

MERCEDES

***** IN THE *****

FAST LANE

AT-A-GLANCE

Year founded: 1979

Annual sales: \$25 million +

Number of employees: 43

Locations: 1

Principals: Mercedes LaPorta, president; Victor LaPorta, vice president

Affiliations: IMARK, Women's Business Enterprise National Council, Women President's Organization, Zenith Group

In the late 1970s, Victor and Mercedes LaPorta headed to South Florida in the midst of the area's construction boom. Using Vic's connection with Sylvania and \$15,000 of their own hard-earned money, the young couple started Mercedes Lighting in Miami. Twenty-six years later, what began as a mom-and-pop organization has steadily accelerated to more than \$25 million in business.



A Mercedes Electric employee helps a customer load product.

Following the start-up of Mercedes Lighting in Miami in 1979, Vic and Mercedes LaPorta steadily built their business from a small operation with one manufacturer (Sylvania) on its line card into a commercial/industrial player with more than 40 employees.

"Miami is an entrepreneur's heaven," said Vic LaPorta. "We are living proof: We started with nothing 26 years ago and we are set to do more than \$25 million in business in 2005."

Mercedes LaPorta has held the role of president of the company (which became Mercedes Electric Supply in 1992) for all but a few years, when her brother carried the title; Vic LaPorta has served uninterrupted as vice president from the beginning.

The couple built the business one customer, one vendor, and one employee at a time. "Early on, both Vic and I had the same philosophy about how to go on with our business," recalled Mercedes LaPorta. "We partnered with the best in the field and went to market with the philosophy that we wanted to be a sole source supplier wherever we could."

Being important to their manufacturing partners was also a top priority, according to Mercedes LaPorta. To this end, Sylvania remains the company's only lamp line. "And Southwire, the first wire line we acquired,

also remains a valuable partner to this day," she added.

But it was the acquisition of Square D's lines in 1991 that proved a watershed in the company's history. Since then, Mercedes Electric has grown into the largest single-house Square D distributor in the South Florida district, a fact that necessitated the distributorship's addition of a staff engineer in 1995 to handle Schneider/Square D's industrial control and automation products. That department, noted Mercedes LaPorta, has come into its own in recent years, servicing OEMs, panel builders, system integrators, and municipal water districts.

Steady acceleration

Some say that the state bird of Florida is the building crane, and it is by no means an endangered species in the Miami area. Mercedes Electric Supply has benefited from the boom in high-rise condo development in their area. Some recent high-profile projects include the electrical supplies for the north and south sides of Miami International Airport, which provided the distributorship with about \$20 million in business over five years; American Airlines Arena, home of the Miami Heat, which was a \$6 million job; and the 30-

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Victor and Mercedes LaPorta

BEST PRACTICES

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story Diplomat Hotel in Hollywood, Fla., which was a \$3 million project.

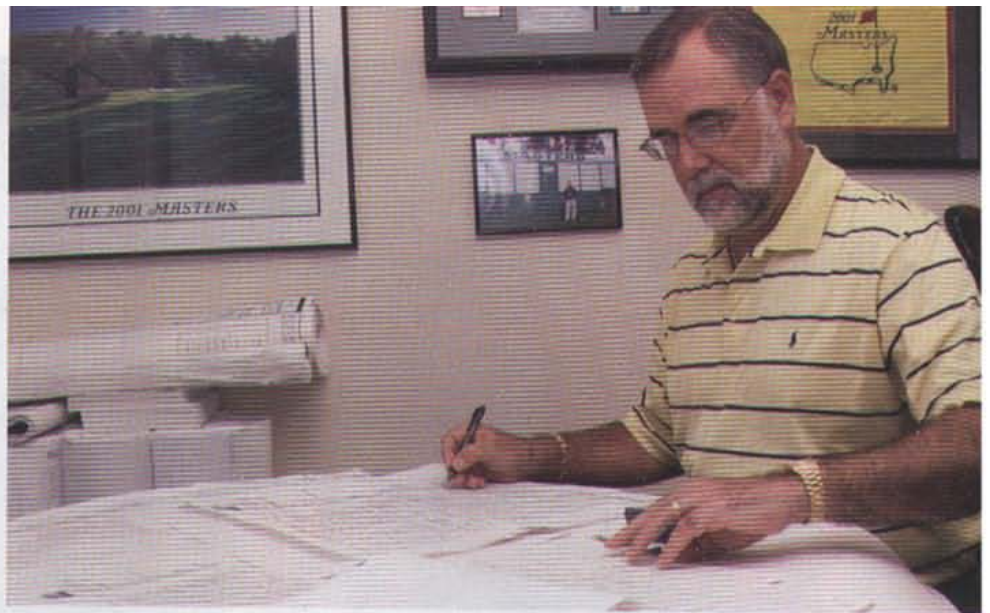
Those numbers are an example of just how far the company has come, noted General Manager Joe Rodrigues. He joined Mercedes Electric 13 years ago, when sales were about \$10 million.

