

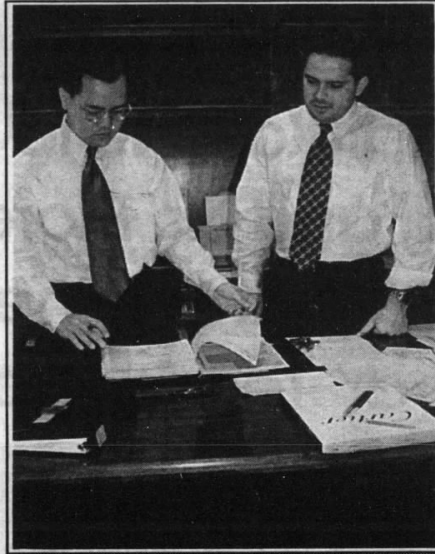
THE LAREDO CHAMBER OF COMMERCE
Championing America's Entrepreneurs!

LNB came up with a plan to finance our new 40,000 square foot distribution center in Monterrey," he said. Dinastia's modest beginnings in Wong's Las Brisas garage bodega contrast in the extreme with the 85,000 square foot Calton Road Dinastia Centre that Flores and Wong inaugurated in November 1996 along with The Driver Golf Specialty Store. In the same week that they opened their offices, showroom, and warehouse at Dinastia Centre, they had also opened a new store in Torreon, the latest of the four computer stores they had opened in Mexico.

Dinastia's stellar growth has not been without infelicities. Wong characterized the six months between March and August after the 1994 peso devaluation as "very difficult, very sad months." He credits Dinastia's banking partner, the International Bank of Commerce, with working them through what could have been a devastating set of post-devaluation circumstances. "When they say they do more, they mean it. They are not an easy bank, but during the devaluation we found out who our friends were. They re-structured our line of credit. They broke it down. They sliced it and diced it to make sure we would stay afloat. They had faith in our rescue. We had laid off 30% of our employee work force here and in Mexico. We took two company-wide pay cuts before we rebounded. We changed product lines from medium high to medium low to sell something more affordable. We changed a lot of vendors. You don't want to become the dollar store, but you have to gear to the drop and move along with it. Timing was everything. We tripled the number of vendors. We have \$25 to \$30 million dollars in credit lines with our vendors. We manage our cash flow, we rotate our inventory," Wong said.

"We had just had the company Christmas party at which we had announced plans to open the Torreon store. The following day the peso hit a new low," Flores said. I remember picking up the newspaper in front of my house and reading this and knowing exactly what this could do to our business and what it could do to me personally and to my family. What we had was suddenly worth much less. We did not have the inventory to service the debt. We would not be opening the Torreon store as planned," he recalled.

"The peso made us re-focus on what we had set out to do and how we would do it as partners. We were constantly re-negotiating with our bank. IBC



The Dinastia Executives at work

wanted it to work for us. They wanted us to make it. Our vendors wanted us to make it. Even in those conditions there was opportunity. The Mexican stores of our competitors had to readjust, too. They depleted their inventories, and when sales started to come back, the stores were empty. We made sure our Mexican stores were stocked. Our business grew," Flores said.

Dinastia sells computer components -- cases, motherboards, hard drives, and video cards -- and they sell them competitively. "We don't have a best selling item or product. If we sell a lot of hard drives, we sell a lot of floppies. The second tier items are printers and monitors. Competition keeps us very sharp. The 'Yes, We Can' Program in all our stores pushes us to do anything we can to match or beat the competition," Wong said, adding that Dinastia represents major American, Japanese, Korean, and Taiwanese computer companies in Mexico and has an active customer base of more than 3,000 systems integrators, distributors, and dealers.

"We pride ourselves in being honest. Sell everything at its face value. If something is good, sell it to the customer at a fair price. If there is something inexpensive, be honest about it, but don't sell inferior merchandise. Service the products you sell. We are committed to our customers. It's easy to say those words, harder to carry them out. It has taken years of practice," Wong said, adding, "We don't enter a market where we are not needed. We sell what they want at the price they want and we are always stocked. It's a very simple formula," Wong said.

"Patrick buys and I sell," Flores said. "We travel a great deal from here to our stores in Mexico, and we set the standard for the quality of service and inventory we want for the company. We maintain depth in our stock. The pricing is controlled by us. We have learned that we can be successful anywhere, here or there. You have to remain very focused, very professional, and you offer

took with the peso devaluation, and our ability to recover and I think it is inconceivable that we were able to open this store and the one in Torreon," Wong reflected from Dinastia's corporate offices.

Dinastia has acquired C-Net, a Taiwanese manufacturer of networking devices, cards, concentrators, power switches, and ATM machines. "This is considered a business for tomorrow, but really it is a business for today," Flores said. "The technology may change, the technology may switch, computers get faster, software is stronger. You understand this, and you understand that because of the Internet, the world is not that big. We are looking for locations in South America -- Brazil and Colombia. We are looking at Miami. We are opening our newest regional distribution center in Aguascalientes in September 1997."

"You have a vague idea of what you want when you are 18, as I was when I came to the United States. I dreamed of working in the corporate world, of an office on the 67th floor, of wearing suits. Your goal and your vision

changes as you grow older. This is the peak at this moment for us. I wouldn't trade it for the 100th floor. I had no business experience; I had computers and statistics; we got here by working hard and by having families that believed in us and were willing to make sacrifices," Wong summed up the last six years.

He said that one of the most important lessons of the peso devaluation was that of diversification, which led to the opening of The Driver golf shop inside the Dinastia Centre complex. "It was Alfredo's idea," Wong said. "To use the same methodology for buying and selling without re-inventing the wheel. We

already had the distribution center set up, and we knew our for-



Behind every successful man..... Gaby Flores and Jennifer Wong (wives of the honorees) during the Dinastia grand opening

the right product at the right price," Flores said.

"Our biggest asset is our employees," Wong and Flores agreed of the Dinastia staff of over 200 in Laredo and in their Mexican stores. "We look for professionals with a career degree or a degree in engineering. We do not hire the competition's employees. We invest in Dinastia employees with our own training and what we offer them. We pay them well," he said. "I look back sometimes at the hit we

mula worked and that it would be a draw for Mexican customers." Sales for The Driver have been consistently higher than the partners anticipated.

"When you begin a business, you start with a lot of faith and energy. You have dreams. You go on. You discover you have a good partner and little by little you achieve more. There is a price to pay, but given the personal satisfaction, the price does not seem that high. You begin to believe what you are doing is right," Flores said.