . Do you know you're not going to be welcome?" I was never directly told I couldn't do it, but it was indirect. I was once told, "You have so much potential, have you looked at other fields like teaching or corporate America or even law school?" At the time, women were just making their initial inroads in those fields. "Why don't you look at areas you could fit in?" I was told. I overheard conversations and jokes about me from many people. It was an environment where being the first led to guys putting an arm around me and saying, "What's a nice girl like you doing in a place like this?"

But instead of becoming discouraged, the hostility made both women dig in their heels and try that much harder.

Mercedes says:

But, in all these 28 years, I've never considered there was anything I wouldn't be able to overcome, whatever problems I had at the time. I always knew I would find a way to do it, and I always did find a way to overcome the obstacles that were in my way.

When a person told me I was going to fail, I just looked him or her straight in the eye and said it would never happen.

Linda remembers:

It was for me, at the same time, both hurtful and challenging. When your credibility is questioned, it's very easy to personalize the criticism, and I had to be very careful not to disqualify myself from opportunities, not to believe the conventional thinking, and not to put myself in a box. That was my biggest challenge. While no

one ever told me I would fail, I'm sure there were some bets I would.

My mother always told me you have to start small but think big. That was reinforcement to me and reminds me today that all businesses started as small businesses. Without some pain, there can never be gain. The key is balancing that and measuring that. That little sentence let me go back and rethink and, if nothing else, say, "Look. I'm no different than anyone else in a pickup with a briefcase."

Both have now gone on to be so much more than just business successes.

Mercedes LaPorta is active in numerous civic and business groups including the Women's Business Enterprise National Council (WBENC) Women President's Organization, the National Minority Supplier Development Corporation, National Electrical Contractors Association, and the National Association of Women in Construction. She is a passionate advocate for women in business, serves on the Enterprising Woman National Advisory Board, and is a WBENC ambassador who works to get large corporations to recognize the importance of supporting the growth of women-owned businesses. She has become a mentor especially to women starting out who own their own businesses.

In the mid-1980s, Linda Alvarado started a company called Palo Alto Inc., with her husband Robert. Palo Alto built and now runs more than 100 fast-food restaurants, including Taco Bell, Pizza Hut, and Kentucky Fried Chicken locations.

In the early 1990s, she heard that the Colorado Rockies baseball franchise was up for sale. "I had never considered owning a professional sports team," Alvarado says. But the more she thought about it, the more she liked the idea. No woman had ever tried to buy a Major League Baseball franchise. "It was a huge risk for a woman, especially a Hispanic woman, to own a sports team." But at age 39, she became part owner of the Colorado Rockies.

She now is a corporate director for three Fortune 150 companies and has served as the chairman of the board of the Denver Hispanic Chamber of Commerce and as a commissioner of the White House Initiative for Hispanic Excellence in Education.

But every day both of them still worry about their businesses.

Mercedes confides:

Right now, my business is getting ready to make another significant step in size and volume. So I'm preparing myself for this next step forward by adding technology tools. We have had computer systems and technology for a long time, but as we grow we will need more and more to service our growing customer base. In my warehouse, I'm now using automated handheld devices that will print out orders and inventory. Everything is done by bar codes so that the filling of orders is more accurate and quicker and deliveries can be scheduled automatically. This eliminates errors, it saves us time and money, and above all it upgrades our level of customer service. If we make it easier for our customers, we make it easier for ourselves.

Linda Alvarado admits:

I worry about cash flow, labor, backlogs, cost of insurance, and all sorts of other things. But when I get up in the morning, I can't be paranoid that people are after me.

People measure success very differently. My success has come from my ability to enable others -- the people who work for me and with me -- and to understand that change is constant. In order to be at the top of your game, you have to be able to adapt to change. The only reason I'm a success is I empower those around me to meet our clients' expectations and to make them understand that it's part of their dream also.

Starting off in a man's world, what central lesson have these remarkable women learned on their way to success beyond not paying attention to the common wisdom?

"There are ways to play the game within the rules, but still find ways to win," says Linda Alvarado.

"I think it was the way I was raised, my father raised me always telling me that if you set your mind to do something then there's nothing you can't do," says Mercedes LaPorta. "If you put everything you have into it, you're going to succeed.

"And I've always carried that with me. My dad passed away a few years ago, but all my life he was my inspiration."

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