SPECIAL EDITION FOR THE HISPANIC BUSINESS COMMUNITY

iQ

SMALL
MEDIUM
BUSINESS

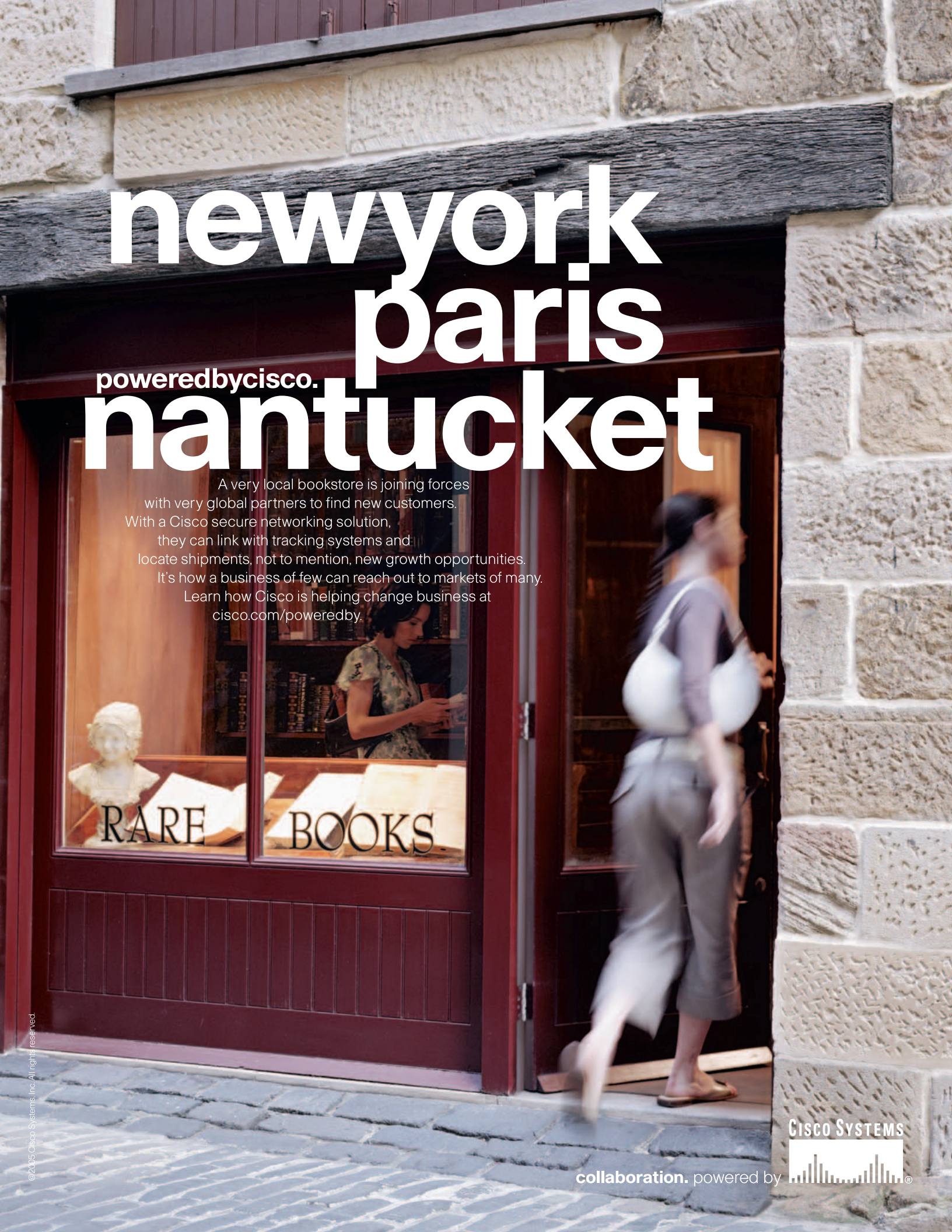
Your Business Just Got Smarter

Improving Business

Fred Loya Insurance Uses Technology to Improve Communications with Customers

FRED LOYA

- EL PASO'S LA FE CLINIC
  Connecting a Community
- SECURITY TECHNOLOGY
- WHAT YOU NEED TO KNOW
  ABOUT NETWORKING



iQ

CONTENTS

THE INTEGRATION OF TECHNOLOGY AND BUSINESS is creating unprecedented opportunities for companies, countries, and individuals around the world. It has also created a borderless society that provides universal opportunity for everyone by enabling access to information. Cisco Systems has built its culture and relationships based on welcoming people and organizations from different backgrounds and different environments to explore how technology can meet their needs and help them meet their goals.

Cisco has partnered with the U.S. Hispanic Chamber of Commerce because we recognize the importance of implementing and strengthening programs that support the economic development of Hispanic companies, while also increasing our own business relationships and partnerships with Hispanic-owned businesses.

Hispanic business entrepreneurs are finding that Internet Protocol–based network technologies can be powerful tools to foster growth and operational efficiency within their organizations. When a business integrates its operations with a strong network foundation at the core, it can help improve the effectiveness of budgets, resources, reach, and customer service and sales staffs.

Fred Loya Insurance is a great example of a growing business that has taken advantage of a converged Internet Protocol–based network to compete and grow while enhancing the strength of its relationships with customers, employees, and the community. Recently recognized as one of the Top 50 Hispanic businesses in the United States by Hispanic Business magazine, the company is featured in the article that begins on page 8 of this special edition of *iQ Magazine*.

From growing entrepreneurial businesses to hospitals or local schools, today's organizations face myriad challenges: They must improve operational efficiency, lower costs, and increase revenue despite budget and staffing constraints; compete in an increasingly global market against larger companies with greater resources; and still keep up with the rapid pace of change in today's business environment.

Working together, Cisco Systems and the U.S. Hispanic Chamber of Commerce are helping Hispanic business entrepreneurs compete, grow, and prosper through the adoption of technology.

PETER ALEXANDER
VICE PRESIDENT, COMMERCIAL MARKETING
CISCO SYSTEMS, INC.

Go to **cisco.com/go/iq-ushcc** to receive a free quarterly subscription to *iQ Magazine,* a publication designed specifically to show small and medium-sized businesses how they can use technology to address their business challenges.

THE HISPANIC COMMUNITY IS THE LARGEST minority group in the United States, and its influence is a dominant force in our national economy with about 2 million Hispanic-owned businesses nationwide and increasing at a pace much higher than the national average.

However, Hispanic-owned businesses are not investing in the technological advancements that will allow them to maximize productivity and efficiency in today's global economy and are essential to the growth and development of Hispanic businesses.

Currently, there is great potential for technological growth among Hispanic-owned businesses. As the modern day economy evolves, so must Hispanic businesses, thereby increasing their productivity, optimizing their limited resources, and increasing their competitive advantage.

It is important that Hispanic businesses view investment in technology as a long term venture that will pay for itself in the long run by increasing efficiency and growth potential. In addition, the investment in technology can make the lives of Hispanic businesspeople more efficient, allowing them to spend more time on the important things in life such as spending quality time with family and friends.

To make this technological make-over a reality, the U.S. Hispanic Chamber of Commerce and Cisco Systems have been partnering to help Hispanic-owned businesses better understand the importance of integrating technology into their business models. It is through influential collaborative efforts such as ours that we can demonstrate to Hispanic businesses how technology can improve productivity, maximize efficiency, and help companies transition effectively from being competitive in national markets to becoming an aggressive force in the global marketplace.

The Cisco Systems collaboration with the USHCC demonstrates our shared commitment in ensuring that Hispanic-owned businesses are well prepared to lead and prosper in the modern age of technology.

On behalf of the Board of Directors of the USHCC, our Chamber members, and members, we are honored to have Cisco Systems as a committed partner and look forward to a continued future relationship.

