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IT'S ALL ABOUT *the* People

A Focus on Employees Is Part of the DNA at Tejas Office Products

By Michael J. McDermott



A real family business: Lupe (Chairman), with his wife Irene (Vice President), daughter Alisa Kautzmann (Administrative Manager), son Stephen (President) and daughter Michele (Customer Service Manager).

The office supplies business is one of the segments hardest hit by the growth of “big-box” retailing.

Category leader Staples rang up more than \$13 billion in sales last year, Office Depot more than \$12 billion.

So if you're a privately held, 42-year-old Houston company generating about \$13 million in yearly sales, how do you compete against that kind of retailing muscle? For Tejas Office Products, the answer is to

offer customers something they won't find at a big-box retailer: A genuine commitment to doing whatever it takes to help Tejas's customers succeed in their own businesses.

A microscopic focus on extraordinary customer service is easy to promise but hard to deliver. Achieving it probably would not be possible at all without a roster of employees whose dedication to providing unmatched customer satisfaction was as strong as that of the company's owners.

And that, says President Stephen Fraga, is the secret weapon that makes it possible for Tejas Office Products not just to survive, but to grow in its hypercompetitive marketplace. "Our people set us apart from our competitors," says Fraga. "Our guiding strategy is to provide exceptional service at an aggressive price, and our employees are the ones who provide that exceptional service to our clients."

Competing with "Big-Box" Retailers

Stephen Fraga, who is the son of company Founder and Chairman, Lupe Fraga, illustrates the company's mission with an anecdote. One of their clients, a big legal firm, uses Tejas as a secondary vendor, and it needed 1,500 storage boxes for a reorganization project that was to be completed on a Saturday. The firm had ordered the boxes from its primary vendor, but the promised delivery on Friday never materialized. "The buyer called her account executive at the big-box retailer, but the response she got was along the lines of, 'Call my manager on Monday.' Then she called her Tejas account executive—at home on a Saturday—and she got an entirely different response," Fraga relates.

The account executive called Fraga, explained the situation and asked to meet him at the warehouse. They delivered 750 storage boxes—the entire stock Tejas had on hand—to the client's downtown Houston office. When the big-box vendor showed up on Monday with the shipment that had been promised for Friday, the buyer refused it, and Tejas completed the order.

Tejas lore is rife with similar examples all the way back to the company's earliest days. Lupe Fraga set the tone himself years ago by hustling out to the airport with an item desperately needed by one of Tejas's first major clients, and tracking him down in the terminal.

There are 43 employees at Tejas Office Products, and the core of the workforce is made up of family members: Stephen's two sisters, Michele Fraga, Customer Service Manager; Alisa Kautzmann, Administrative Manager; and Lupe's wife, Irene, Vice President.

Hiring Talented People Rather Than Filling Positions

Family connections among Tejas employees reflects one of the company's main strategies for finding the best potential candidates. "We ask our fellow employees to recommend people they know who might fit into our culture," Stephen Fraga explains. Tejas taps other resources for its candidate pool, including advertising in local newspapers and trade publications and using web-based employment services, but the best results have come from their personal connections.

"We are always on the lookout for new people who can add value to our organization, and we are particularly interested in hiring people who are better at doing something than we are," Fraga says. "When we find someone we think can add value to our company, we will take a chance and hire that person, even if they don't fit into a specific job opening we have at the time."

Tejas has been able to benefit from growth in the superstore channel by hiring some very talented people who became disaffected with the environment at bigger companies. "They wanted to stay in the

industry but work at a company where they could make a difference and have a real impact on the bottom line," explains Fraga. "Several of the people we've hired in this manner have become tremendous assets, bringing skills that we as a small business may have been lacking, and helping us to target larger corporate clients. Tejas is not a company where people are bound by their job descriptions. We

look for people who are team players and are willing to do other things," says Fraga.

Because all decisions are made locally, employees at Tejas can take a request, analyze it quickly and respond. That kind of empowerment is one of the reasons good employees tend to stay at Tejas for a long time. As Michele Fraga points out, "We have almost 100 years' worth of office products experience in our customer service department alone."

Another reason for the high employee retention rate is that outstanding performance is acknowledged and rewarded in both monetary and other terms. "We have a commitment to quality, and we are willing to pay for that quality," Stephen Fraga notes, "but we also make it a point to demonstrate that we recognize the value of our employees and the instrumental role they play in our success."

This focus on quality employees has made Tejas the market leader in customer satisfaction and has defined the Tejas culture right from the start. It is a management heritage that has seen the company through many dramatic changes in its industry—from the rise of superstores to the advent of electronic commerce—under the leadership of Lupe Fraga.

A New Generation Looks for New Growth

As Stephen Fraga, who was named President in January, prepares to lead Tejas in facing the challenges of the 21st century, he is confident that the company's strategy will be just as effective as it has been in the past. "We always want to grow, and we are constantly looking for new sales opportunities," he says, noting that Tejas's revenues doubled from 1998 to 2003. "Some of that growth will come from new areas and different product lines, such as break-room and janitorial supplies. We want to be a one-stop shop for all our clients' office needs."

Tejas is also developing a full-service furniture division that will be operational by the end of the year. Office furniture currently accounts for about 10% of the company's sales, and Fraga sees an opportunity to grow those sales significantly by being able to offer clients more coordination, planning and design services, and storage solutions.

No matter what direction the company takes in the future, Lupe Fraga's imprint will always be evident. "He believed right from the start that the way to grow a company is to keep the focus on the customer," says Stephen Fraga of his father, "and we have had that continuity of management for 42 years. Everyone who comes through the company has been touched by him. He was 'customer-centric' before it was trendy or the lingo existed to describe it, and he always believed that Tejas's employees were the heart and soul of the company. Our challenge now is to continue that heritage." □

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*—Stephen Fraga, President,
Tejas Office Products*