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## 'Rag lady' credits center for success



**CHIEFTAIN PHOTO/CHRIS McLEAN**

**Shelley McPherson, owner of American Wiping Rags, shows some of her products.**

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Shelley McPherson, owner of American Wiping Rags Inc., credits her entrepreneurial success to the Small Business Development Center at Pueblo Community College.

As a graduate of the center's Leading Edge program on how to start a new business, McPherson is one of the center's star pupils, according to Caroline Parra, the center's director. "Shelley is a good example of what the center is capable of doing," Parra said.

In 2003, McPherson decided she wanted to start her own business. She had been raised to recycle and decided that she wanted to do something that would make a difference. Many people simply threw away old towels, bedding and T-shirts. McPherson thought she could reuse those items to make wiping rags.

"(There's) no reason they can't be used a couple more times before they end up in the landfill," she said.

With many companies trying to "go green," McPherson said she found her niche. She now has an estimated 180 regular customers. She provides rags to companies such as American Iron and Metal, Pueblo Transit and U.S. Waste Industries, as well as private consumers.

To make her rags, McPherson buys cloth "leftovers" from hospitals, hotels, casinos and laundromats and old work shirts from the Pueblo Board of Water Works. After cleaning the material, she strips off unnecessary parts such as buttons and zippers. She then cuts the material into squares, sorts them into various types of material and bags them.

She also has begun importing micro-fiber wiping rags from Korea, she said.

McPherson's rags are sold in all Colorado Big R stores, as well as at paint stores and petroleum companies, McPherson said. She also puts out a newsletter called "Rag Lady News," which she mails with customer bills. She leaves newsletters whenever she attends car or boat shows.

Much of her business is done through her Web site: [www.ragpeople.com](http://www.ragpeople.com).

Before she had started the business, McPherson saw a story in *The Pueblo Chieftain* about the Small Business Development Center and thought it could help her to start her new company.

The classes enabled her to learn a lot about how to build a successful business, McPherson said. She learned how to create a business plan, buy equipment for her business, choose employees and a bookkeeper, and how to "advertise on a shoestring budget." She also learned how to network and obtain customers.

She found the classes essential for making her business a success, McPherson said.

She also encouraged her business partner, Erik Eggleston, to take a course with her.

"If you're planning on starting a business, you need to take a class," McPherson said.

McPherson saw many potential businesses fail before they even began.

"There were about 32 students in the beginning of class," she said. It ended with four graduates.

"It's a commitment," McPherson said about running your own business. "You've got to love what you're going to do. Can you do this for the next 5-10 years?"

During the 12 weeks of the Leading Edge class, McPherson began preparing for business, finding clients and marketing her product. At the end of the class, business plan in hand, she was able to secure a business loan. She began working from home, using a warehouse she once had used for snowmobiles and "toys." She said she has a separate place to store the rags and keep them clean.

As she worked to build her business, McPherson worked part time in Dillard's shoe department at the Pueblo Mall. She also continued to take classes at the center, taking full advantage of the free one-on-one counseling.

Within a few months of starting her business, McPherson was able to quit her job at Dillard's and focus on her new business. Work has not stopped, or slowed.

"It's not about working 40 hours a week," she said, " I put in about 80 hours a week."

Now known as "the Rag Lady," McPherson is looking to outgrowing her home-based warehouse and moving into a storefront.

She stills keeps in contact with the small-business center, receiving free counseling and attending workshops. The center's counselors recently helped McPherson with the design of her business logo.

McPherson said the center was a real help to her.

"It's a great program," she said, "I wish they had more (like it)."

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