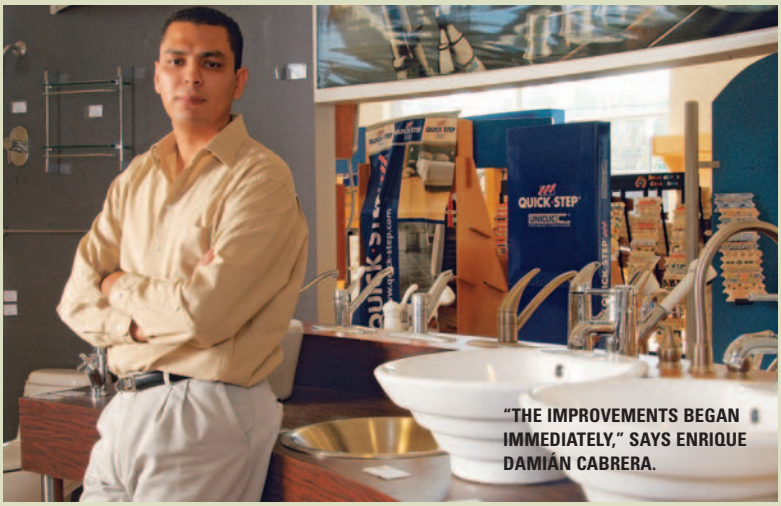
DAVID C. LIZÁRRAGA
CHAIRMAN OF THE BOARD
U.S. HISPANIC CHAMBER OF COMMERCE

NEW TECHNOLOGY SUPPORTS TRADITION

El Surtidor de Occidente strengthens its legacy of superior customer service with IP telephony.

GUADALAJARA, MEXICO'S El Surtidor de Occidente (The Spout of the West) turned to technology for answers when it decided to improve its already strong 44-year customer-service philosophy and to improve the effectiveness of employee communications. The solution has contributed to its impressive 30% growth rate over the last three years.

Specifically, El Surtidor de Occidente—a leader in the sale and general distribution of furniture for kitchens and bathrooms, as well as coverings, tubing, and connections—implemented a converged network that included IP telephony.



"THE IMPROVEMENTS BEGAN IMMEDIATELY," SAYS ENRIQUE DAMIÁN CABRERA.

According to Enrique Damián Cabrera, manager of systems for El Surtidor de Occidente, the company's main mission is excellence in service, maintaining an adequate level of inventory, and offering accessible prices—all in a way that results in profitability and high customer satisfaction. With a converged network and Cisco IP Communications solutions, El Surtidor de Occidente has achieved its important communications objectives while also reducing operating costs.

"It was very important for us to improve communications, both for customers and employees," says Cabrera. "We needed a very flexible, strong network and a new phone system."

El Surtidor employs 800 people, 200 of whom work for El Surtidor de Occidente in Guadalajara. The company distributes products to customers through more than 20 business units within Mexico. Because the company's leaders have always considered technology an integral part of the overall business strategy, they instinctively knew they needed to modernize the company's current headquarters as well as open an office in Guadalajara.

Cabrera explains that these changes provided the perfect opportunity to analyze the company's existing business processes and improve the business infrastructure. The new Guadalajara building, they decided, would have IP telephony, and other branch offices would begin to adopt the technology, launching a new phase of customer service that integrated voice and data.

IP telephony delivered a quick, dramatic productivity impact, he says.

"The improvements began immediately," Cabrera adds, noting a more than 50% savings in monthly long-distance telephone costs and a 40% savings in local services.

But more important is that the technology allows the facility to grow and interconnect branch offices so they can share voice and data services. Customers can now call a single central number instead of individual branch offices. Sales executives use Cisco Softphone, which lets them use their computers as telephones when they are away from the office.

El Surtidor de Occidente is evaluating the viability of a new branch office in Puerto Vallarta and two more in Guadalajara.

For those locations, the company is considering implementing a virtual private network and interactive voice response for added customer service.—TOM STARNER

JOSÉ HERNÁNDEZ-CLAIRE

HECTOR BARRETO

Administrator, U.S. Small Business Administration

AP / WIDE WORLD PHOTOS

IT'S HECTOR BARRETO'S RESPONSIBILITY to shape the future of the U.S. Small Business Administration (SBA) in order to provide the maximum benefit to the 25 million small businesses in the United States. Here, Barreto discusses some of the major challenges facing small businesses and how the SBA is helping them to succeed.

What is the U.S. Small Business Administration? The SBA was established in 1953 as the only federal agency with the sole purpose to help create an environment of success for small businesses. Since then, the SBA has delivered more than 20 million loans, loan guarantees, contracts, and other forms of assistance.

Small businesses are the backbone of the U.S economy. We depend on them to create jobs, we turn to them for innovation, and we trust them to spur economic growth.

What are some of the biggest challenges for small businesses? The increasing cost of health-care remains the greatest concern. One of the things we can do to help alleviate those costs is allow small-business owners to band together across state lines to purchase healthcare at group rates.

Frivolous lawsuits are another major financial challenge. It's no surprise that the mere threat of a lawsuit is enough to force many entrepreneurs out of business.

How is the relationship between small businesses and technology changing? Small businesses have greater flexibility and are quicker to respond to new opportunities than larger firms. But an innovative spirit isn't the only thing they need to purchase and use new technology: They also need capital.

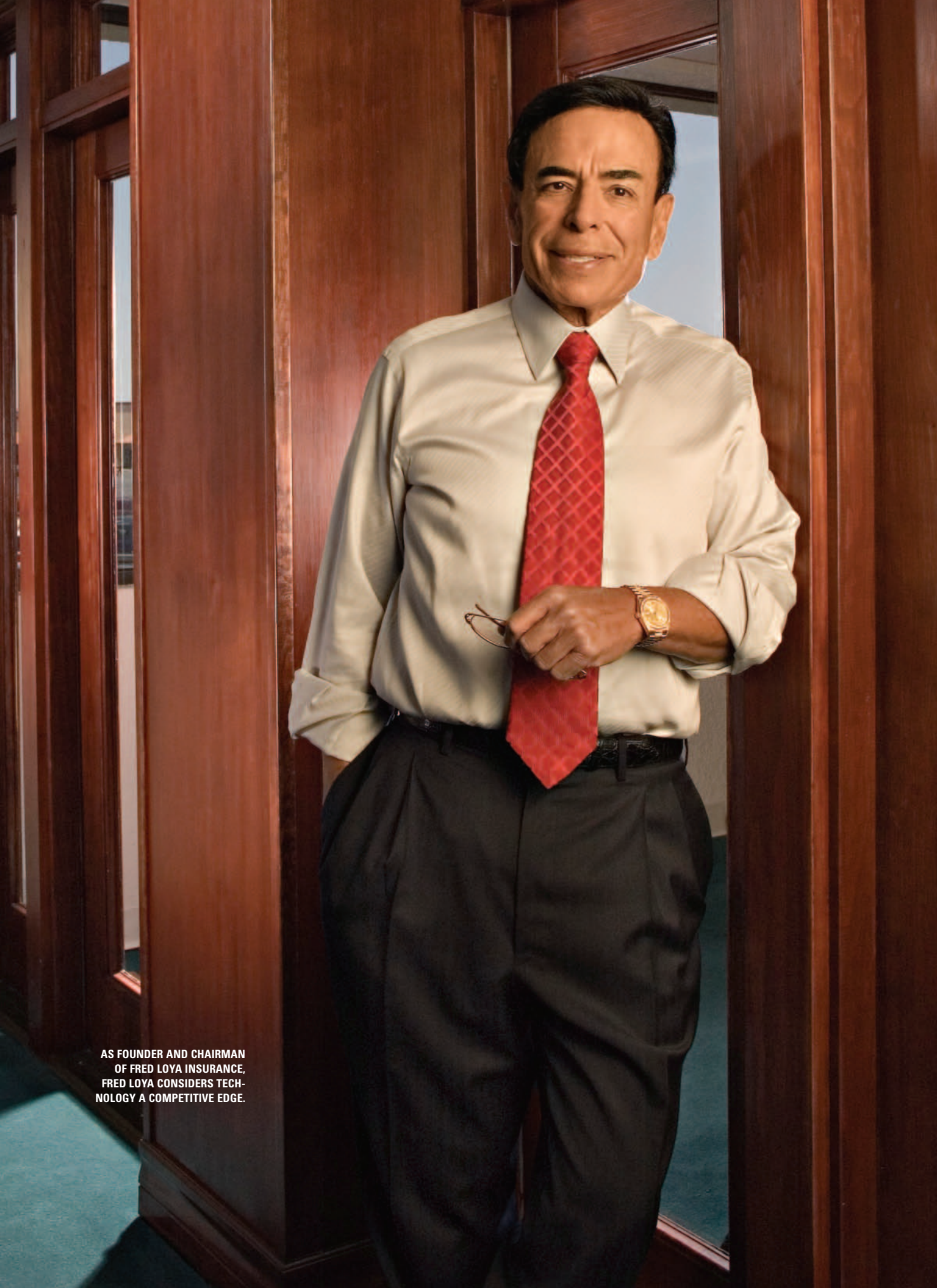
A large part of President Bush's tax cut package was designed to help small businesses purchase fixed assets, including new technology. By increasing the deductibility of business equipment, it has opened the door for small businesses to take the next step with new, innovative technology.

