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Snail Mail Made Stylish

How one couple worked with their bank to get financing for their mailbox company.

By: Michelle Juergen | 07/08/2010

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In a time when it's hard to get money for anything--especially when undertaking a new venture--it's certainly an accomplishment to get money from a bank. Because Chris Farentinos and Vanessa Troyer of [Architectural Mailboxes](#) built a relationship with their representatives at [California Bank & Trust](#), they were able to score the cash flow they needed to keep their company growing, even when the recession put a damper on sales. And the married couple were able to celebrate their successes and struggle through their failures as both business and life partners.

Started in 2000, Architectural Mailboxes sells stylish, high-quality mailboxes of all shapes, sizes and colors--including many types of locking mailboxes. After moving a few times, Architectural Mailboxes is now based in Compton, Calif., with a team of 10 in the U.S. and a product-control team overseas. The company started out small, selling strictly through online retailers when it launched. But, thanks to Troyer's tenacity and Farentinos' background in manufacturing and design, Amazon.com, Lowes and Home Depot are among Architectural Mailboxes' biggest customers.

"It all started with computers," says Troyer, the CEO. About 10 years ago, she and Farentinos thought there should be large-parcel receptacles that could safely retain computers and other large packages consumers ordered by mail. They started out with a large container they called the "elephant trunk." In the late 1990s, however, the couple realized that the way mail was delivered, and what people could order online, was going to change.

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They developed the Oasis, their best-selling line of mailboxes, and introduced it in 2002. Since 2008, unit sales of this mailbox, with its main features of a locking mechanism and oversized delivery slot, have grown 45 percent. From here, Troyer and

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Farentinos continued to expand their line into collections of wall-mounting, post-mounting, locking, multi-home and cluster box mailboxes. They even sell house numbers.

"To this day, you'll drive by a beautiful home and see what appears to be a tin can in front of a house," Troyer says. "People will spend \$50,000 on landscaping but put up a \$10 mailbox. So basically what we did was took an old product that everybody was using, and we made it a curb-appeal item--something people can be proud to put in front of their house." Many people

look at a mailbox as a utility item, rather than something aesthetically pleasing, Troyer says. So the couple's goal is to show consumers they can use a mailbox to complement and match their architecture or landscaping.

Of course, Farentinos and Troyer needed financing to do this, and they weren't happy with their bank at the time. No one was interested in sitting down with them and learning about their product. Then she and Farentinos began talking with personal banking officer John Hartwig and Vice President and manager Chris Dewhurst of California Bank & Trust.

"They were good about listening to what our concerns were and working with us on what we could afford, our plan, and helping us modify our plans using their expertise and background," says Farentinos, who serves as Architectural Mailboxes' president.

Hartwig says Architectural Mailboxes was just the kind of company California Bank & Trust likes to work with--a closely held small business. "We pretty much brought out all parties who would be approving the credits," he says. "We went and met with Chris and Vanessa and went through their proposal and their future plans, and we were able to bring a lot of people out there to see the business and actually feel and touch it." Cal Bank's priority was understanding the industry, and Troyer's and Farentinos' niche in it. The bank helped the couple get the money they needed--even in fall 2008, once of the roughest times to secure [financing](#) or lines of credit.

That was also around the time one of Architectural Mailboxes' biggest projects, a line with design and services store Expo, floundered. About four months after the launch, Expo closed all of its stores, and Troyer and Farentinos found themselves with no home for an excess of inventory.

Instead of panicking, Troyer and Farentinos talked honestly with their reps at Cal Bank and worked out their financial plan. Despite the failed launch with Expo, they were able to renew their line of credit with Cal Bank and get more capital. Hartwig and Dewhurst put together a financial program that met Architectural Mailboxes' business needs. "If you share the good and the bad, the bank rolls with the punches," Troyer says. "When you have a comfort level with your bank, you feel like you have a safety net."

Farentinos agrees. "One of those tangible [assets](#) Cal Bank offers is this relationship. We trusted them we'd get through it. And we did."

Troyer now predicts that Architectural Mailboxes will see about 38 percent growth in the company's top line of sales from 2008 to 2011. Total unit sales across all mailbox products and accessories for 2009 was roughly 80,000 units.

Part of Troyer and Farentinos' success comes from deciding early on to stand out by maintaining quality standards and delivering not only a well-made but also an affordable product. "It's very tempting when a very large customer comes to you and says, 'I need this price point,' " Troyer says. "Well, sometimes we can't have everything, and to get to the price point that your customers want might be jeopardizing your brand."

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For eight years, Troyer and Farentinos were able to keep their pricing consistent. While competitors were increasing prices, Architectural Mailboxes was standing firm. "If we're going to edge into an established market, the last thing we need to be doing is be fickle in our pricing," Farentinos says. Because of the [recession](#), however, the couple were forced in 2008 to raise prices for the first time.

People often ask Troyer and Farentinos what it's like to be married and working together. And they're quick to answer: They love it.

The two have been married for about 20 years, and they say the most important factor in their success--as a couple and in business--is that no one is the boss. "We're two very different people," Farentinos says. "Our strengths are very different, and we definitely don't step on each other's toes that way. I'm more analytical, and she makes a lot of decisions based on her gut. And I think those complement each other."

The two see themselves as a team, and it's paid off. "If you have a strong marriage, it can be a lot of fun," Troyer says. "You get to celebrate your accomplishments with your business partner and your life partner."

Tips to Get Financing

Here are suggestions for would-be entrepreneurs who need financing:

1. Put yourself in the bank's shoes. "They're numbers people; they want to see the return on their investment," Troyer says. "Show how you're going to pay the money back, how timely you'll be with the payments, etc. And if you do that, you'll win them over."
2. Understand the finances. "Get educated on the financial side: the budgets, the [financial statements](#), the income statements, the profit and loss, and the balance sheet," says Hartwig of California Bank & Trust.
3. Ask "Where do I need to be?" Keep in mind, your business is a long-term process. Figure out where you want to be this year, next year and in five years. "John and I sit down with many companies that may not qualify for something right now, or as much as they want right now, but [we help them figure out] where they need to be to be able to qualify," says Cal Bank's Dewhurst. A bank can help you develop a plan for where you want to go, he says, even if it's not able to approve what you're requesting right now.
4. Build a relationship. Be upfront, open and honest. Take the time to educate the bank on your industry. "If you don't feel like they're a partner with you, it's probably time for you to move on to another bank," Troyer says.
5. Remember, banks are not evil. Don't think the bank is making huge amounts of money on small-business [investments](#). "With the amount of interest we charge compared to an investor, we can't be wrong very often," Dewhurst says. For many SMBs, traditional banking can be the way to go. "We've never sold any portion of our business," Farentinos says. "And I wouldn't have it any other way. Maintaining our ownership has been the right way to go."

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