

BACKTO SCHOOL

For retailers and professionals working in the tobacco industry, Jorge Armenteros has created a resource that can give them a much-needed competitive advantage: valuable education and a clear path to professionalism. | BY ANTOINE REID

What's the key to retail success? It's a question that many tobacconists ask when searching for the products, technology and business plans that will give their businesses a boost. What if we told you the most valuable tool or resource to give any retail operation—from large franchises to small mom-and-pop shops—is something as simple as education? Jorge Armenteros is one retailer who has turned education into not only his business but a new path to success and profits.

While attending college at American University in Washington, D.C., Armenteros' inner tobacconist was awakened when he found Georgetown Tobacco. After many visits to this D.C. haven for cigar lovers like Armenteros, the desire to have his own store grew from simple dream to reality. Following his graduation in September 1995, Armenteros opened his first tobacco store in Princeton, New Jersey, which was named A Little Taste of Cuba. In November 1996, he opened his second store in New Hope, Pennsylvania. Business was good for Armenteros as the U.S. found itself caught up in the Cigar Boom of the mid-1990s, but there was one problem: He didn't feel like an expert by any means.

The Founding of a University

Armenteros had read everything he could about tobacco while planning his stores, but he still felt like a novice tobacconist. In 1996, he embarked on his first trip to Cuba, where he planned to learn all he could about the tobacco industry. During this trip, he visited farms and factories and learned about tobacco firsthand from professionals working in the industry. He returned from Cuba with a new appreciation for the tobacco industry as well as valuable information and materials that he decided to use to help create an educational program for his employees. Armenteros hoped that this knowledge and material would not only help them but also free him from being needed in the store at all times.

"Having educated employees seemed like an important competitive

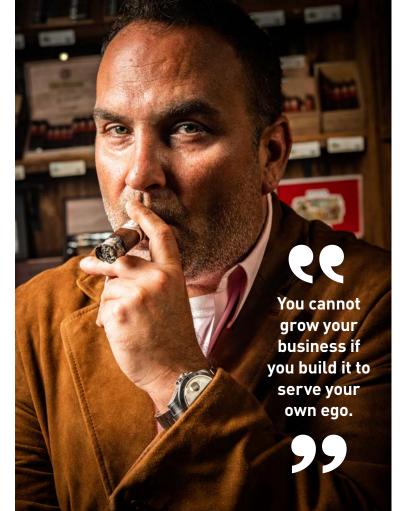
advantage to me," he explains. "At the time, I called the educational program 'Cuban Cigar University,' and I used print materials, photocopies and pictures in a giant notebook to train my tobacconists. Eventually, customer curiosity and demand led to public classes being taught in hotel seminar rooms where we certified consumers."

Today, Cuban Cigar University is known as Tobacconist University (TU). Tobacconist University is an organization that educates and certifies tobacconists, consumers and cigar sommeliers through its website (tobacconistuniversity.org) and its online exams. Currently, TU requires a score of 90 percent on the final exam in order to pass and become certified, though Armenteros admits he wishes the requirement for passing could be set at 100 percent. Those who complete the required coursework can become a Certified Retail Tobacconist (CRT), Certified Salesforce Tobacconist (CST), Certified Master Tobacconist (CMT), Certified Cigar Sommelier Tobacconist (CCST) or even a Certified Consumer Tobacconist (CCT), all certifications that TU promotes heavily throughout its website.

"We work hard to promote those certified tobacconists who have studied and taken the time to become credible professionals," says Armenteros. "It is not an easy process and deserves recognition. Our program saves owners and managers hundreds of hours and dollars by providing a fundamental education."

Armenteros drew inspiration for TU from two problems that many tobacco retailers face. The first is a lack of professionalism and standards for tobacconists. The second issue is due to misconceptions, misinformation and opinions that retailers and consumers face on a regular basis—and that is made worse by the growing role the Internet plays in the consumption of information.