How can these businesses maximize the advantages of technology? Small businesses seldom have big IT staffs or budgets, but because of their creative, innovative nature, they are often more geared to take advantage of technological advances. They understand the Web and how it changes the rules of the game. Success depends on keeping operating costs down, and small businesses are using an increasingly rich and surprisingly low-cost set of business-technology tools to survive and compete.

How does the SBA assist and support small businesses today? My goal is for the SBA to reach out to more and more businesses. Last year, the SBA guaranteed loans to a record number of small businesses, and we are well on our way to setting another record in 2004.

Even better, SBA loans to the fastest-growing segments of the economy were all up dramatically in 2003. IQ

INTERVIEWED BY EWAN MORRISON



AS FOUNDER AND CHAIRMAN OF FRED LOYA INSURANCE, FRED LOYA CONSIDERS TECHNOLOGY A COMPETITIVE EDGE.

Premium Service

WHEN GEORGE BRIONES joined Fred Loya Insurance eight years ago, the El Paso, Texas–based automotive insurance company had just 14 offices and $7.5 million in written premiums. Today the company has nearly 200 offices and revenues of approximately $200 million. It was recently named 44th on *Hispanic Business*'s list of the top 500 Hispanic businesses in the United States.

Briones, now director of information systems and information technology for the rapidly growing firm, says technology has been a growth engine. "Our CEO sees technology as the edge we need to thrive in a competitive market," he says.

BY DAVID BAUM

Lately, it's Internet Protocol (IP) Communications technology that is underwriting Fred Loya Insurance's rapid expansion. Briones and his staff of 14 have created a cohesive communications infrastructure based on IP technology that allows the company's staff to communicate with one another and with policyholders, agents, and business partners using the most appropriate and effective mix of voice, data, and video. "Any information in digital form can be transmitted over our IP network," says Briones.

Fred Loya Insurance currently uses about 1,200 Cisco 7940 IP phones connected to its Cisco network, deployed among 100 of its offices, converting 4 to 8 offices a week.

"One of our big directives is to answer calls immediately, rather than to put callers into voice mail," explains Briones. "Thanks to intelligent call routing built into the system, if agents don't answer

Photographs by Dan Coogan

a call at our local office within five seconds it gets routed to one of our call centers."

Cisco Gold Certified Partner Avnet Enterprise Solutions helped Fred Loya Insurance deploy the network. Briones says he chose Avnet based on its previous successes implementing Cisco-based voice and data solutions.

"The beauty of our infrastructure is that once the phone company has the data circuit in place, we can bring up a new office in four to five hours," he says. "We just plug the phones into the network and add the configuration information to the Cisco CallManager application. The installation cost is half as much as before, the new equipment is easier to deploy, and we can add or move users virtually via a software console." The company adds about 4 new offices a month, with plans to have more than 400 by the end of 2006.

Briones's story typifies the challenges facing small and medium-sized businesses (SMBs) in the insurance sector. Outmoded, inflexible voice and data networks make it difficult for insurance companies to share information internally and respond quickly to customers.

Forward-thinking companies are updating their networks to ensure they can deliver premium service, while finding ways to reduce costs.

"Today's customers have high expectations for service delivery and are intolerant of delays and inadequate services," notes Elizabeth Herrell, a Forrester Research analyst who specializes in IP telephony and related technologies. "Contact centers that continue supporting customers with aging technology risk falling behind competitors in delivering first-class services."

Fred Loya Insurance has large offices in five of the largest cities in Texas, anchored by two data centers in El Paso, where most of the claims-adjustment staff and estimators work. Smaller offices are scattered throughout Texas, New Mexico, and California. Prior to implementing the IP Communications system, incoming calls were routed through a private branch exchange (PBX) system, then over the public telephone network to field agents.

IN BRIEF

GOALS: Streamline communications within insurance organizations and enrich the dialogue among prospects, policyholders, agents, brokers, and claimants.

STRATEGIES: Implement a single network for all forms of communication, increasing operational efficiency while reducing costs. Voice calls can be relayed via the same network as data and video traffic, which enhances communications and reduces operating expenses.

RESULTS: With a converged network in place, insurance companies can quickly roll out new types of communications services, allowing them to give their employees access to more information, better tools, and additional ways to serve policyholders and business partners.

JESSICA ROJERO AND OTHER SALES AGENTS CAN ACCESS ACCOUNT INFORMATION WHILE ON A CLIENT CALL.

"Our agents in the field offices never knew where the calls were coming from, and they had no way to track or identify callers," Briones admits. "Now, call routing is quick and effective with our IP setup." To enable these capabilities, Fred Loya Insurance installed large Cisco switches at its main sites and smaller Cisco switches and routers at its remote sites. The project was completed over three years and has effectively eliminated the need for all analog PBX equipment.

ENSURING SUCCESS

In some cases, dealing with aging communications equipment drives the desire to adopt a more nimble network. In other instances, an up-and-coming company adopts new technology as a way to expand by adding new agents and offices to its network in the most expedient manner.

"This latter group is eager to get all of its users into a common communications environment, and because they are already evaluating new equipment, voice-over-IP (VoIP) technology is a logical choice," explains Donald Light, a senior analyst with Celent, a research and advisory firm.

Beneficial Financial Group, a life-insurance company based in Salt Lake City, was put in a difficult situation in December 2003 when its PBX equipment provider dropped maintenance support for Beneficial's primary phone system.

"We had a huge challenge and a real communications problem, with unsupported hardware and dissimilar types of systems that did not work well together," recalls Brent Burgon, director of technical services at Beneficial. "For example, it was very difficult to get voice mail from one department to another."

After taking a closer look at the options available with IP Communications, Beneficial chose to adopt a converged voice and data network with help from SBC DataComm.

Beneficial operates primarily in Utah, Oregon, Arizona, Washington, Idaho, and California, with about 600 agents, 400 of whom are career agents and 200 who are independent. The company headquarters now has a single converged network for voice and data anchored by Cisco switches and IP Communications solutions.

After configuring this equipment in SBC's test center, Beneficial brought up the new infrastructure over one weekend in a "big-bang" rollout, then utilized Cisco's online training program to help employees learn how to use the new phone system. Burgon identified a "superuser" in each group to help lead the initiative and help other users.

"Adding or moving users is so much easier now," Burgon says. "The network is easier to maintain, and communication within the company is much simpler because we don't have to bridge two systems."

Beneficial is now engaged in a pilot program to add remote field offices to the main network. "Being able to manage our agency phone systems from the home office opens a lot of opportunities, such as intelligent call routing, unified messaging, and audio- and videoconferencing," says Burgon. "The converged setup will also reduce long-distance phone charges since we will be able to route the calls on our own network."

GEORGE BRIONES, DIRECTOR OF INFORMATION SYSTEMS, FRED LOYA INSURANCE

"If agents don't answer a call at our office within five seconds, it gets routed to one of our call centers."

