

Businesses use lessons learned in prior recessions to survive

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There's a lot to learn from history. Businesses that survived the brutal economic conditions of the early 1980s and 1990s say they carried away many lessons that can be applied to the current recession.

Keeping a close eye on cash on hand, employee count and long-term strategy are crucial during any downturn, business owners say. Rising unemployment rates also offer the opportunity to hire the best talent, which can serve busi-

nesses well down the road.

Roy Bade, a principal of The Bade Cos. in Peoria, has been in the development business with his father, Duane, since 1984. He said he saw this recession coming almost three years ago. Duane Bade, also a company principal, has been in the business since 1970, and he has seen even more down cycles.

To get through what they initially thought was going to be a 12- to 18-month recession, the Bades unloaded most of their properties to gain a few years' worth of cash reserves. They also cut their staff and focused on leasing their properties.

Even in this tough economic environment, the company is looking for good development opportunities.

"We still plan building in this down market," Roy Bade said.

Business owners from various industries say they are leaning on their experience to get through the turmoil.

Trish Bear, CEO of Internet marketing and Web design firm I-ology Inc. in Scottsdale, led her company through the dot-com bubble in the early

2000s. Her company, now 10 years old, started just before the bubble burst.

Bear said a conservative approach

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Trish Bear
I-ology Inc.



has served I-ology well.

"We've grown methodically," she said.

I-ology has sought to find new customers while not overloading itself with so many clients that its service suffers, Bear said.

"There needs to be a balance of both, but we've always been committed to the people that are already spending their money with us," she said.

For nonprofits that rely on donations, recessions can be equally brutal. Started in the midst of a recession in 1981, Interfaith Community Care in Surprise has done a lot to weather the economic downturns, said Michelle Dionisio, the organization's president and CEO.

Community support has gotten Interfaith through serious times before. Despite a 24 percent drop in donation revenue in

2008, the nonprofit was able to raise about \$5.4 million during the past 18 months through a capital campaign. Dionisio knows some of that money, which would have gone to operations, ended in the capital fund. She believes the community is continuing to help every way it can.

Interfaith has taken steps during the past few months to scale back expenses, but it doesn't plan to change much, Dionisio said.

"You've got to recognize that the glass is half full, not half empty," she said.

The first key to fighting any recession is optimism, Bear said. It's easy to buy into fear when it seems the whole world is crashing down. Staying focused on the business at hand usually will get companies through, she said.

Bear also recommends zeroing in on a targeted marketing strategy and recruiting top-quality employees. Recessionary layoffs give businesses a chance to hire the best skilled workers.

"I have never in 10 years had the opportunity to talk to such a high level of talent," she said.

Roy Bade said companies also must look at their long-term strategy. During good times, he left some deals on the table because he knew they wouldn't serve his company well in the long run.

Duane Bade said one of the keys to his company's ability to continue through recession after recession is building a solid network in one area — in this case, the West Valley — and developing expertise there.

"I think the reputation is really, really important," he said.



Father and son Duane and Roy Bade have been in the development business together for 25 years and have seen several down cycles. They say businesses must keep an eye on long-term strategy to survive.