

# Galveston

## Monthly

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Galveston Monthly spoke with five Galveston business owners who have demonstrated lasting success, growing revenues, expanding their customer bases, mastering their finances and staying ahead of the competition.

On the surface, these businesses do not have much in common. They're in completely unrelated industries, but one trait they do share: They've all found a large measure of success, even amid a challenging economy, because they each are doing what they love.

Many successful business owners have at least one thing in common – the ability to see the big picture and envision what their success will look like tomorrow.

# 5 Galveston Originals

| By Donna Gable Hatch |



## Ralph McMorris

Galveston resident Ralph McMorris, owner of Lt. Blender's Cocktails in a Bag, tapped into an untapped money geyser when he created a menu of portable cocktail concoctions that are a snap to create at home.

All the all-natural ingredients to make a crowd-pleasing margarita (and many more drink choices), except the liquor of choice, is included in the heavy plastic screw cap bag. Add the liquid, shake, and celebrate!

The packaging was the key to the product's phenomenal success, said McMorris, who has degree in electrical engineering from Georgia Tech and an MBA from Harvard. The company's name is in homage to a moniker McMorris earned while serving with the 82<sup>nd</sup> Airborne Division during the Vietnam War. He was honorably discharged with the rank of first lieutenant.

He said he knew he'd made it when a popular morning television show tuned in to his business.

"The first day we introduced the product nationally at a trade show, we were asked to go on the Today Show, and then we started getting

customers from around the country," he said.

The Lt. Blender manufacturing facility is located at 1202 Postoffice, in the historic Purity Ice Cream factory, and McMorris is gearing up to expand the business and install "a major piece of equipment that's coming in June that's going to revolutionize our manufacturing. The equipment will quintuple our current capacity."

Within the next two or three years, he said, "we'll have to find a larger facility, and we prefer to stay on the island."

The road to success has not been without barriers. Early in the game, a business associate filed a "frivolous" lawsuit that sucked a lot of energy and time, he said. "We weren't able to completely focus on the business and grow the business like we should. Once we settled on that, we got going again, and then Hurricane Ike hit in September 2008. That was a pretty good blow because it wiped out our inventory. Right behind the hurricane came the recession, so some of our



customers cut way back.”

Three strikes and you’re out? Not a chance. Not Lt. Blender. McMorris stayed true to the 82<sup>nd</sup> Airborne motto: “All the way!”

“We continued to push and build and work through it all. We are just optimistic, positive people. We like what we’re doing, and we accept that there are barriers to get over. Nobody promised everything would be easy and smooth.”

The same can’t be said about his product line of easy on the palate cocktail mixes, which include piña colada, strawberry daiquiri, margarita, mudslide, hurricane, mojito and more including variety of wine freezer mixes.

So, why is his business flourishing in a difficult economy?

“Many years ago, I read a book that looked at businesses that survived the Great

Depression. It said there are three businesses that are recession-proof: the candy business, the movie business, and the alcohol business. I’ve always remembered that. It turns out that we ended up in an alcohol-related business,” he said.

“Even though the economy is flat, we’ve expanded the product line a little bit this year, and we have two products in the pipeline.” His

new Skinny Margarita is slated to hit the market in time for Labor Day.

His recipe for success: “Provide a product that is recession-proof and one that offers people a respite from the daily grind, surround yourself with people you like and respect and treat them right, and have faith in what you’re doing.”

For more information, visit [www.ltblender.com](http://www.ltblender.com).

### James Fulbright

For James Fulbright, it was never about making money. It was about sharing his love of surfing. “I am proud of the fact that I have not compromised the integrity of my original business model to make a buck,” said Fulbright, who opened Strictly Hardcore Surf Specialties in Galveston in 1985.

“I am most proud of the positive influence I have had on many young people by introducing them to surfing. I love the fact that I make and promote something that brings joy to people.”

His business model was simple: Do the opposite of what his competitors did and wait for the wave of customers to follow.

“When I started my business, other surf shops had eighty percent of their inventory consisting of surf fashion (softgoods) and the other twenty percent in surfboards and surfing accessories (hardgoods). I did just the opposite. It worked for me.”

His career began by working in a surfboard fin factory, where he learned to work with fiberglass, as well as how to design surfboards and fins. But, the work was seasonal, and when winter rolled around, he was laid off.