Like any formal academic program, Armenteros felt that tobacco retailers and consumers needed to learn certain fundamentals about the industry. They needed to know the history and context of tobacco; the



Jorge Armenteros Continued

differences between light and dark tobaccos; the science of what goes into a tobacco product, including air curing, fermentation and nicotine; cigar basics, including sizes and different cuts; the importance of sanitary standards, merchandising and hospitality; and the fundamentals of retail, including inventory control, accounting and pricing. Armenteros encountered too many retailers, manufacturers and consumers who thought they knew more than they actually did, as well as others whose knowledge was actually based on misinformation and opinion. With the creation of TU, he hoped to bring more clarity to the industry he loved and to make it a better overall experience for everyone who worked with and consumed tobacco products.

Growing Pains

As with many businesses, TU faced challenges. When TU first launched, there was no organized, comprehensive framework or educational system in place for professional tobacconists. Armenteros believed that increasing the sophistication of the industry and tobacco products called for more professionalism within the industry. While there were a handful of books available about cigars, pipes and tobacco, many were not written with tobacconists in mind. Among those that were, many were full of opinions, personal anecdotes and stories—content that was not useful for a tobacconist looking to bring more professionalism into his or her retail operation.

In 2003, Armenteros thought he could take his original certification system that he used in his own retail stores and apply it on a broader scale

for others to use. However, he underestimated the time that it would take to curate the information and material he had collected and streamline it into a formal program that was easily accessible. He also needed to figure out how to brand TU and its educational programs so that others saw the value in what TU was offering them and what earning the certification would do for their careers and retail stores.

"It takes a strong personality, character and passion to be a tobacconist, so one of the challenges we faced was the 'who are they to certify me?' mentality," he explains. "Tobacconists had never had a professional framework, and they couldn't conceive of objective standards and fundamental education: Many could not envision the value of something that hadn't existed."

The biggest challenge Armenteros faces today with TU is making it feel like a self-sustaining organization and true business. "I never found a business model that would satisfy all of the needs and challenges that tobacconists face while sustaining the ongoing operations of TU, so TU has been an ongoing experiment in altruistic capitalism and economics," he admits. "Most of our retailers get certified for free so we have to find new ways to create value and income. We sell pins, framed diplomas [and] other certified accoutrements—we charge a small fee for online exams and also sell *The Tobacconist Handbook* through Amazon. But we still have a long way to go until we have a strong financial foundation."

Firsthand Experience

TU is still seeking the best path to being a profitable business, even as its benefits are already being felt throughout the industry. With the mix of political and regulatory challenges facing today's tobacco retailers, Armenteros knows there is a growing need for those in the industry to exude and exhibit professionalism and credibility. Retailers, he explains, are the ultimate ambassadors for the industry, and they need to show the world that the tobacco industry is valuable and its unique products must be preserved. To help boost this message, Armenteros and TU have partnered with both Cigar Rights of America and the International Premium Cigar & Pipe Retailers Association (IPCPR) to educate and preserve everyone's right to enjoy tobacco products.

Michael Herklots, Nat Sherman International's vice president of retail and brand development, met Armenteros back in 2006 when TU was first launched. Armenteros shared with Herklots his plans for TU and how hard he had worked on it. Herklots was impressed with what he learned about TU and felt it was long overdue for premium tobacconists. In fact, he was so intrigued by the idea of becoming a certified tobacconist that Herklots decided to take the test himself.

"I remember initially thinking, 'Who is Jorge Armenteros and why is he qualified to certify me?' I even said to Jorge, 'How about I take the test and if I pass, I get certified. If I fail, I'll complete the coursework.' Jorge declined and said the only way I could get certified was to complete the coursework and respect the process. I'm glad I did. I definitely would have failed the test," Herklots reveals. "Taking the coursework and following the process gave me a great sense of appreciation for the tremendous amount of work that Jorge put into this curriculum—and also the generations of hard work and history that make the premium cigar industry so special."

Herklots initially completed the Certified Retail Tobacconist program and later completed the Certified Master Tobacconist track as well. He believes in the value of TU's program so much that those ➤





hired to work at the company's New York City-based Nat Sherman Townhouse also are put through TU's program. Herklots says having employees who are certified shows that Nat Sherman International takes the responsibility of being a tobacconist seriously.

"It also creates some early levels of accountability and sets higher standards and expectations for employees [by showing] that there is more to their job than simply selling cigars," says Herklots. "Tobacconist University is a wonderful tool, and I'd encourage any professional premium tobacconist to participate in completing the program."