—George Briones, Fred Loya Insurance

Beneficial is extending its insurance and investment choices to include a wide selection of securities products. The company has added sales of variable products and mutual funds in addition to life insurance. "We needed a communications system that could support these new lines of business," Burgon continues. "Extending the network makes call-center agents more efficient and improves our ability to offer new types of financial services, for which customers demand around-the-clock service.

VICTOR FLORES AND ORLANDO ARGUMEDO, DISPATCH UNIT APPRAISERS, FRED LOYA INSURANCE

"Contact centers that continue supporting customers with aging technology risk falling behind competitors."

—Elizabeth Herrell, Forrester Research

"Our employees especially love being able to access voice mail from their e-mail systems," Burgon says, referring to the unified messaging technology that gives users a single inbox and flexibility in how they access their messages.

MAKING A CLAIM FOR CONVERGENCE

Flexibility and control are just the start of what's possible with a converged IP network. The productivity benefits also allow companies to improve service and business processes. They can take advantage of new types of data, voice, and video services such as unified messaging, multimedia conferencing, collaborative contact centers, and interactive multimedia response systems.

"What begins as a verbal conversation can expand to include both the adjuster and the appraiser looking at the same estimation data and digital photographs in real time," says Celent's Light. "The same functionality can be provided to an underwriter and agent, or an adviser and client."

Beneficial Financial Group plans to use Cisco CallManager software to recognize agents by caller ID. The phone system will communicate with the agent database to instantly display all pertinent information about the agent calling. "Our executives are looking forward to this," Burgon says. "We can create similar links to the software applications that handle policies, adjustments, and claims."

Similarly, Fred Loya Insurance plans to integrate its policy-administration applications with the phone network. When customers key in their policy numbers via a touch-tone phone, the system will access their records and display them to agents via their PCs or phones as the call is routed.

Fred Loya Insurance runs a paperless office, driven by online forms and digital signatures. Ultimately, the company hopes to use voice-recognition technology to allow its customers to make requests and enter policy information by phone and record it directly into the database. Briones says all of these services depend on having a fast, reliable network—and plenty of data storage capacity. He continues to rely on Avnet for assistance with large installations.

ADOPTION POLICIES

Light believes that IP telephony technology is now stable, cost-effective, and relatively easy to deploy. Although some technical issues remain, most of the remaining challenges are cultural.

"It's mainly a people issue, since employees need to learn a different way of doing things," he says. "You need to convey how the new technology will make them more productive so they are motivated to adopt it. The better you are at educating users, the more successful the deployment will be."

Although many financial-services institutions are aggressively researching and adopting these new IP technologies, the insurance segment in general tends to be a bit more conservative. For example, 55% of financial-services companies surveyed by Forrester plan to invest in VoIP technologies in 2005, versus just 50% of insurance companies.

The trend toward convergence in financial services in general—in which captive agents are starting to sell investment products and traditional banking products, and the banking industry is selling insurance—is providing incentive for insurance companies to assess and update their overall information technology strategies. To compete most effectively, insurance companies must make investments in technologies that can provide sustainable competitive differentiation for them in terms of speed, flexibility, and effective communication with policyholders and business partners.

Herrell believes that understanding how IP telephony affects the existing systems and support staff will improve the transition process. She suggests that companies appoint a technical expert with experience in both voice and data to lead the project, advocates cross-training of IT staff to support IP telephony, and advises establishing a help desk.

"Replacing an existing PBX system with VoIP technology involves significant changes that can catch companies unprepared unless they take steps to plan for the impact of IP telephony," she says.

But at a time when consumers and business partners expect fast, accurate, automated service, IP Communications is part of the solution to meet these expectations.

"Insurance is an information-intensive business," says Light. "Competitive success depends on data and information that is sent and received quickly, on visual and graphic information that supplements text and statistics, and on personal relationships that require a voice and visual context." Light believes nearly all insurers will ultimately create converged networks, simply because they are so germane to this information-intensive business. "Doing so earlier rather than later provides early-mover advantages as well as greater flexibility for future expansion," he adds. IQ

DAVID BAUM IS AN INDEPENDENT WRITER AND CONSULTANT WHO FREQUENTLY COVERS NETWORKING TECHNOLOGY. HIS WORK HAS APPEARED IN *INFORMATION WEEK*, ORACLE'S *PROFIT*, AND THE *LOS ANGELES TIMES*.

NEXT STEPS

To find out more about how the Cisco Transforming Insurance Solution can benefit your company, visit **cisco.com/go/iq-insurance.**

FROM CISCO

TRANSFORMING INSURANCE

The Cisco Transforming Insurance Solution harnesses the power and efficiency of converged IP networks to help insurance companies compete more effectively. Specifically tailored to meet the needs of the industry, this complete suite is designed to produce revenues, reduce costs, improve productivity, and deliver the right information to the right people at the right time.

Key components of the solution include the following:

- **Contact Center Advantage:** Helps an ordinary call center evolve into a full-fledged contact center by converging voice, data, video, e-mail, instant messaging, fax, and paper for greater productivity and efficiency. This results in better customer experiences, because wait times are reduced and customer issues can be resolved more quickly.
- **Mobile Adjuster:** Provides secure wireless communications for field-based claims adjusters with support for real-time transmission of assignments, appraisals, and photographs, which results in faster claims resolution, better customer service, and improved policyholder retention.
- **Agent Edge:** Allows agents to easily hold spontaneous voice or video-conference calls with prospects, policyholders, underwriters, claims adjusters, and others.
- **Agent to Adviser:** Gives agents more tools to help customers and serve as a trusted financial adviser, allowing them to sell investment, credit, deposit, and other products to their insurance clients.
- **Unified Communications:** Improves internal and external communications and boosts staff productivity through unified messaging, videoconferencing, SoftPhone (an application that enables a PC to function as a telephone), and anytime, anywhere access.
- **Secure and Comply:** A software component, based on the Cisco Self-Defending Network for Financial Institutions, that facilitates the security necessary for compliance with regulatory requirements, including state insurance regulations governing privacy and financial reporting.—D.B.

COMMUNITY LINKS

An El Paso healthcare clinic prescribes technology for total wellness.

BY VICKI POWERS

A NON-TRADITIONAL, GRASSROOTS health clinic in El Paso, Texas, is bringing culture, technology, and healthcare into its community prescription for total wellness.

This area's zip code—79901—represented the third poorest area in the Southwest in the 1960s. Today, its children are receiving top-notch technology instruction as a result of progressive community leaders who are dedicated to providing opportunities for the next generation.

In 1967, a group in a low-income neighborhood in El Paso—mostly Hispanic single mothers—developed a health clinic in a one-room apartment in hopes of giving their children a brighter future and better life. They wanted a community health resource that understood their culture, language, and medical needs. This desire for total wellness helped them to create the *Centro De Salud Familiar La Fe Clinic.*

Salvador Balcorta, CEO at La Fe Clinic, was one of those neighborhood children. Brought into the clinic at age 13 by volunteer health workers who taught him about taking responsibility for and finding ways to solve some of the community problems, Balcorta today runs this nationally recognized community wellness network with satellite clinics throughout El Paso County.

TECHNOLOGY TRANSFORMATION

La Fe Clinic relies extensively on technology to manage its own operations as well as to deliver its services. In the last three years, La Fe Clinic has transitioned to a networked system between its eight clinics using T-1 circuits.

The clinic's growth served as the driving factor for the significant change, according to Mark Taylor, district sales manager for Central Texas at Avnet Enterprise Solutions, an IT solutions integrator. An upgrade to La Fe Clinic's antiquated phone system would have been extremely expensive, according to Taylor, so he worked with Balcorta to assess the clinic's growth plans and list of desired new services to identify an appropriate technology solution. During the construction of the new Child and Adolescent Wellness Center, Avnet ran fiber to all the clinic's southeast El Paso locations and linked its existing end-to-end Cisco data network and Cisco Internet Protocol telephony solutions on top of that.

"This system enables La Fe Clinic to keep costs down over the long-term by managing its own phone system," Taylor relates. "La Fe Clinic added a new building without increasing operational costs since it didn't need to add staff to its team."

