

THEN:**A humble four-employee operation****NOW:****One of the largest independent car dealers in south Florida**

by Ashley Cisneros

WHEN THE GREAT Recession stalled many of his competitors, Ernesto Sanchez, Sr., owner and president of The Car Shack in Miami, was accelerating. Two decades of smart business decisions and shrewd financial management drove his company into high growth.

Sanchez went into the wholesale automotive business with his brother in 1985 at the tender age of 26. In 1990, he learned of an opportunity to purchase then-ailing Rapid Auto Sales in the City of Hialeah, part of the metro Miami area in Florida. The location was good, and the company was one of only a few independent dealerships in the Hialeah area at the time. Sanchez decided to sell his half of the wholesale

company to his brother, and purchased Rapid Auto Sales. Sanchez paid \$80,000 for \$160,000 of receivables, and renamed the company The Car Shack.

Before the recession, many of The Car Shack's competitors became indebted through floor-plan financing, Sanchez says. When other dealers used their profits to buy bigger homes and real estate, Sanchez reinvested his profits back into the business to purchase more inventory. "When the recession hit, our competitors were forced to close, but we still had inventory and didn't owe any money," Sanchez says. "Even during the recession, people still needed cars. We were able to meet the demand and experienced tremendous growth."

Today, The Car Shack has grown from four employees to 28. The company is one of the biggest independent dealers in south Florida with 200 units of inventory worth more than \$3 million.

Sanchez's 24-year-old son, Ernesto Sanchez, Jr., has grown up with The Car Shack, and is now learning about the buying and managerial processes of the company. "When he was only six years old, I started taking him with me to auctions," Sanchez, Sr. says. "My other son is just 13, and is very intelligent already. We'll see if he chooses to grow with the company."

Sanchez calls his wife, Maria Leonardo Sanchez, his "right-hand man." She says that having a family business allows the Sanchez family to give opportunities to people who may not have otherwise received them. "We hired a young woman who had just arrived from Cuba in 1998. Her English wasn't very good,

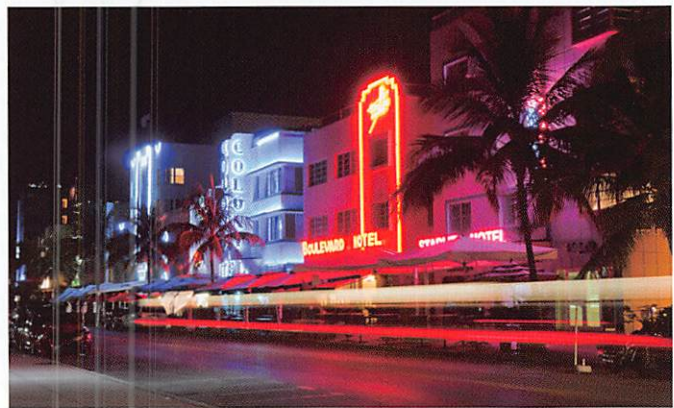
but I could see that she was hard worker, and had ambition and drive," Maria Sanchez says. "After working with us, she went on to work for a franchise dealer. Before long she became a dealer herself."

Ernesto Sanchez, Sr. prefers to avoid employee turnover and says that he would rather hire great people and take care of them. Four of his employees have been with Car Shack since its inception 21 years ago. "One has since retired and is 80 years old. I still pay him a salary each week because he has no relatives here to help him," says Sanchez, whose generosity extends beyond his business.

Following the destruction of Hurricane Mitch in 1998, Sanchez and a few of his colleagues founded Fundación Salvadoreña de Florida to help families in their home country, El Salvador. "Our plane was the very first to arrive there, and

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Ernesto Sanchez, Sr.
Owner & President



Now a well-regarded staple in the metro Miami area (shown above), owner Ernesto Sanchez steered the company into the fast lane by reinvesting profits back into the business instead of squandering money on nonessentials.

Consejos para mis hijos

"In any business, you have to really love what you do in order to be successful. Location is incredibly important and customer service is key. If you treat your customers well, they will show their appreciation through referrals. When you first make money, you must resist the urge to spend the money on a high-maintenance lifestyle. You must reinvest in your company, keep your costs down, and live within your means."

Ernesto Sanchez, Sr.
Owner & President



The employees at The Car Shack (pictured here during a 2009 Christmas gathering) are all one big happy familia. Four of the 28 employees have been with the company since its inception 21 years ago.

carried 250,000 pounds of supplies," Sanchez recalls.

The founders later incorporated the organization into a 501(c)(3) and now support the growth of schools and recreation facilities to keep the youth away from gangs and drugs. Still, Sanchez wanted to give more. About four years ago, he invested \$500,000 to purchase 600 acres in El Salvador and \$120,000 to reactivate a coffee plantation on the land. The plantation employs 50 full-time staff members, as well as 250 harvest-time employees.

Sanchez also sponsors a school on the property, which he renovated

and outfitted with running water. What started as a two-room school now has an additional classroom to accommodate more students, plus a brand-new computer room, says Maria Sanchez. "Out of Ernesto's investment, \$90,000 directly supported job creation," she adds. "More jobs translate to fewer gangs, less crime, and more interest from American companies." **HE**

A MESSAGE FROM Chase

Chase congratulates Ernesto Sanchez, Sr., president of The Car Shack, for the important contributions he and his business have made to the automotive industry and Hispanic community. We appreciate our relationship and look forward to working together well into the future.



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