

NEWS ([HTTP://WWW.MIAMIHERALD.COM/NEWS/](http://www.miamiherald.com/news/))

> BUSINESS ([HTTP://WWW.MIAMIHERALD.COM/NEWS/BUSINESS/](http://www.miamiherald.com/news/business/))

> BUSINESS MONDAY ([HTTP://WWW.MIAMIHERALD.COM/NEWS/BUSINESS/BIZ-MONDAY/](http://www.miamiherald.com/news/business/biz-monday/))

Small business makeover: Bullseye Powder Coating

A Herald Small Business Makeover helped steer Bullseye Powder Coating — Broward onto the right track.

BY JULIE LANDRY LAVIOLETTE

08/03/2014 3:54 PM | Updated: 08/06/2014 1:15 PM



GEARING UP FOR GROWTH: From left: Mario Saavedra, Michael Saavedra and Antonio Balestena own Bullseye Powder Coating, which sand-blasts and coats metal surfaces such as car rims, fencing, patio furniture and more. MIAMI HERALD STAFF

Antonio “Tony” Balestena loved checking out flashy rides at car shows. He became interested in powder-coating work, which preserves and color-coats specialty metal items like car rims and yacht parts.

Balestena learned the ins and outs of the trade with a friend’s business, Bullseye Powder Coating in Homestead. In 2012, he struck out on his own, paying \$50,000 for the naming rights to Bullseye Powder Coating in Broward County, one year’s use of equipment, and training.

Balestena partnered with his stepsons, Michael and Mario Saavedra, and rented a 4,500-square-foot enclosed bay and yard in Hollywood. They secured investors to buy equipment, and business soared. During the first half of 2014, Bullseye did a steady \$53,000 a month in sales and was so overbooked, the management team turned jobs away.

Balestena is foreman of the operation. Michael Saavedra oversees the office and sales, while Mario manages the shop. Michael and Mario's mother, Grisell Hernandez, helps, as does Mario's wife, Ashley, who handles accounting. There is a full-time salesperson and four shop workers.

Sometimes they are so busy with rush jobs, they pull the sales guy off the street to help in the shop, or work until the wee hours to get an order out.

Bullseye does a mix of high-end custom work, like car rims and yacht pieces, and large-batch industrial work, such as fencing.

"We started as a custom shop, but we can't charge enough to cover overhead, so we started looking for better jobs," Mario Saavedra said.

The company has grown so quickly, the trio takes each day as it comes, Balestena said. "Every day we have new customers and new challenges, and we just work around it," he said.

They don't really have a handle on which part of their operation is more profitable, Michael Saavedra said.

"We never say no to anybody, but we have to decide what type of business is more profitable," he said. "We need to narrow down our business strategy to decide where we want to be."

Bullseye called the Miami Herald for a Small Business Makeover. The Herald brought in Broward SCORE, a nonprofit agency with volunteer counselors from the business community who mentor small-business owners.

The SCORE counselors were Russell Thompson, a Sunrise attorney who previously worked in the manufacturing and powder-coating business, and Rosie Taylor of Rosiemedia in Davie, a marketing coach and social media specialist.

"You have to think strategically," Thompson said. "You can't be all things to all people. You need a vision statement to decide 'What business am I in?' "

Here is the SCORE team's advice:

Develop a strategic plan: Figure out what jobs are most profitable, and evaluate the jobs you take, Thompson said. Bullseye does some jobs, like patio furniture and fences, that few competitors do. “Ask yourself, why are the competitors not doing it?” Thompson said.

Michael said they have begun to rethink strategically about which clients to take on, and to give priority to customers who come back with repeat business. The business has since taken on fewer jobs, but those with higher profit margins.

Get a handle on expenses: Because it is a family business, details of the cash flow are murky; sometimes, personal expenses are paid directly through the business. Thompson suggested showing personal cash distributions as a draw and keeping personal and business expenses separate. “At your rate of growth, you’re going to need to invest more capital, which means you’re going to need to go to a bank,” he said. “You have to be able to show a profit.”

If the trio wants to sell the business in the future, Thompson said, the financial statement and accounting practices have to be impeccable. Mario said Ashley will take a Quickbooks course to streamline the accounting. The three owners also plan to get a certified public accountant on board in the future.