He offered some explanation for this success. "We go after business a little differently from our competitors," he said. "Through our relationships with contractors, engineers, and architects, we get involved in projects long before they hit the streets. We have an inside track before the project comes to bid."

Rodrigues estimates that 30% of the company's growth is due to the area's construction volume. But construction is a fickle industry, so Mercedes Electric has expanded its reach to national and international customers through a variety of channels.

For example, international sales have provided the company with an outlet for growth. The Port of Miami attracts entrepreneurs from all over the Caribbean and Latin America who make annual buying trips to the United States. As a result, Mercedes Electric has become a wholesaler to wholesalers who load up a container of goods, ship it to their tropical locales, and sell it over the course of a year.

The distributorship also uses its woman- and minority-owned status to its advantage. A native of Cuba, Mercedes LaPorta capitalizes on her status as a



General Manager Joe Rodrigues works on the Miami International Airport project.

minority woman in pursuing certain business contracts. She explained that one of her first victories was winning the lamp contract for the Miami-Dade School Board. "The first year that contract was worth a couple hundred thousand dollars, which for a business our size was substantial," she noted.

Today the distributorship competes nationally for business via her membership in the Women's Business Enterprise National Council (WBENC) and her status as a charter member of the Zenith Group, an organization of women business owners.

Through these affiliations, she has made presentations to decision makers from Hilton, General Motors, and Ford; secured national contracts to provide electrical supplies to Office Depot and MGM Properties for MRO applications; had meetings with Time Warner and Mer-

rill Lynch; and submitted a bid to American Express.

"Office Depot is another of our biggest supporters," said Mercedes LaPorta, "MGM Properties is another. We supply three of its properties in Las Vegas.

"The biggest concern that some of these companies have is our size," she added. "They question whether we are large enough to handle their business. To answer this, we are putting together a track record and building on it.

"The fact is that these companies make a big effort to do a certain percentage of their business with women-owned companies," she concluded. "We plan to take advantage of that opportunity." ■■■■

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OLD-BOY NETWORKING

While Mercedes Electric President Mercedes LaPorta uses her status as a minority woman to pursue national corporate accounts, her husband Vic LaPorta solidifies relationships the old fashioned way: He golfs.

"Last year [Mercedes] promoted me to executive vice president of golf," joked Vic LaPorta, who serves as the vice president of the Miami-based company.

He believes that golf is a tremendous opportunity to spend several hours with a current or potential customer away from the office and build a relationship.

"Golf is a technique to get close to a customer," he said. "With golf there are no distractions—it's just you and the customer and the course."

Very often LaPorta and General Manager Joe Rodrigues make a foursome with two of their clients. The Mercedes representatives will each partner up with a customer and shoot a competitive round against the other twosome.

"When you are calling a prospective customer 'partner' for four hours I think it has the proper impact," LaPorta said.

Contractor golf tournaments are a great way for Mercedes Electric to build relationships with a number of customers. This year the company participated in the Independent Electrical Contractor's (IEC) golf tournament and the NECA golf tournament as a sponsor of a cocktail hour and a lunch.

—M.D.