Grants from organizations such as the Texas Association of Community Health Centers and the El Paso Empowerment Zone have helped La Fe fund technology investments. Likewise, IBM donated 75 computers for the clinic's Technology Center.

"Cisco brings us great opportunities in not only establishing networks in the health center but also networks within the organization in its totality," Balcorta says.

The implementation of Cisco technology solutions has given La Fe Clinic the foundation it needs to explore various technology possibilities, according to Antonio Santos, technology director for the Cisco Networking Academy program housed within La Fe's property.

The clinic is in the process of implementing an electronic medical record system that will provide better patient care and more physician-patient contact.

"It has also assisted in increasing staff productivity," says Santos. "The clinics now have access to e-mail and can collaborate on projects, such as grant proposals, which reduces the need [for staff] to commute from one clinic site to another."

This technology also helped La Fe Clinic bring computer training to the local community by providing Internet connectivity and resources for job training. Taylor says it was interesting to work on this project with people who had grown up in—and have a strong personal commitment to—that neighborhood.

HEALTHY CONNECTIONS

La Fe Clinic uses technology in a variety of ways to fulfill its mission. Balcorta's dream came true when La Fe Clinic developed an innovative health-promotion and disease-prevention initiative two years ago with the Child and Adolescent Wellness Center. The center comprises three major programs—pediatrics, cultural, and technology—using culturally appropriate technology resources.

The Technology Center averages about 65 children per day and boasts four computer labs—one for children, one for adults, one as part of the Cisco Networking Academy (see sidebar), and the fourth as a multimedia graphics room. Many adults who bring their children to the computer labs are just as interested the learning opportunities. Balcorta says this is the complete opposite of what they expected in the beginning based on language and education barriers. "The adults want to come in, too, and it's spreading through word of mouth," Balcorta says.

La Fe's goal is to incorporate technology with health. Doctors at the clinic, for example, give children prescriptions to attend the Technology Center in addition to their antibiotics. The prescription might include playing an arcade game to learn how to deal with asthma or designing a book about diabetes and printing it in the print shop. Likewise, an overweight child might receive a prescription to attend dance lessons in the Cultural Center, which hosts activities such as arts and crafts, dance, painting, pottery, music, and theater.

The networked technology also enables La Fe to design its own patient-education materials, such as brochures or videos that can be streamed through the network. It also partners with the local school district to deliver educational materials by using the connectivity between the various schools and La Fe.

TECHNOLOGY TARGET MARKET

The La Fe Clinic works as strongly with local government and the El Paso Hispanic Chamber of Commerce to make a difference in the community. Seven years ago, the Hispanic Chamber met with Cisco representatives to brainstorm about how to address challenges facing in the Hispanic market. The outcome is BizTech, an annual technology expo that now reaches roughly 5,000 people each year.

Clinic employees help with the expo's "Computer Petting Zoo," a hands-on activity designed to demonstrate how computers work to those who are unfamiliar with them. They've found the approach is more effective in demonstrating the benefits of computers to local businesspeople than having an expert lecture on the subject.

"The Computer Petting Zoo helps remove the intimidation of technology for those who grew up with typewriters," says Cindy Ramos-Davidson, the Hispanic Chamber's executive director. "We take businesses to new markets of opportunities."

Each year BizTech showcases new initiatives, brings in speakers, and offers options such as the BizTech Technology Hall of Fame and a Cyber Café. Its greatest benefit has been creating awareness about technology in the Hispanic market, opening people's minds, and creating business partnerships.

The La Fe Clinic is heavily involved with community development and revitalization of the neighborhood and eventually hopes to provide technical assistance to the neighborhood itself by creating a community network.

"This will enable the community to have technology within their businesses and within their grasp and be better business people," Balcorta states.

VICKI POWERS IS A TEXAS-BASED FREELANCER COVERING BUSINESS AND TECHNOLOGY ISSUES. ALTHOUGH SHE LIVES IN TEXAS, EL PASO IS STILL A TIME ZONE AWAY.

NEXT STEPS

Learn more about the Cisco Networking Academy Program at **cisco.com/go/iqhisp-netacad**.

BizTech Expo 2005 (**www.biztechep.com**) will be held in mid-October.

The El Paso Hispanic Chamber of Commerce's site is **www.ephcc.org**.

FROM CISCO

LA FE CISCO NETWORKING ACADEMY

Students at the La Fe Cisco Networking Academy program in El Paso learn about more than technology. They also learn skills—looking for a job, preparing a job résumé, and understanding finances—that can change their lives.

"The only prerequisite for the Cisco Networking Academy program is a desire to learn," says Antonio Santos, the program's technology director. "That's a distinction our Academy has from other Cisco Networking Academy programs. We do not turn away students who have never worked on a computer before."

One of 10,000 nationwide academies and 1.5 million students, the La Fe Academy provides online learning with hands-on laboratory exercises on actual networks that enable students to apply what they learn. This Academy is just one of four labs in the Cultural and Technology Center, which is part of La Fe's Child and Adolescent Wellness Center.

This innovative model, according to Santos, will contribute to the development of a healthier community by integrating preventive healthcare principles with new culturally appropriate technology resources in a multimedia approach to wellness.

"It creates ways for the Hispanic underserved population to access technology through La Fe," Santos relates.

Both children and adults can visit the Academy to learn a wide variety of computer skills, ranging from how to turn on a computer to advanced material covering how to install and maintain routers, networks, and switches.

The bilingual curriculum that serves the Hispanic community—self-paced, Web-based material—prepares students with skills to be computer-service technicians. Students continue advancing through modules to become wide-area network technicians, which prepares them for testing to achieve CCNA certification, a recognized, worldwide certification.—V.P.

What You Need to Know about NETWORKING

***Routing* and *switching* are crucial to your company's success.**

BY FRED SANDSMARK

BECAUSE NETWORKING IS a relatively young science, it borrows language from other disciplines. Many networking terms come from the realm of physical transportation—terms such as *bridge, hub, port, routing,* and *switching.*

That borrowing is apt. Just as the transportation revolution—especially the advent of the railroad—was an economic catalyst of the Industrial Age, networks are the economic catalysts of the information age. And just as railroads need a solid infrastructure, so do networks. The foundation technologies of networks are *routing* and *switching.*

Understanding networking at a foundation level can help you ask better questions, make informed decisions, and more effectively understand the impact and value of networking on your business as a whole. In this way, understanding these technologies is another element of strategic planning, especially as routing and switching become the foundation for all business communication—not just data, but voice and video too.

ILLUSTRATIONS BY STEVEN LYONS

THE BASICS

In its most basic form, a network consists of two pieces of electronic equipment that communicate data back and forth, connected by a third piece of equipment that enables that communication. A printer attached directly to a computer via a parallel or USB cable does not comprise a network; it becomes a network if that printer and computer are both attached to a switch or router.

The Internet provided the impetus for most companies to adopt a network infrastructure. Even the smallest businesses need network-enabled Internet connections to send and receive e-mail, advertise and sell products and services online, interact with customers, and connect with suppliers. Moving to a networked environment opens new possibilities, including online business applications and collaboration opportunities. Data security also becomes a central consideration with a network.

Two decades ago, engineers at the International Organization for Standardization (ISO) developed a theoretical seven-layer model for networking, known as the Open Systems Interconnection (OSI) Reference Model. For general purposes, it's enough to know that the lower you go in the seven layers, the larger proportion of functionality lies in hardware. As you go up the layers, more software (and thus computing power) is needed. Processes at lower layers happen faster, because they require less computing power.

Conventionally, switches were considered *Layer 2* devices and routers were *Layer 3* devices. Switches were used to connect two devices on the same network, and routers were used to connect multiple networks to each other. A switch used hardware addresses, or *MAC addresses*, to identify devices connected to it, while routers used other means to identify devices and created and maintained software-based "routing tables" that kept track of the best path from one network or device to another.

