

**Centers to link U.S., Mexican businesses**

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El Paso Times

Thursday, May 22, 2003

When Jeffrey Hughes opened a franchise of Intelligent Office on El Paso's West Side in January, he was expecting that most of his clients would be from Juárez.

He envisioned that Juárez businessmen would want to spare their own clients a trip across the bridge by meeting in El Paso, preferably at a place that looked more professional than a booth at Village Inn, a place like Hughes' rent-by-the-hour offices and conference rooms.

But four months later, only four or five of his 22 clients come from across the Rio Grande.

"It should be 70 percent," said Hughes, who co-owns the business with his son Dax. "It's because we're not getting to them, not reaching them."

Dax Hughes is president of Intelligent Office, which offers temporary office space and services to businesses. Hughes hopes to tap into Mexican entrepreneurs doing business in El Paso.



Whereas large companies in the United States and Mexico have reaped the fruits of NAFTA, making deals back and forth, smaller businesses like Hughes' are still struggling to find partners on the other side.

This is the focus of new efforts by the city of Juárez to set up an American-style Small Business Development Center there, one that would be linked to the small-business center at El Paso Community College, and eventually, one that would be part of the entire network of such centers in the United States.

"We think that supporting small businesses will help economic development," said Maria Antonieta Venzor, Juárez director of financial and economic promotion. "The great majority of firms, 95 percent, are medium-sized or small. For small businesses in Mexico, the cost of penetrating the United States is high. (With help), I think any product could cross over."

Venzor's office is still looking for a site near the Bridge of the Americas in which to open the center June 11, in time for a three-day small business expo called "Sanchez@Sanchez to Smith" at a ProNaF convention center.

Herson Carranza, left, and Rene Jasso, right, worked at Intelligent Office, 7362 Remcon, on Tuesday, along with other employees. Company co-owner Jeffrey Hughes says 70 percent of his business should come from Mexican businesses. But, he says, "we're not getting to them, not reaching them."



The project started a year ago when Juárez businessmen asked the U.S. Small Business Administration in El Paso to help them. The city of Juárez took over the project and started talking to Roque Segura, director of the Small Business Development Center at El Paso Community College.

"They didn't want to reinvent the wheel, but to emulate" the El Paso center's model. "They don't have real knowledge of doing business on our side," Segura said. He recalled the fate of a Mexican businessman who wandered around El Paso for a week looking for an American partner for his lard business. If a small-business center had been in Juárez, he could have used its resources in his search.

Business experts say the desire to tap into international business is there.

"There's so much interest in Juárez. I'm confident it's going to be successful," said Cliff Paredes, director of the International Trade Center, a specialized small-business development center in San Antonio that helps small businesses import and export.

### **Juárez Expo**

**What:** "Encuentros de negocios Sanchez@Sanchez to Smith."

**Where:** Centro de Convenciones Internacional, Anillo del ProNaF Circle and Benjamin Franklin Street.

**When:** June 11, 12 and 13.

**Cost:** Free admission. Exhibit booths cost \$275.

**Information:** 011(52) (656) 6-16-80-40, 16-02-95, 11-07-60.

The mentor relationship has already worked in Guadalajara, where a small-business center opened in November 1999. It started slowly, by building on an

existing program at the Autonomous University of Guadalajara with a visit to San Antonio's International Trade Center.

"It's such a totally new concept -- free assistance, funded by the government. It will take some time before the word spreads," Paredes said.

Guadalajara's five-person staff benefits from training by its American counterpart, thanks to a three-year grant of \$300,000 from the United States Agency for International Development. The Guadalajara small-business development center has become a kind of model for 13 sprouting centers in other Mexican cities. Juárez Mayor Jesús Alfredo Delgado Muñoz said he has visited the Guadalajara center.

Ultimately, if services are on par with American small-business development centers, the Mexican centers could get a bona fide SBDC certification.

"Ten years from now, I see 100 SBDCs in Mexico and 1,000 in the U.S. completely linked, an instant bridge," said Robert McKinley, regional director of the South West Texas Border SBDC in San Antonio.

That idea is supported by the Partnership for Prosperity, launched by Presidents Bush and Vicente Fox. The partnership is a private-public alliance, which aims to devise ways to boost Mexico's economy in order to curb the immigration of undocumented Mexicans looking for jobs in the United States.

"One of the biggest challenges of Mexico is to formalize the economy," McKinley said. "Forty percent (of business transactions) is off the books."

The Partnership's 2002 plan includes securing mortgages in Mexico, building infrastructure including ports and air cargo facilities, expanding Mexico's Internet access, financing U.S. franchises by Mexican entrepreneurs and supporting small businesses in Mexico through American-style small-business development centers.

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