

## Interviews for thesis

### QUESTIONS ASKED

- What made you start your own company?
- What was the biggest challenge to overcome?
- What were some advantages found?
- How would you describe the ease of opening a new company?
- How difficult was it to make the company grow?

The reasoning behind these questions was to analyze the beginning of each of the companies starting from the motives, all the way to the success each has had throughout the maturity of the company. Some key aspects that were to be touched up on was whether difficulties in the country were seen only as disadvantages, advantages, or even both at times.

The participants in the interviews all had a major part in the success of the companies, with almost every person being interviewed being owner, co-owner, founder or manager of a specific branch for international expansion. A crucial part of the companies that were interviewed was that they represented different industries or products, which was intended in order to look at a broader scope than to just focus on one industry and see how successful they are. With these companies being in different segments of the markets, it was better to see what the similarities were between them, but also it was interesting to see what challenges were different when they decided to enter the market and how they were able to overcome obstacles to become profitable and continue growing.

## Interview # 1

### Flower Box.

Flower is a company that was established in 2017 by two young entrepreneurs who saw the opportunity to innovate on a long and old tradition in the country of Honduras, which was to give flower arrangements the old fashioned way. Flower Box started by giving flower arrangements but with a more designed bottom vase and the first thing that came up to their minds was to make the arrangements fit in a box, and that is how the name came to be. The interview was with Ana Bados, the co-founder and co-owner of Flower Box and the person with the idea of opening up her own business in the country.

### Questions 1:

What made you start your own company?

I believe that the reason why we started the company was because we saw a market that was old and yet lacked innovation. Giving flowers has always been a tradition in the country but people always went to the same place to get the same type of flower arrangements. When me and my partner were on a family trip in the United States we saw that this type of flower arrangements in a box was spread all around Miami and we saw that it was not a difficult task to try and imitate it. Therefore, we had the idea and the opportunity to open up our own store.

What was the biggest challenge to overcome?

By far the biggest challenge was to find funding for our company. Every bank would offer us a small loan and with high interests and tried to undermine us by telling us we did not have enough to our name in order to take out a bigger loan. Our parents and some family members were able to give us the money on a loan with little to no interest and that's how we were able to start.

What were some advantages found?

The best advantage that we found is the lack of different products out there in the market. We noticed that there were no other alternatives to flower arrangements and people always frequented the same spot in the city (San Pedro Sula) to look for flowers. We came up with the idea to put the store in a better location with a better facility for clients to reach us and then it became popular on social media.

How would you describe the ease of opening a new business?

This part was one of the trickiest because it turns out most people do not really register their companies as they now it may take months in order for it to get approved and to get all the paperwork done. However, we were benefited by the new program that was beginning to establish in the country by the chamber of commerce which made it a lot easier to open up companies.

How difficult was it to make the company grow?

Making the grow was not an easy task, however, it was not that hard. The business started growing since the beginning and as soon as it became popular by some of the biggest names in the country on social media, business increased to the level that we were not able to adapt to it and had to hire more people to fill out requests. After we hired more, we were able to grow at the rate we wanted and began to think of moving to other locations within the city and later on within the country.

## Interview # 2

### Heros Leather

Heros Leather is a company that started in Tegucigalpa, the capital of Honduras, in 2003 and has shown to continue expanding by being an exporter as well as selling all over the country. Heros Leather, as the name suggests, is a company that manufactures leather accessories for both men and women with 100% real leather from farms inside the country. The business started small and has continued to be a small, yet profitable international business with customers ordering from all over the world and having distributors in different countries in Central America and the United States. The interview was with Hector Sosa, the co-founder and owner of Heros Leather.

What made you start your own company?

I guess the real reason was that I wanted to be a part of my own success. Since I started working for different large companies, I realized that the amount of work that I was doing did not amount to much and it was keeping uneasy knowing that I could be doing something for myself and could find a way to succeed. The idea to start with this line of business was not mine, it was my wife's idea, but after long hours of conversation, it came up to my mind that different leather products had become so commercialized that they lacked the authenticity, and also noticed that the products in the country were imported and the price was almost doubled. This is where I found the opportunity to create a quality product with a price lower than those of the competitors.

