

## Better organization generates savings for Norcross company

**S**BDIC Minority Business Consultant Adolfo Prieto knows what a small business needs, often better than its owners do. He gains this understanding by working directly with about 100 business owners a year and meeting even more when he leads SBDC seminars and courses. So when Julian Giraldo told Prieto that he needed money for his growing business, the first thing Prieto did was analyze the company's financial statements.

"Business owners may think they want and need cash first, but the answer may not be injecting more cash into the business. Many times there are other larger issues that could save cash, which is often the equivalent of a cash injection," says Prieto. "If you control your internal operations, if you control cash flow and control inventory, you will be amazed by the amount of cash savings you can generate, which immediately translates into cash flow."

Julian and his brother, Jhesion, had started JS Perfumes, a wholesale marketer and supplier of upmarket fragrances, in Norcross with \$300 and a desire to live their dream. Now it is the largest Hispanic business of its kind in Georgia.



*Julian Giraldo*

"We started without much money, so we sold door-to-door and to friends at my school and the restaurant my brother worked at for almost all of 2003. In 2004 my dad saw that we were doing well, and he introduced us to vendors who could help us with credit and help us sell more. We were incorporated as JS Perfumes in 2004," says Julian, whose father has run a successful perfume company in Medellín, Colombia, for decades.

The brothers needed more cash to increase their purchasing power and raise their business to the next level. A friend going to meet Prieto for a consultation invited Julian to go with him, "so he could help us both," says Julian.

"Several inconsistencies popped out of their financial statements," says Prieto. He found issues in the areas of cash flow, management skills, budgeting and proper accounting systems, and logistical and operational flaws in their daily operations. "The GiralDOS didn't need more cash; they needed to learn how to manage what they were bringing in."

Prieto provided extensive QuickBooks support, created an operating budget for the company's wholesale and retail operations, reviewed its operating procedures and assisted in creating new sales compensation plans. He also suggested they implement a new marketing strategy and create a new corporate image, web site and promotional materials. "I encourage our Hispanic businesses to do crossover marketing campaigns that reach out into the mainstream American market."

The impact was almost immediate. Within a month, since October 2008, JS Perfumes began saving in excess of \$5,000 a month. The overall savings for 2009 are estimated to exceed \$80,000 for the year. "These savings are like receiving a significant cash influx," says Prieto. JS Perfumes now has kiosks in four metro Atlanta locations and plans to open more in Athens and Macon. They sell wholesale throughout the Southeast, and many of their largest customers are from the mainstream American market.

"Every year we double our sales," says Julian, who admits that they needed to improve their organization. "We were not controlling many points of the business that are really very important."