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Medill News Service

Linda Bi, president of Chicago Expert Importers, a Batavia, Ill.-based importer and distributor for auto parts and sports goods

Batavia, Ill. metal castings importer stresses quality to grow business

by JING ZHOU

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When she took over her late husband's company in 2000, Linda Bi's sole purpose was to make sure Leonard Ma's lifetime efforts did not die along with him. She had limited knowledge of metal casting products, the company's Chinese suppliers or its U.S. customers.

"It was my husband's cup of tea," said Bi, whose involvement in Batavia, Ill.-based Chicago Expert Importers until 2000 was limited to bookkeeping.

Since Ma's death, Bi has managed to transform the mom-and-pop import business into a top woman-owned enterprise in the greater Chicago area with annual growth averaging 25 percent.

"None of my friends would believe I could sustain the business," said Bi, now president of Chicago Expert Importers. "All my competitors thought it was a great opportunity to acquire my company. I didn't give up."

The company, which imports auto component parts and sporting goods, had annual revenues of \$22 million in 2006, more than triple its 2000 revenues of \$7 million. Bi's accomplishment is all the more impressive when you consider that there are few women in her field.

"The casting industry is a male world," said Bi. "I hardly meet any women when I deal with 20 some major suppliers from China or 30 buyers in the U.S."

CEI's profits are about 2 percent to 3 percent of revenues, Bi said, in spite of increased competition and higher costs for raw materials, labor and taxes. Gross profit margins have shrunk to about 10 cents on the dollar this year from more than 30 cents on the dollar in the early 1990s, Bi said.

To combat shrinking profit margins, CEI is tapping into higher value-added products and introducing cost-saving technologies to its suppliers in China.

From China's state-run economy to American entrepreneurship

In 1982 in their homeland of China, Bi and Ma went to work for state-owned import-export companies, considered dream jobs for Chinese college graduates.

Seven years later, with just \$300 in his pocket, Ma left for the U.S. with a Hong Kong client from his old company. The men aspired to build an import-export company, but Ma's partner, disillusioned by the U.S., soon returned to Hong Kong.

Alone in San Francisco, Ma set up the Central Equimpex, now known as Chicago Expert Importers, with an initial investment of \$50,000 borrowed from friends and relatives. One year later, Bi left China to join her husband.

Coming from a China much different than it is today, the couple had to learn everything from how to use an answering machine and a computer, to how to handle a balance sheet.

But Ma and Bi firmly believed they could provide an intersection between China's many factories and laborers, and America's superior technology and market demand.

Being refused, however, was a daily routine. "When you tried to sell some unknown products with a thick Chinese accent, you were going nowhere," Bi said.

One year after settling in San Francisco, and with the help of an American friend, Ma signed CEI's first contract, an \$80,000 deal with Elkhart, Ind.-based Dexter Axle Co.

Since American companies rarely imported products from mainland China in 1990, CEI was considered a pioneer in the business. The company became profitable in 1992, and in 1996 it acquired five more clients and moved to Western Suburbs of Chicago, a location more convenient for distribution to its customers.

Stress and workload grew with the business. Overworked Ma had a stroke in 2000 and died ten months later, leaving Bi and two young daughters.

Bi expands market share

Bi said she has a two-tier strategy to expand market share. CEI attempts to diversify and expand the lines of products, while maximize the number of products ordered by a single customer.

Do-All Traps LLC, a Nashville, Tenn.-based outdoor equipment manufacturer, has been a customer since the late 1990s, arranging the production of its hunting and shooting sports equipment through CEI.

"Because we've outsourced our manufacturing sector to China, we have more time and energy for designing new products and marketing them," said Shane LeAnna, Do-All Traps president.

The father-and-son business with only four products in 1998 has grown into a seven-person company with almost 100 products that are sold to nearly 5,000 stores.

Growing CEI's market depends in large part on ensuring quality standards, Bi says. For example, she says she would never trade her long-term suppliers, many of whom have worked with the company for more than a decade, for a lower product price.

If someone offers a tempting price, Bi said her first reaction is to figure out how to make her original suppliers' products more competitive. "In order to survive in this industry, I would never compromise on product quality," she said.

When Ma was running the company, he used contract and part-time employees. But Bi said she believes in the leadership and teamwork that come from a strong, committed workforce. She has 15 full-time employees specializing in purchasing, sales, technology and storage.

Shelly Bernat, an administrative assistant, said when she joined CEI the hardest struggle was to juggle her children with working full time, but Bi set shorter hours for her initially.

"Being a working mom, Linda understood my position, maybe better than a male boss," Bernat said. "She understood that children needed to call me once in a while and sometimes I had to leave earlier."

Bi considers employees only a small part of her team.

"Anyone, from suppliers to insurance companies to financial institutions to our clients, is part of the big family," she said. "Without them, we can't have a stable supply chain, let alone a good reputation in the industry."

Estelle Sono, Bi's assistant, has worked for CEI for almost six years and is impressed by Bi's generosity. "Linda never tries to take advantage of her vendors," she said. "She would even share the cost if the suppliers made something wrong."

Quality control over Chinese products

In retrospect, China's export systems have improved tremendously, Bi said. Early on, her Chinese suppliers had no experience in packaging or shipping. The products were "as useless as mud," she said.

Product conditions are changing gradually as more and more Chinese factory managers visit the U.S. and introduce modern quality control methods to their home assembly lines, Bi said.

At one time, a written documentation of clients' requirements in both English and Chinese was the only way to secure product quality. Experienced supervisors were key in determining the quality of products because most Chinese factories lacked a systematic approach to quality control, she said.

Things become a little easier with computer technology. CEI sends multimedia manuals to Chinese manufacturers. Whenever CEI develops a new product, Bi travels to China with her three-engineer team and American clients to set up initial quality management on the spot.

“Because Linda has worked with most of the factories [in China] for many years, they are clean, organized and have good management,” said Jim Clark, CEI sales engineer.

When Clark took potential clients to visit manufacturers in China, they were impressed by the conditions. However, communication between suppliers and domestic customers is still the biggest challenge, he said. It takes a longer time to get a successful sample “because they don’t speak our language,” Clark added.

Chinese businesswoman surpasses husband's legacy

As a Chinese woman who had no connections in the U.S., Bi feels grateful for what she has achieved. Currently, She is the honorary president of the Greater Chicago Chinese Businesswomen Organization and is an active member of my Women Presidents’ Organization.

“When I worked for a state-owned company back in China, I learned the basics about the trade industry. It was carefree and very different from American’s highly competitive work environment,” Bi said. “But I’ve survived, gained social recognition and I see every day progress of my big family.”

Her approach to life is simple: Be honest and truly care about people around you, and people will care about your business.

Name: Chicago Expert Importers Co.

Business: Importing and distributing axle components and casting products.

Founder: Leonard Ma

President: Linda Bi

Founded: 1989

Location: Batavia, IL

2006 revenue: \$22 million

Web site: www.ceimporters.com