What was the biggest challenge to overcome?

The biggest challenge I knew that it was going to be to put of my own savings into this. Definitely it was not an easy choice as I had to give up almost all my money before I knew how profitable the product would be. My other concern was that I was not exactly sure how the market was going to react to having a product of better quality but with a relatively higher price than those products already existing in the market.

What were some advantages found?

The advantage that was noticeable since the beginning was that there were only about two stores who offered these authentic leather accessories, which is why we realized if we could make something with a cheaper price and the same quality, we would be able to come on top of the competition.

How would you describe the ease of opening up a new business?

Back in the day it was a bit more complicated because of the lack of technology and everything had to be done and handled by paper. This delayed the process but laws and regulations were lenient enough to let us start without actually completing all the necessary steps to become a fully legal company. It was mostly an issue with banks back in the day that made it difficult or unattractive to open up a new business.

How difficult was it to make the company grow?

Growth was a bit complicated, since the market that we were targeting represented only a small percent of the entire country's population. We knew since the beginning that most of our money would come from happy customers who would be willing to recommend our brand to others or they themselves would buy different products from us. After the rise of social media though, we were able to hit other markets outside of Honduras and that is how we began marketing online until we got to the situation of receiving orders from clients in different countries. This is where started to see the business take off and we noticed that our product was wanted in other markets where prices for the same accessories and fabric were marked higher than those in Honduras.

## Bloor Store

Bloor Store is a comics/anime store that opened in 2015 with the idea of targeting a niche market in Guatemala City, Guatemala. The two owners were obsessed with comics and anime and figured out that no one but only one store had a small section for this type of genre. The idea came to be and with the help of friends living in the United States, they were able to create their own store themed after comics and anime and they are now a successful company with stores in both Guatemala City and major cities in Honduras. They also managed to export to other countries in the Central American region because of their select items for sale. The interview was with the manager of the company in two cities in Honduras and the person in charge of opening up new stores in the country, his name is Daniel Arita. Daniel has been a long time friend of both owners, therefore he knows the story of their success since its beginnings.

What made you start your own company?

I believe that there has been this market in our countries that have not been touched up on because it has always been considered “weird” or out of the natural. When it comes to comics and anime, it is not that many people in these countries who are open about it, and those who are and would like to express did not really have options of where to buy clothes and accessories. Both owners realized that this needed to come to a stop and this is how the idea came to mind. They were both working for a company that was not giving them enough money and made them work six days a week with only a few amount of vacations, which is why they decided it was time to venture their way into starting something of their own that would give them the freedom they needed.

What was the biggest challenge to overcome?

The small target market was definitely the most difficult part. The money was there to start given by their families, but it was the fear that the company would not be big enough to attract more clients. It didn't really take that long for customers to come in and it become something more than just for comic enthusiasts, but for those who liked the apparel.

What were some advantages found?

In the beginning, the clothes and accessories came directly from the United States, which was attractive but it was costly and the margins were not ideal. It was when we realized that if we designed and made the clothes inside our countries, we would be able to significantly reduce the cost and provide work for locals. The biggest advantage was the easiness and the cost of labor and raw materials in order to gain more profit.

How would you describe the ease of opening up a new business?

This is something I tell everyone and they still do not believe how easy it is. In our countries, due to the laws and regulations, a person is able to start business without that much risk other than the financial one of course. It was only a matter of being thorough with paperwork and waking up early to go to offices, but other than that, it was something that came off quite easy. After this, expanding to another country, Honduras in this case, was made possible and easy due to the agreements between both countries. Shipping overseas was also easy because of the low to zero amount of tariffs to be paid.

How difficult was it to make the company grow?

In the beginning it was difficult because the money was not coming in as we were hoping it would be, because we were importing already finished goods and tried to sell it, therefore the margins did not really leave a good profit. When we decided to focus on production inside the country and expand the store to not just be completely for a select amount of people, but for those who wanted to wear something unconventional, that is when the business took off. We have not been faced with competition since we opened, which is also another reason why growth has been continued.