Control and manage costs: Make sure the cost of items like equipment, transportation, labor and materials are accounted for in each job, Thompson said. Mario said he and the others have become aware of the “invisible costs they can’t really put a handle on.”

Evaluate pricing: Look at costs and make sure you’re making money on a job, Thompson said. “You may be getting a lot of jobs because you’re not charging enough,” he said. Come up with a strategy for pricing jobs, depending on the class of client, whether it’s an individual with car rims or a wholesaler who will bring repeat business, Thompson said.

Michael said the business has changed its invoicing system to reflect a base price, with options to add on costs of materials and labor as a job progresses.

Think like a business: Michael said costs have risen as the business has added services, but he and the others feel bad about raising prices for regular customers. “Don’t feel bad. You’re in business to make money. You’re not a social service agency,” Thompson said.

The Bullseye team members say they want to work on it, but it's a challenge. "I'm the worst one. I'm a softy," Mario said. "This is always going to be difficult, especially with our older customers."

Educate customers about lead time: When the business was smaller, Bullseye could routinely handle rush jobs. "Now we have customers who want one-day turnaround, and we can't do it anymore. We're too busy," Mario said.

Thompson suggested the company tell customers that it values their business but that it needs to stick to established lead times. "You can't let people strong-arm you — for time or price," he said.

Michael said he and the others struggle with this, but have started to be more firm about turnaround time rather than just telling customers what they want to hear. "We have to be realistic," he said.

Establish a scheduling system: Bullseye has tried both dry-erase boards and subscriptions to sophisticated job scheduling software to track jobs. Neither was a good fit.

Thompson said that tracking jobs will help them manage time and costs. He suggested breaking down jobs in a consistent way, to help in the documenting process. Mario enlisted a college friend to develop a tablet app specific to their needs that can track jobs and invoices.

Establish automated assembly lines for big jobs: Recurring jobs with multiple pieces can be handled more efficiently with an automated process, said Thompson, who used to run a windshield-wiper manufacturing plant.

Mario said that because the company does everything from small piece work to large fencing, he wondered whether an automated assembly line would work for them. "Our labor costs are high because they're doing the same process over and over," he said. Mario said creating an assembly line process is in the company's long-term plan.

Develop a three-year growth plan: Think about where you want to take the business, Thompson said. "We have a loose business plan, and we know where we want to go; we just don't know how to get there," Mario said.

But he and the others have begun to think about goals such as implementing an assembly line, expanding the facility and developing more industrial relationships, he said.

Target marketing to profitable areas: Bullseye advertises in community publications and uses AdWords pay-per-click sponsored posts to rank higher in online searches.

“Figure out who your ideal client is and target your marketing toward them,” Taylor said. “You have your junk-food clients and your primo clients. Your efforts should go after the high-end clients.” Build a referral network of your most profitable clients through social media and online presence, she said.

Michael stopped advertising in Penny Saver and online ads, and moved marketing dollars to redesign the firm’s website to attract a more-affluent clientele.

Rebrand: Currently, searches for “Broward Powder Coating” and “Bullseye Powder Coating” are both directed to Bullseye’s website. Taylor suggested creating a new website for industrial clients under the Broward Powder Coating name to differentiate it from the one for Bullseye’s trendier and younger automotive clients.

Having two distinct brand images on separate sites will help in Google search rankings, Taylor said. Michael said this is in the six-month plan, after the company has solidified its relationships with industrial clients.

Optimize the website: Add content like a blog to show off techniques and expertise and an “about us” page to tell your unique story, add personality and help with search engine optimization (SEO), Taylor said.

“Adding a blog a week is the equivalent of adding 52 new pages to your website each year, which helps in search rankings,” she said. Mario said he has brought in an SEO consultant to reword and add content and pictures, and the three owners will consider creating a blog.

Fine-tune social media: Sell less and start conversations more on Facebook. Expand Instagram to include lucrative boat work. Start a YouTube channel to give behind-the-scenes looks at projects.

“Social media is about having a conversation and engaging an audience,” Taylor said. “You’re selling lifestyle and ego.”

Michael said the company has shifted its focus to selling image by adding more videos and rethinking posts.

The Bullseye team said it thinks its business is back on the right track. "From the beginning to the end of this process, our strategy for pricing, quoting and doing work has completely changed," Michael Saavedra said. "Now we have a clear path of what to do in our business."