

# The 500

## Andes Chemical Corporation

# #143

**Fernando Espinosa,**  
CEO  
Miami, FL



*Fernando Espinosa wants to keep a handle on his company's fast growth. This year he's concentrating on cementing relationships, plucking out bad accounts, and preparing for the next wave of expansion.*

Ask Fernando Espinosa how he got his start in international sales and he points to the yellow pages. Back in the early days of his chemical distribution career — when he was working for someone else, with few contacts and even fewer contracts — Mr. Espinosa swears the phone book was his lone source of leads.

"I would open the yellow pages, see who was making paint or cosmetics, and start calling or visiting them," Mr. Espinosa explains. Though perhaps not a ringing endorsement for high-tech marketing, it proved extremely effective.

More importantly, it laid the ground work for Andes Chemical Corporation, a company Mr. Espinosa launched on borrowed money in 1986. Andes Chemical has blossomed in the high-profit, low-overhead industry of chemical distribution, with a staff of only nine employees bringing in \$17.3 million in revenues last year, ranking it number 143 on the **HISPANIC BUSINESS**

500. A full 98 percent of the company's revenues are generated by export sales.

Mr. Espinosa, 46, had no early inkling that he would make a career in chemicals. Born in Cuba, he arrived in Miami in 1960. He earned a marketing degree from Florida State University before heading to Puerto Rico to connect with a cousin who ran a paint factory. Mr. Espinosa later returned to Miami and parlayed his experience into a sales job at a small chemical company. It was there that

he developed his yellow pages technique.

By 1986 he had the confidence — but not the cash — to strike out on his own. When a well-financed business associate agreed to sign a \$250,000 letter of credit in return for part of the business, Andes Chemical was launched. "I was never nervous," Mr. Espinosa recalls. "I knew

from the beginning that it would work."

He was right. In the first year, as a one-man company, revenues hit \$1.6 million. By 1990, Andes had 120 customers generating \$10 million in revenues. Today Andes does business in almost two dozen countries, with the firm's customer list exceeding 250 names.

Mr. Espinosa credits that age-old tradition of simply pounding the pavement — or in his case, the beaches. Business first came in areas where he had experience, Puerto Rico, Barbados, Jamaica, and Trinidad. Later he began selling chemicals to paint, glue, and ink factories in Guatemala, El Salvador, and Costa Rica. Then he went further south to Venezuela, Ecuador, and Uruguay.

In most cases, Mr. Espinosa says, he was networking through contacts he had made at the small chemical company where he had worked immediately before starting Andes. "I knew there was business there and they all knew I could perform," says Mr. Espinosa, who spends a week a month on the road, and has two representatives who travel continuously. With a satisfied chuckle, Mr. Espinosa notes that the company where he worked is now closed down. "I won't say that I put them out of business," he says with a laugh.

**H**ow good is Mr. Espinosa at what he does? In the mid-1980s, McWhorter Technologies near Atlanta attempted to export its paint resins and solvents to South America and the Caribbean. It didn't work. McWhorter turned to Andes Chemical, and sales to that region have taken off. "Fernando is a superstar for us," says Rod Hicks, McWhorter's eastern region sales manager. "We're very pleased. We know we wouldn't have a future there without his involvement."

Plugged into some of the fastest-growing economies in the world, Mr. Espinosa is aware of the temptation to rapidly expand. But for now he's determined to grow methodically, avoiding the traps that have swallowed other companies in fast-growing industries. He sees 1994 as a year to cement relationships, pluck out bad accounts, and prepare for the next wave of expansion.

"To be honest," he concludes, "I want to stay at this level for a couple of years."

BY GRAHAM WITHERALL