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ENTREPRENEUR Q&A

The Sweet Rewards of Recognition

More than a trophy to grace the mantelpiece, a major SBA award brings credibility, says Los Angeles' Small Business Person of the Year

When Martha de la Torre was honored earlier this year by the U.S. Small Business Administration as Los Angeles' Small Business Person of the Year, the award could not have come at a better time, says de la Torre, who founded the Spanish-language weekly called *El Clasificado* with her husband, Joseph P. Badame. Being recognized as an entrepreneur in her own right -- not simply as a female business owner or an ethnic businesswoman -- bolsters her reputation and profile as she and her husband make plans to further expand their outfit's operations and ambitions.

Recently, de la Torre talked to Business Week Online's [Karen E. Klein](#) about her successes, the challenges of today's market, and where she plans to plant the next flag in her burgeoning empire.

Q: Congratulations. How does the recognition help you right now?

A: It brings us outside credibility. It's wonderful to be able to go into the bank and say, "I'm the SBA Person of the Year" -- and to tell them that it has nothing to do with my being a woman or a minority. I've won awards in those categories before, which is great, but I think this is going to help me expand, which we are excited about. But we're fine-tuning our operations, we're not rushing in. Our market was painful after September 11, and with the [Iraq] war and the economy this year, I was hesitant to go forward. I was looking at costs, but as we are getting bigger, we can negotiate better deals. And we're hoping to sell classified ads online at [our Web site](#). No one else is doing that yet in Spanish.

Q: How big is the publication, and what is it?

A: It's a classified-ad publication printed in Spanish, with some editorial content we generate for the back of the magazine to make it attractive to readers. Currently, it's about 140,000 weekly circulation and \$5 million in annual revenues. We have 75 employees.

Q: Do you have any competition?

A: Oh, sure. It seems like there's a new Spanish-language publication on the street every week! Some of them cause some initial damage to us when money's tight, but basically

they haven't taken away much of our business. When times are tough, though, some of our advertising clients can't afford to be loyal because they need the money.

Q: Where is the planned expansion going to take you?

A: We may add some new zones. The publication is distributed in 14 zones now, and we've covered our overhead, so it won't be that expensive to expand into some new zones. We're also thinking of going into Bakersfield, although I've always been afraid to try expanding beyond Los Angeles. If Bakersfield is a success, it could be the model for us to begin expanding around the state, or around the country. If we don't learn to grow, we're giving people a chance to copy us.

Q: Why Bakersfield?

A: It's one of the fastest growing Hispanic cities in the nation, with about a quarter-million Latinos. And it's close, so it's a great test market for us and for our advertisers. We can fine-tune our technology and learn how to operate a satellite office, and it's small enough that it won't be too damaging if we make some mistakes our first time out.

Q: You have another publication under your banner. What is it?

A: Just before Sept. 11, 2001, we bought *Al Borden* -- it means On the Edge. It's a four-color, alternative rock tabloid written in Spanish and covering the Latin music industry. We're not making money on it yet, but we're getting close and we've learned a lot about color and generating editorial content. The timing was poor, because the Latin Grammys were cancelled after September 11, and that put a damper on Latin music in general. But we're building it up and we're building classified ads in that publication also.

Q: What else are you doing?

A: We also have an Internet business growing on the side that we call [Chispanet](#). It supports our own Internet sites and also develops simple Web sites for our business customers, many of whom do not have e-mail or Web sites. We want to close the digital divide for our customers by offering them very simple Web sites with shopping-cart technology to enhance their sales. We're mini moguls here!

Q: With the news that Hispanics are the largest and fastest-growing minority group in the U.S., you must generate a lot of interest from other media companies. How do you handle that?

A: People approach me and want to buy us all the time, but I'm not interested at this point. I do realize, however, that I have to become more savvy when people approach me for alliances. I need to do more of that - although I have to be wise about it - because if I don't form these alliances, they'll form them with our competitors.

Q: Los Angeles is home to a lot of Spanish-speakers, but the business community comes from all over the world, as well as Middle America. Do you reach out to entrepreneurs outside the Hispanic community? **A:** We've had to learn to do that, sure. I always think it will be easier than it actually is. We found that we had to hire Asian and Middle Eastern sales people, because our traditional Hispanic sales reps had a hard time relating to Korean and Middle Eastern business owners. You have to almost be

a chameleon to work with such incredible diversity! It's a constant challenge to find that cultural sensitivity.

Q: What other major challenges have you faced in this economy?

A: The biggest challenge we had was not knowing whether our team of employees, with the knowledge that we had, could really take our operation to the next level. We worried it wasn't going to happen, because we started out in 1988 very small and grassroots. While we were biding our time this last year, riding out the economy, we hired some consultants to give us some training.

For instance, a few years ago we had two or three managers and now we have 20. We needed training so that they would communicate with each other, instead of just coming to me and Joe with everything. A year and a half ago, our classified ad salespeople wouldn't touch the computers on their desks. The technology is changing so fast we realized we'd fallen behind. But this year we're going to take away the paper and see how that works. We're trying to help our employees who are currently doing in 10 steps what they could be doing in two steps if they mastered the technology.

I've been so amazed how everyone has stepped up to a new level of professionalism. A year ago, I didn't think we had the competency to leave L.A. and now I think we can go across the country!

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