Michael Dounoulis, general manager of Soho Cigar Bar in New York City, learned about TU by visiting other cigar bars, lounges and stores. After seeing that many of those establishments employed Certified Retail Tobacconists, he began asking questions about the program since the retail stores with the most informed employees were often those who completed TU's coursework and passed its test. It took Dounoulis three months to complete the coursework, breaking down to four days a week of two-hour study blocks. He enlisted the help of his wife to help him study the material to prepare him for the test. Dounoulis completed one of TU's newest programs, the Certified Cigar Sommelier Tobacconist certification, which is geared more toward those working in a hospitality setting.

"Tobacconist University was an education that expanded my knowledge," he says. "It added legitimacy to my position of general manager at Soho Cigar Bar. This was an intensive course, and I can now take this education and use it to the benefit of educating our customers in so many ways. From the novice to the expert smoker, I can make suggestions on cigars and drink pairings from a deeper level than just a rating book." He now plans to continue his TU education by enrolling in and completing its Certified Master Tobacconist program.

Currently, TU comprises 438 Certified Retail Tobacconists and 980 Certified Retail Tobacconist Apprentices, representing more than 700 different companies. TU's academic curriculum can be seen free of charge on its website by anybody in the world. This transparency is important to Armenteros because he considers the curriculum the foundation of the program's credibility. The website is also well-maintained and will remove anyone listed as previously certified if they don't have a valid email address in order to make sure all of the information is kept current.

Preparing for the Future

As a successful tobacconist for almost 25 years, Armenteros brings authenticity and perspective to TU. For him, education equals success, and that is the ultimate competitive advantage for him and other retailers.

"You cannot grow your business if you build it to serve your own ego," Armenteros warns, noting that he's encountered many retailers who open stores only to give themselves a platform to voice their opinions. "Being a retail tobacconist is about customer service, and that requires a commitment to hospitality and product knowledge.'

TU, explains Armenteros, is first and foremost an academic curriculum composed of four colleges: Tobacco College, Accoutrements College, Taste College and Service College. It offers to bacconists a clear path to not only become experts on the products and skills associated with the tobacco products they sell in their stores but also creates a standard for retailers to strive to maintain in order to be viewed as true professionals.

To help more people become certified, TU has introduced an online final exam for those completing its Certified Retail Tobacconist program. Previously, people had to wait until the annual IPCPR trade show in order to have a Certified Salesforce Tobacconist bring them the exam. Now they can pay the \$50 exam fee and take it online at their convenience. This has helped eliminate a severe bottleneck issue that was slowing down the certification rate. While Armenteros views this as a huge accomplishment, he still has big aspirations for TU and its future.

"I do have a strong vision of success that is characterized by consumers valuing certified tobacconists and preferring to patronize them. I want to live in a world where all people, including those who do not enjoy cigars and pipes, value the luxury products that we sell and know that they must be curated by qualified and respected professionals," he says. "I will consider TU successful when retail tobacconists feel the need to be certified because their customers demand it."

For 2019, there are some new products and services planned for TU that Armenteros believes will energize and help tobacconists for years to come. With years of experience under his belt and a stronger infrastructure in place to support TU's initiatives, Armenteros is ready to deploy innovative new programs for both new and current certified tobacconists looking to give their careers and retail operations that extra edge they need to stay competitive. **TB**

CHOOSE YOUR PATH

Not sure which certification is right for you? Here are the various programs and tracks offered by Tobacconist University

Certified Retail Tobacconist (CRT): Designed for people who are working in a retail tobacco setting This is the most popular certification

program at TU.

Certified Salesforce Tobacconist (CST): Designed for professionals employed directly or indirectly as a sales representative for a particular brand or company within the cigar or pipe industry

Certified Master Tobacconist (CMT): This is the highest certification level available

through TU. Applicants must have completed either the CRT or CST programs prior to applying to earn this this certification.

Certified Cigar Sommelier **Tobacconist (CCST):**

Designed for those working in various establishments within the hospitality industry, including restaurants, golf clubs, casino lounges, bars and stores This certification is only available to employees of participating companies.

Certified Consumer Tobacconist (CCT):

Designed for consumers who are not employed within the cigar or pipe industries but who are avid enthusiasts and supporters of these industries. TU encourages all CRT businesses to provide added benefits to CCTs, though this isn't mandatory.