## JLB Soluciones

JLB Soluciones is a construction company that started in 2011 in San Pedro Sula, Honduras. The owner and founder is Arturo Fajardo, who graduated from civil engineering and decided it was not going to be his life if he worked for someone. The company manages and deals with everything related to construction, however, the most important part of the company and its international part is the one involved with pvc frames and windows. The company's pvc frames and windows are distributed all throughout Central America and there is a special team for the setups. This is where the company started to stand out and grew.

What made you start your own business?

If I could narrow it down to one word, opportunity. I always wanted to have a business of my own in which the decision I made would help my cause and make the company grow. I only worked for someone for five years right after university and realized I was not going to be able to continue working and building up someone else's dreams. This is when I realized I had to become independent and started doing something I knew I was quite good at.

What was the biggest challenge to overcome?

The biggest challenge, which still is, was competition. There have been construction companies that already have a monopoly for decades in the country and region, which made it difficult to find the clients I wanted. In order to overcome this challenge, what I did was to reach a market that was not desired by other major companies and started growing and becoming recognized from there. After I gained some recognition, I had a market where I was the point of contact and grew little by little.

What were some advantages found?

I personally believe it was the greed of other companies that made it possible for me to start earning money. The greed of only wanting to catch the big fish and disregard the



small ones was definitely a positive. Another advantage I found was that I realized that these major companies worked with the government and this made it possible for me to differentiate myself.

How would you describe the ease of opening up a new business?

In this industry it is not so easy because plenty of capital is required to buy the necessary equipment. It was not easy from the financial side and from the help of the banks that were not able to provide enough money. The legal part was not that hard, but I believe that it is the industry that makes it difficult for banks to loan you some money. If it was not because of the financial part, I would say that it has gotten easier to start a business.

How difficult was it to make the company grow?

Again, this goes back to the industry and how banks are not willing to provide money. In this industry, money needs to be constantly coming in to buy more equipment and to produce more. Nonetheless, it was a difficult process because of how a few companies already owned almost 90% of the construction market in the country. This is one of the reasons why I decided to focus on some product in the construction part that would be some sort of innovation in our country and countries in the region, the pvc frames allowed for my company to grow.

## Air & Bus Travel

This company started in 2018 in Honduras. Founded by Andrea Morataya, a person who had always been into the tourism industry and started working in a company that allowed her to learn and to adapt to the growing market in the tourism industry. The company is focused mainly on planning trips and transportation for those interested all over the world. The biggest benefit that the company has is the long lasting relationship with Latin American countries. Travel around Central America has been part of the most important aspect of the operation and Andrea has managed to make the most of it.

What made you start your own business?

I saw an opportunity of being able to do things better and more efficiently. My family was always involved in the tourism industry and made it easy for me to contact agencies all around to score better deals that would appeal to customers.

What was the biggest challenge to overcome?

The biggest challenge was that some agencies already had a large portion of the pie. It was very tricky to enter this market while making friends because they all saw it as a threat to have new players in this industry. One major disadvantage that I had to face was that some of these tourism companies were involved with some government officials and they were able to get lower prices and better deals because of this connection.

What were some advantages found?

Some of the advantages I found was that the big companies were not able to connect with clients the way they should. This serves to my advantage as I am in the early stage and I am able to first establish a relationship and then benefit the client by providing a more specific travel itinerary than other companies would.

How would you describe the ease of opening up a new business?

Opening a business nowadays is not as complicated as it used to be. The chamber of commerce has made it possible for individuals to create a company in very simple steps. The financial part was the only downside, as I did not go to banks but I went to friends who believed in my project with the promise that I would pay them back. This seems to be a tendency in our country.

How difficult was it to make the company grow?

The company is still in its early growth stage but I feel it will be interesting to see as clients continue to appear. Definitely growth will not be easy but I know that if I continue to have this personal relationship with my clients, I will be able to continue growing at a steady pace and not have to be faced by intense competition.