In the last few years, networking equipment manufacturers have put more router-like functionality into switches: These are known as *Layer 3 switches* or *multilayer switches.*

Meanwhile, routers are taking on more features, especially relating to network security and quality of service (QoS). These features are often modules that plug into multiservice platforms. Also, some routers today have specific purposes—for example, an *access router* connects a local office into a corporate network *backbone*, while an Internet service provider (ISP) uses a *core router* to operate that backbone. In short, there's a wide range of devices that can be called routers.

While switches and routers have evolved and the lines between them may seem blurred, one simple distinction remains: Switches reside within a local-area network (LAN), while routers are needed in a wide-area network (WAN) environment. It's analogous to an old-fashioned office phone: Switching is like dialing a four-digit extension to reach someone in your building, while routing is like dialing 9 to get an outside line, and then a seven- or ten-digit phone number.

SOLUTIONS

Growing companies, especially those opening new offices, can opt for integrated foundation solutions that are secure, solid, and compatible with future technologies. Rather than purchasing separate products for individual functions such as routing, switching, security, and Internet gateways, companies can choose a "systems-based" solution that provides everything a business unit needs to fully and securely connect to the Internet and the company as a whole.

"More and more features are making their way directly into routers and switches," says Robert Whiteley, associate analyst with Forrester Research.

"There are some great solutions that are all-in-one, all-you-can-eat in one cool box," agrees Kneko Burney, chief market strategist with research firm In-Stat/MDR. These solutions can enable an Internet or WAN connection, print- and file-server capabilities (putting printers and document storage on the network for everyone to use), and security, according to Burney.

The systems-based approach has several goals: to transfer responsibility for security and reliability from individual computers and users to the network itself; to create a network that adapts to changing needs; and to look at the network as an orderly, organized system rather than a collection of disparate, individually managed boxes. Under a systems approach (sometimes called "intelligent networking"), the network moves from being a passive means of connectivity to an active, integrated part of the company's business process.

A systems-based approach to routing and switching lets all workers—even those at different sites—have the same

DEFINED

IP ADDRESS: An Internet Protocol address is a unique set of numbers that identify a device on a network. IP addresses are often assigned by routers and used by them when sending information from one device or LAN to another.

LAN: A local-area network is a networked collection of computers, printers, and other devices, typically in a single physical space.

MAC ADDRESS: A Media Access Control address is a preassigned number on a network interface device. Switches use MAC addresses to connect two devices. The MAC address is like the vehicle identification number on your car—it's assigned by the manufacturer and stays constant for the life of the product.

QoS: Quality of Service is a measure and guarantee of the amount of information a network can handle in a given time. (This is called throughput.) High QoS is required in both the LAN and the WAN for using many advanced technology applications such as IP Communications.

WAN: A wide-area network typically spans a larger geographic area than a LAN, and usually connects multiple LANs. A multisite business might maintain a WAN to connect the LANs in its individual offices.

access to business applications, Internet Protocol (IP) Communications, and videoconferencing as their colleagues at headquarters. Networking solutions for satellite offices tend to be modular in nature, allowing you to install just the features you need for a particular office. Modularity also enables you to upgrade equipment (rather than replace it altogether) when needs change or an office expands.

An added benefit of this systems-based approach is that technical staff at headquarters can centrally manage the network, which keeps staffing counts low while providing reliable service to employees in all locations.

Security is a critical consideration to most small to medium-sized businesses (SMBs) when choosing a networking solution: 75% of North American SMB decision makers planned to purchase network security technologies in the next 12 months, according to an April 2004 report from Forrester Research.

"Security is definitely top-of-mind for a lot of IT executives, regardless of whether a company is large or small," Whiteley says.

By installing a complete solution and managing it centrally, companies can protect valuable corporate data and guard against viruses, spyware, Internet attacks, and other security concerns.

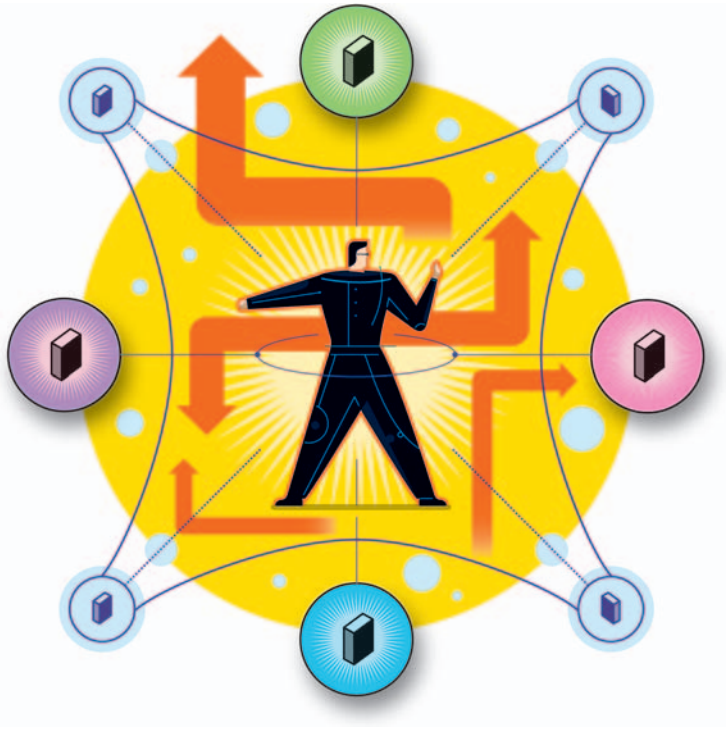
Security solutions include firewalls—essentially, specialized routers running software that examines incoming data and protects against attacks—and virtual private networks (VPNs), which use encryption technology to securely connect two networks (the headquarters and a satellite office, for instance) over a public network, such as the Internet or a carrier network.

"Enterprise-grade security features are being built into smaller switches" aimed at the SMB market, according to Whiteley.

WHAT TO WATCH FOR

Several trends in routing and switching are of particular interest to SMBs. First and foremost is the increasing need for Internet connections. Fully 70% of North American SMBs were looking to increase Internet connectivity and bandwidth during the next year, according to an April 2004 Forrester report. Adding connectivity will likely entail upgrading or adding router horsepower in these companies.

Many improvements in routing and switching gear will find their way to the SMB market in the near future. Switches with in-line power are coming on strong. These allow placement of wireless LAN access points and IP phones anywhere there's a network jack, without requiring electrical outlets or extra wires to power the devices.



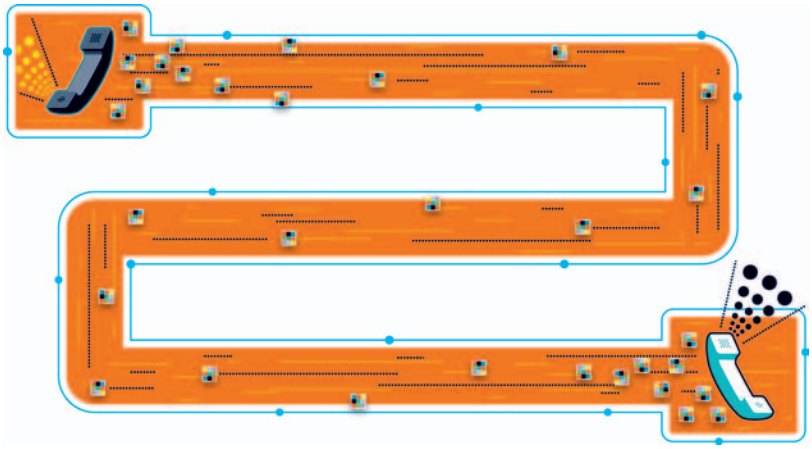
Businesses often install wireless access points in ceilings or high on walls, where standard electrical outlets aren't often readily available, and where using electricians to add circuits can increase installation costs dramatically.

Many SMBs struggle to decide between using managed and unmanaged networking technologies, especially switches. An *unmanaged switch*—the type typically available from an office-supply or computer store—works out of the box with no configuration. On the other hand, the benefit of a *managed switch* is that a user or administrator can access it—usually via the network itself—to adjust or monitor its operation. Most managed switches will also work out of the box without configuration, but they give the purchaser the option of using other capabilities.