To supplement his income in

the lean months, he used his skills to repair surfboards of friends.

“When the third winter came around and I, again, got laid off, I made the toughest decision of my life and told my employer I was planning to open my own ding repair shop and would not be returning to work in the spring,” he said.

He started with \$1,000 in the bank and an inventory of ten used surfboards.

“As nervous as I was, and as risky as it seemed, I knew that my passion for surfing and my knowledge of fiberglass and surfboards would be

a solid foundation to build on. Nobody else offered surfboard repairs in town, and all the local surf shops were capitalizing on surf fashion more so than on surfboards and surfing equipment. I saw an opportunity to open a business that focused more on the sport and specifically on the surfboard itself - the Holy Grail of surfing. I also had the support of my close friends, who helped and encouraged me every step of the way. It was a group effort to change the face of the local surf shop.”

His bare bones beginning, he said, “turned out to be a

blessing, in the sense that my customers witnessed the business grow on a daily basis. They grew with me and saw that each and every one of them was responsible for the success and growth of the business. It was their surf shop as much as it was mine.”

Within two years, major surf companies lined up to have their products carried in Strictly Hardcore Surf Specialties, and “that felt good.”

He knew he’d caught a wave, and he enjoyed the ride.

“Three pivotal moments that made me feel like I made it big



were when my accountant first told me my profits were much higher than my expenditures; when my surfboard blank supplier told me that my company had ordered more total blanks than any other Texas surfboard builder; and when I told my customers to help spread the word about my shop, and they replied, 'No way, I'm not telling anybody about this place - this is my shop.'"

Like the waves themselves, money comes and goes, he said. True success is intangible. "Success is not measured by money. Success is measured by happiness. If you do something that makes you happy, you will be successful."

A registered boat captain, Fulbright also found success in another, highly unlikely, business venture: surfing in the Houston Ship Channel.

Fulbright carved a niche

market by offering tanker surfing charters in a portion of the channel, which spans about fifty miles from Galveston to Houston. It's one of the busiest waterways in the world, and the waves caused by the tankers and other ocean-going vessels that traverse the channel create the makings of a quirky, memorable surfing experience. Unlike waves in the gulf or the ocean, the waist-high swell

from tankers can last for miles.

Regardless of how – or where – someone catches waves, he said, "Surfing is a healthy and positive addition to people's lives, and when a customer comes in that has been a part of my shop for the past twenty-eight years and tells me that they are still surfing, and thanks me for being there for them, that is success."

For more information, visit [www.surfspecialties.com](http://www.surfspecialties.com).

### Celeste Stein

Celeste Stein, owner of the multimillion-dollar hosiery company Celeste Stein Designs Inc., started her business about thirty years ago on a friendly dare from her husband, Ben Jay Stein, owner of Star Fine Furniture and Sleep Center in Galveston.

"I started by creating embellished sweatshirts, T-shirts and socks in my garage," said Stein, who lives in Galveston with her husband.

"My girlfriend, who owned a clothing store, thought they were really cute and asked me to make some for the store. So, I did. It caught the eye of another lady, who owned a big clothing store in Galveston, and she asked if I'd make some for her, which I did."

While on a buying trip with her husband for the family's furniture store, Stein, who was wearing one of her designs, caught the eye of a representative attending the nearby Dallas Apparel Mart.

"She asked if I wanted to make a clothing line and have a business," Stein recalled. "This was all in the first year. Two weeks later, I had a sales rep, and I had a complete apparel line."

Soon, New York City, the mecca of the fashion industry, came knocking, followed by Los Angeles. When other companies began to replicate her work, she switched gears. "You have to keep finding

new things to do or you're out of business," she said, "I figured out how to do sublimation (dispersed dye printing) on my sock line, and it just built the business."

Now a multi-million dollar enterprise, Stein's catalogue boasts more than two thousand sublimation prints that can be printed on variety of garments and interior design textiles.

"I have a sublimation library that nobody in the world has. We currently hold the hosiery and lingerie licenses for Elvis Presley, Marilyn Monroe and others. I work a lot with Graceland; printed hosiery, ties and accessories."