"If you want any kind of IP telephony, or any type of serious [software] applications on a particular network, then you're going to have to have manageability," Whiteley advises.

BOTTOM-LINE IMPACT

Foundation technologies can have a positive impact on a company's financial outlook. The clearest evidence for this fact can be found in the Net Impact Study 2003, sponsored by Cisco Systems and conducted by Momentum Research Group. The study found that companies that combined sophisticated network infrastructures with network-based business applications—and were willing to reengineer their business practices to take best advantage of the technology and actively measure the results—reduced their annual operating costs by more than 20%. What's more, they



measured a 20% to 25% increase in customer satisfaction.

Making informed purchase decisions about networking technologies can also save money in the long term. For example, the price difference between Layer 2 switches and multilayer switches is negligible, but the capabilities of multilayer switches are considerably greater. For example, if a company decides in the future that it wants to save on telecommunications costs by implementing IP Communications, a multilayer switch requires only a simple software upgrade to handle the increased demand. A Layer 2 switch, on the other hand, may need to be replaced.

Having a network foundation that can support advanced technologies such as IP Communications can deliver savings to SMBs in several areas: You can install a single network to handle both voice and data communications, you only need to purchase and maintain one set of equipment, and you can reduce or eliminate toll charges between network-connected sites.

IN THE REAL WORLD

GST Corporation provides transportation and logistics solutions to customers large and small. Its hallmark is the service GST's knowledgeable local agents can provide. In 2000, the company was spending $52,000 per month to provide data over a frame-relay network to 19 offices. (Frame-relay is a type of WAN, usually leased from a telecommunications carrier.) The company unplugged its frame-relay connection, installed Cisco multiservice access routers at remote offices, and securely connected everyone to headquarters over the public Internet using VPN. Since then, GST has expanded to 380 employees in 34 branch offices and 30 home offices—and spends just $57,000 per month to connect them. When GST hires local transportation experts, it simply ships them a VPN-enabled laptop and an IP phone, and they can completely and securely connect to headquarters over a home Internet connection.

Hitchcock Automotive Resources is a group of five auto dealerships and a body shop, all located in Southern California. Until recently, each dealership ran its own server and LAN, independent of Hitchcock's headquarters. Now, each dealership uses a Cisco switch for its LAN and a Cisco multiservice router to connect to the company's WAN, which has allowed the company to migrate its various business applications to a single high-performance server. "This centralized server allows us to run the organization efficiently without duplication of personnel or equipment at each location," says Rich Morris, Hitchcock's vice president of information systems. For example, two people now generate payroll for the almost 800 company employees instead of staff at each location.

Routing and switching are even reaching truckers on the road, thanks to Knoxville, Tennessee-based IdleAire Technologies Corporation. Through a "service module" on a long, flexible hose, IdleAire has delivered electric power, heating, and air conditioning to big rigs parked at truck stops since 2000. Soon after it began its service, IdleAire realized that the network it was building to provide customer support could also deliver new services for its trucker customers. Now IdleAire service modules provide high-speed Internet access and IP-based phone service to 2,000 truck-parking spaces in the United States. The company (which has less than 200 employees but is growing rapidly) plans to deploy its services to 270,000 parking spaces nationwide and add video-on-demand service.

WHAT TO DO NEXT

Chances are good that you already have some networking technologies in place. The next step, then, is to determine whether you have the right foundation for your company's needs, both today and in the future.

For many SMBs, identifying the capabilities of their current network requires the help of a trusted third party. "Companies that are really looking to leverage technology in their business generally work with an outside source like a value-added reseller or an integrator," says In-Stat/MDR's Burney. These third parties are often local small businesses themselves, she notes.

"It's important for SMBs to feel that they're getting support at the local level," agrees Whiteley. Trusted resellers provide a local face for larger vendors, and allow SMBs to take advantage of big-company products and expertise.

But many small businesses, especially those on tight budgets, build their initial networks with home-networking products such as routers, switches, and wireless access points purchased from office-supply stores, computer retailers, or online. As commodity packages, these can deliver unbeatable value. Home-office networking products, such as

those made by Linksys (a Cisco Systems company), are very good for their intended purposes.

But as companies grow, the limitations of home-networking products often can't keep pace with the challenges posed by that growth. Many lower-end products can't handle IP Communications or video well, if at all. Additionally, they can be a challenge to manage: Users may need to manage each box individually, preventing a company from gaining an overall picture of its network environment. This leads to network failures or, worse, security breaches.

What you plan to do with your network should drive your equipment purchase decisions. "It comes down to what applications you intend to run," advises Whiteley. "If you intend to run IP telephony, you need to buy routing and switching equipment that can support it, not just a typical run-of-the-mill data switch."

Burney agrees. "When you start looking at IP telephony, [you want] application-level routing," she says. "You get into higher layers of network management, where you're actually prioritizing traffic for specific applications."

With this level of network equipment, a business can also prioritize data for applications such as customer relationship management or enterprise resource planning, or give higher priority to specific mission-critical computers.

As more of your company's business processes move online, security needs increase significantly. Computer security is the single most critical attribute of corporate networks for 78% of the 254 senior executives surveyed worldwide in 2004 by AT&T and the Economist Intelligence Unit. Sixty-one percent of the companies surveyed had annual revenues of $500 million or less.

If you're not sure whether your network foundation can take you where you need to go, start by assessing your current equipment. Find out if your existing switches are multilayer switches, and if they're capable of providing in-line power. Make sure your network provides the security that your business requires. Additionally, find out if your setup is flexible, reliable, and scalable enough to handle your growth needs. "The majority of questions SMBs are asking about routing and switching are around reliability and scalability," says Whiteley.

Indeed, "reliability/availability" is the top purchasing-decision criterion among businesses with revenues less than $100 million, according to Forrester. "Because typically [they replace] their technology less often, they often want equipment to last five years instead of three. And if they plan to grow, they want to make sure it can scale to 1,000 users instead of the 500 they've got on it now." iQ

REGULAR *iQ MAGAZINE* CONTRIBUTOR FRED SANDSMARK IS BASED IN THE SAN FRANCISCO BAY AREA.

NEXT STEPS

Learn about Cisco Integrated Services Routers at **cisco.com/go/iq-isr**.

To find a local Cisco-certified reseller that specializes in working with SMBs, go to **cisco.com/go/iq-partnerlocator** and use the advanced search function (look under "Additional Partner Programs").

To learn more about other technologies, use the following links to access more articles in the "What You Need to Know..." series:

- Wireless: **cisco.com/go/iqhisp-wireless**
- IP Communications: **cisco.com/go/iqhisp-ipc**
- Network Security: **cisco.com/go/iqhisp-security**

To read about more business topics, review the following articles from previous issues of *iQ Magazine:*

- Setting Your Sites on Expansion: **cisco.com/go/iqhisp-expand**
- E-mail Marketing: **cisco.com/go/iqhisp-email**
- Choosing Trusted Advisors: **cisco.com/go/iqhisp-advisors**
- Justifying Technology Investments: **cisco.com/go/iqhisp-invest**

FROM CISCO

TRADE UP FROM LINKSYS TO CISCO'S NEXT-GENERATION ROUTERS

Cisco Systems created the Linksys to Cisco Trade-Up Program for organizations that want to upgrade from their small-business Linksys equipment because they've outgrown its capacity or features.

Cisco is providing an upgrade path for these customers by giving rebates of up to 100% of the cost of their qualifying Linksys equipment when they purchase qualifying Cisco SMB solutions.

To be eligible for the program, customers must purchase their Cisco products through a certified Cisco reseller. Rebates are granted on a one-for-one basis and Linksys customers must own their Linksys equipment for a minimum of 90 days and purchase their new Cisco product(s) within three years of their Linksys product purchase date.

The Trade-Up Program comes at a good time, coinciding with the release of Cisco Integrated Services Routers. These platforms, available through the program, are specifically designed to deliver the concurrent services (such as IP Communications and integrated security) and wide-area network connectivity that SMBs need.