She has created hosiery wear for designer clients such as Givenchy, Liz Claiborne, Coach, Victoria's Secret, Betsey Johnson, Banana Republic and Ann Taylor, among others. Her merchandise is splashed across the pages of fashion magazines and has been featured in numerous runway shows, such as Moschino and Todd Oldham, a close friend. Her designs have also adorned Hollywood glitterati, including Angelina Jolie and Julia Roberts.

Additionally, Stein and her daughter, Dori, recently launched a complete medical line of compression hosiery. "It took a year and a half to



launch.

It's basically starting a new business," she said. "We're working with CVS, Amazon.com, Walgreens.com, SkyMall Magazine, and many, many others"

Her company is based in a 15,000 square foot warehouse along an industrial road in Galveston, "and we're getting ready to double it because of the medical line. It's really taken off. I'm so proud of it."

Stein has always surrounded herself with people who have a stake in the organization and appreciate the work that has gone into building the company from a garage-based business to an internationally successful enterprise.

From the early days, her sister, Renee Rochkind, worked alongside her. Today, Stein

serves as the company Chief Executive Officer; daughter Dori Golan, is President; another daughter, Lynette Stein Holsapple, does all the marketing; and daughter-in law, Kim Stein, is Chief Operating Officer.

The key to her success, she said, is simple: "No is not a word in my vocabulary."

For the first 30 years, she said, she was the first to arrive on site and the last to leave and lock up. "If I had to work twenty-four hours straight, I would. You just do whatever you promised somebody you're going to do. Don't miss deadlines. Your name is your honor."

"You have to always be on top your game because there's always new opportunities to grow your business."

For more information, visit [www.celestestein.com](http://www.celestestein.com).

### John Cargill

John Cargill is a hot sauce connoisseur. He knows what he likes, and when he couldn't find it on any store shelf, he created it himself.

"I grew bored of eating the same old vinegar and cayenne-based Louisiana hot sauces and found myself searching for hotter and better tasting hot sauces, until finally I came to the realization that I needed to take matters into my own hands and make my own sauce, to my liking," said Cargill, owner of John's Special Blend, which is produced in Galveston.

An assistant project manager at Vaughan Construction, he spent countless hours researching the ins and outs of starting a business and met with owners of similar businesses trying to glean some insight.

"But there is no blueprint on all the steps you must take to start a hot sauce company," he said. "The industry is huge and can be pretty intimidating when you start looking at how many companies are out there."

The economy was cold, but he had faith that his product would be a hot commodity.

"You can't always wait for the perfect time to start a business or you'll end up never doing it," said Cargill, who looked to his role models - his father, Tommy Cargill, and grandfather Howard "Dadday" Cargill - for inspiration. "They are the hardest working, kindest, most Godly men I've ever known."

In the hot sauce business, word of mouth is everything - and he knew his recipe would be a hit with his target audience - chiliheads, like him, "who enjoy extra hot, spicy foods." One taste, and orders were on fire.

"From my experience as a customer, when you find

a good sauce, you tend to stick with it and recommend it to others. I strive to keep the product as consistent as possible. If customers like it they will continue to buy it, and they expect to get the same quality each time," he said. "Getting it in to more stores has helped expand the territory where it is sold."

The sauce is available locally at Arlan's Markets in Galveston, Santa Fe and Seabrook; Maceo Spice & Import Company and Old Strand Emporium in Galveston; Wild Bill's in La Marque; and Henry's Dream in Houston, as

well as other retailers in the Greater Houston area.

"People who do not have access to a nearby store that sells it can buy it online."

Online sales are brisk, he said, thanks to the support of local restaurants and annual events - such as Yaga's Chili Quest & Beer Fest and the Houston Hot Sauce Festival, each of which attracts thousands of people and allow the public to sample the sauce.

He's not concerned about what happens on Wall Street, where the market alternately blows hot and cold, because his customer base is devoted.

"Chiliheads will still be chiliheads, regardless of the economy."

For more information, visit [johnsspecialblend.com](http://johnsspecialblend.com).



## Billy Ray Wagner

Billy Ray Wagner owned a successful fence contracting company, Wagner Fencing Design, for twenty-three years. Money wasn't an issue, but the lack of contentment was palpable.

"I didn't have anything that was a passion, you know?" Wagner said. "Since I'm passionate about salt water and surfing, I thought 'what if I could start a clothing line and be like some of these other brands, but different'. I wanted to capture both markets, the surfers and the fishermen."

T-shirts on the Galveston Seawall, "and I asked him if I could make me up some T-shirts. He loved it right off the bat."

Wagner started with a simple logo on black and white T-shirts and peddled them out of his truck at boat ramps, bait camps, anywhere, and the peddling created a buzz. "I made decals, and I handed them out and people thought it was cool."

Soon, he and Vaughan became business partners and formed a corporation - Wag Vaughn Sports and

and includes a full range of clothing and accessories.

If you watch National Geographic Channel's *Wicked Tuna* or Discovery Channel's *Deadliest Catch*, you're likely to see a member of the cast wearing a Saltwater Soul shirt.

Wagner and Vaughn didn't have to do research on their target market, because they live the market. Avid surfers, fishermen and boaters... they have saltwater in their veins.

"Saltwater Soul is a lifestyle, not a fad," he said.

"I went to the bank and I pulled into the parking lot, and there was a guy getting out of his old 1970s truck, and there was Saltwater Soul decal on the back. Parked right next to it was an \$80,000 Mercedes with Saltwater Soul decal on the bumper. I just sat there staring and smiled. Saltwater Soul doesn't discriminate."

According to NASA, approximately 70 percent of the Earth's surface is water-covered, and the human body is also approximately 70 percent water. It's no surprise people feel drawn to the gulf, oceans, lake and rivers. It's in our DNA.

"Saltwater Soul is more of a lifestyle brand versus trying to look cool," he said. "I get emails, fan letters, people fall in love with the name Saltwater Soul. It's a name people are proud to wear. They put their chest out, like 'I've got a saltwater soul.' It's like a song."

Wagner said his business is a success - and continues to thrive - because of the "soulful friendship" between him and Vaughn.

"I have a commitment with my partner Tom. I gave him a handshake, and I looked in his eyes and said 'Hey, we're gonna make it.' Most partners give up and they fight right down to the nickel. He and I have never gotten into an argument. It's a partnership and an honest friendship.

Keeping our word and commitment to each other, that's the backbone to the business."

"We came in at the beginning of the worst economy. We went through that. The oil spill hit. Nobody wanted to buy. I felt like I was losing my momentum," he said.

"Hurricane Ike comes. Bam! Tears up everything. Slowed me down. Hurt my feelings. Damn it. 'What are we gonna do, Tom?' and he said 'Pick it up, keep going, B Ray. Run with it. Don't get down. Keep going, no matter what.'

The fact that the dynamic duo had managed to tap into a key component of the human experience - an affinity and inherent connection to the water - kept the business afloat.

"People looked at the oil-slicked water and beaches, birds and the marine life, and they wouldn't give up on Mother Nature. They still felt connected. When people are down, they want to go to the water's edge. It's an escape," he said.

Today, Saltwater Soul merchandise can be found in retail stores across the country, soon to be launched in Hawaii, and online sales are brisk, thanks to the dual efforts of "two ordinary men who had a dream."

He said, "I'm the creative, marketing side of the business. Tom's a big part of this. He works behind the scenes, handling the logistic side of it. We work as a team."

The goal with Saltwater Soul is to accomplish what other big brands - such as Tommy Bahama - have achieved: lock in a major licensing agreement, which will take the company to another level.

"Building a brand is not a race, it's a marathon," Wagner said. "We've gone over the hump and we're going strong."

For more information, visit [www.saltwatersoul.net](http://www.saltwatersoul.net).



When people hear a brand name - Harley Davidson, Ralph Lauren, Ron Jon Surf Shop - an image comes to mind. In a sense, the image is exclusive, generally geared toward one type of consumer. Wagner wanted to buck that trend.

Behind closed doors, he went to work on creating a logo that would capture his vision. "I drew this ugly looking fish, because I knew it would draw people's eyes to it, and the words Saltwater Soul."

Once he had the design, he took it to a friend, Tom Vaughn, who owns Outback

Adventures. "This guy is genuine, and his family surfs and they're from the Island; they're good honest people. I'd do anything for Tom, and he'd do anything for me."

Wagner wore his Saltwater Soul merchandise wherever he went - a walking advertisement for a deeply held dream. "I don't even drink, but I'd go into a bar and sit down next to someone. They'd notice the T-shirt, and we'd get to talking. They'd ask me about it and word would spread."

The line quickly spread