"With embedded and integrated security, as well as enhanced voice and video services, the Integrated Services Routers provide customers of all sizes increased modularity and adaptability," says Mike Volpi, senior vice president and general manager of Cisco's Routing Technology Group. "Customers now have more flexibility in the type and number of services they deploy both today and in the future."

For more information about the program go to **cisco.com/go/iq-tradeuptocisco.**—F.S.

ADDRESSING NETWORK SECURITY

Many SMBs do not have adequate network security in place. Here's help to make sure you do.

NOW MORE THAN ever, small and medium-sized businesses (SMBs) are relying on their networks for internal and external communications, inventory, billing, sales, and trading with partners—in short, for just about everything. And yet, many SMBs haven't adequately protected their networks.

Why? Because to many SMBs, network security can seem too complex and too resource intensive to tackle. Many companies see network security as an expense that won't help them grow. "They would rather use any extra resources they have on sales and marketing," says Larry Clinton, chief operating officer of the Internet Security Alliance (ISA).

In addition, some SMB leaders believe that their companies are less likely to become targets of hacker attacks than are larger companies. Meanwhile, many larger enterprises have further bolstered their network security. As hackers and others with malicious intentions find it increasingly harder to infiltrate the networks of larger enterprises, they will turn their attention to SMBs networks.

The numbers bear this out. For example, the Mydoom worm in 2004 affected one out of three SMBs, but only one out of six larger companies, according to Clinton.

ILLUSTRATION BY PETER HOEY

START CLEAN

To begin, broaden your view of network security. Rather than categorizing it as an IT concern, you should instead consider it as a business-continuity issue. Networks have become an intrinsic part of conducting business, making security planning as important as sales and marketing planning.

Before any planning, start with a clean slate. Most SMBs have at least some network security in place. But is your current level of security enough? It will serve you well to question everything and assume nothing.

PUT IT IN WRITING

Once you've finished an internal network-security assessment, it's often useful to have an outside consultant perform an independent assessment. Compare the consultant's results to your own in order to identify any gaps. Armed with this information, you can develop (or revise) your written network-security plan. If you've enlisted outside help, your consultant can help you with this task. It's critical to document your plan in order to maintain a consistent approach to network security; with a written plan in place, you can compare results over time, troubleshoot,

educate employees, and track your progress in each area.

Finally, it's important to realize that your network security must be both consistent and flexible. Policies—especially those created with your business's most important assets in mind—aren't likely to change significantly unless your business itself does. However, you should evaluate and update the procedures used to enforce these policies when the need arises.

The following tips should help you develop—and win support for—an effective network-security plan:

- In discussions with financial or other officers, focus on return on value rather than return on investment. Point to the potentially devastating impact of security breaches—such as loss of revenue or customer litigation.
- Never assume that network attacks will only come from outsiders. Loyal employees can inadvertently create security vulnerabilities, and disgruntled or former employees can cause considerable damage.
- Develop a companywide security strategy. Don't be tempted to confront security concerns with a piecemeal approach rather than a single, unified strategy.
- Work with other company officers to develop and implement security strategies, focusing on technology, training, physical site security, and more.
- Find the right balance between security and usability. The more secure your network is, the more difficult it is to use.

Ultimately, a process of continual revision is critical to the success of any network-security plan. "The most effective network-security plan," concludes Clinton, "is one that is always a work in progress." IQ

JAMES A. MARTIN WRITES FREQUENTLY ABOUT NETWORK SECURITY AND IS A PRINCIPAL OF MARTIN PARHAM GROUP IN SAN FRANCISCO.

NEXT STEPS

Learn about the latest adaptive security solutions, which make it easier for SMBs to keep network defenses current, at **cisco.com/go/iqhisp-adt**.

Use the Cisco Security Policy Builder (**cisco.com/go/iqhisp-spb**), a free and simple online tool, to help you start developing a sound network-security policy.

NETWORK-SECURITY CHECKLIST

Every SMB should have a written (and thoughtfully prepared) network-security plan in place. Answering the following questions can help you develop your own policy:

TAKE INVENTORY OF YOUR CURRENT SECURITY TECHNOLOGIES

Do you have any of the following?

- ☐ Firewall
- ☐ Virtual private network
- ☐ Intrusion prevention
- ☐ Virus protection
- ☐ Secured wireless network
- ☐ Anomaly detection
- ☐ Identity management
- ☐ Compliance validation

IDENTIFY YOUR MOST IMPORTANT DIGITAL ASSETS AND HOW THEY CAN BE ACCESSED

- ☐ Exactly what are your company's digital assets? What are they worth?
- ☐ Where do those assets reside?
- ☐ Who has access to these assets, and why? Do all employees have the same level of network and application access?
- ☐ Do you extend access to partners and customers?
- ☐ How do you control, validate, and monitor that access?

EVALUATE THE POTENTIAL IMPACT OF A SECURITY BREACH

- ☐ What is the potential financial impact of a network outage due to a security breach?
- ☐ Would a security breach be likely to disrupt your supply chain, and (if so) how?
- ☐ What would happen if your Web site went down? How long could the site be unavailable before you suffered a significant financial impact? Minutes? Hours? Days?
- ☐ Do you have e-commerce features on your site? How long could your storefront be unavailable before you suffered a significant financial impact? Minutes? Hours? Days?
- ☐ Does your company have insurance against electronic attacks, or against the misuse of your customers' data? If so, is this insurance adequate?

CONSIDER BOTH CURRENT AND FUTURE NEEDS

- ☐ In what ways do you expect your business plan to evolve over the next few years?
- ☐ How recently have you updated your network equipment? Software? Virus definitions?
- ☐ What type of security training—if any—do you provide to your employees?
- ☐ How will growth affect your digital assets and their value to your business as a whole?
- ☐ In the future, are you likely to have a greater need for remote employees, customers, or partners to access those digital assets?

FRED LOYA

Founder and Chairman, Fred Loya Insurance

***HISPANIC BUSINESS* MAGAZINE** recently named Fred Loya Insurance one of the top 50 Hispanic businesses in the United States. Loya founded the company in the mid-1970s and has nurtured its growth to nearly 200 offices and approximately $200 million in annual revenue for 2005.

What were your early jobs? My first job was counting tortillas in my parents' tortilla factory. We sold tortillas by the dozen, so I was very adept at counting to 12. After college and a three-year stint in the army, I lived in Mexico and ran the family ranch for 15 years before coming to El Paso and starting my insurance career.

Who have been important influences for you? My parents were instrumental in instilling in me the work ethic that has guided me through life. Their ferocious work habits inspired me to have a deep respect for the importance of hard and consistent work.

Later, Mr. Anastacio Prieto, a Mexican cattle rancher who may have been the very best of his times, taught me everything about ranching. More importantly, he reinforced my parents' work ethic and taught by example the virtues of consistency, dedication, perseverance, and a commitment to excellence in all we do.

What inspired you to start your own business? Necessity—when cattle prices fell in the early 1970s. A friend who had also been in the Mexican cattle business convinced me to become an insurance agent. I thought I would do it until the cattle prices went up again. I never looked back.

To what do you attribute your success? It really started with the involvement of my wife, son, and daughter. Our family maintains the commitment to excellence with which I started the company.

Our managers are energetic, capable, and as enthusiastic about serving the customer as they are about achieving their own career and personal successes. Finally, we attribute our success to the thousands of loyal customers who trust us and know they will always be treated with courtesy and respect.

How do you support your company's growth? By automation and training. When I had only one office, I anticipated what changes would be required as we grew. It was apparent from the beginning that without automating our systems, we simply could not grow.

What advice do you have for other entrepreneurs? A long time ago, someone asked the secret of my success. My answer is the same now as it was then: I open the office every day at the same time.

Success depends, at least in part, on constancy and single-mindedness of purpose in reaching the final goal. Finally, I believe honesty and sincerity in your dealings with both customers and employees must be an essential part of the diligence and discipline of your work habits. iQ

INTERVIEWED BY KIM AUSTIN PETERSON, EXECUTIVE EDITOR

DAN COOGAN