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Business Viewpoint: Colorado Association of Commerce & Industry

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Challenges ahead for business and government

Colorado Association of Commerce and Industry
21st Annual Meeting
Friday, October 24, 1986
Sheraton DTC, I-25 & Belleview, Englewood
Featuring Richard Ferris, Chairman, UAL, Inc.
(United Air Lines)

Registration information enclosed!

Business Viewpoint

Business and Kids at Colorado Business Week '86

Students from Company B aim for profits. Pictures, people, pages 7-10
Economist Tucker Hart Adams: Business confidence surveys a useful forecasting mechanism

Tucker Hart Adams, vice president of economics and planning for United Banks of Colorado, told a large audience at the August Public Affairs Forum that the Bank’s business confidence surveys, now three years old, will be a useful tool in economic forecasting.

The quarterly surveys, which look at attitudes of people in nine industry segments excluding agriculture, give data on level of confidence, said Adams. “People are looking at their own industries. It’s not hard data, but the polling gives a good sample to relate to other economic data such as employment and interest rates,” Adams explained. Because of the surveys, “we can say with more accuracy than in the past that ‘this is what the economy will be like in the next six months.’ ”

When the business confidence surveys began in the summer of 1983, said the economist, the overall business cycle was just emerging from the early ’80s recession, and the confidence levels expressed that. More of the respondents were optimistic about their own industry sectors, and their own businesses, than were confident about the Colorado and U.S. economy in general. Companies were planning to increase their employment, and the biggest worry was interest rates.

Now three years later, although the U.S. economy has not gone through an entire cycle, the business confidence survey shows “dramatic changes in thinking,” said Adams. Last year business people began to perceive that the economy was slowing, and they planned less hiring. The biggest worries were seen as increased competition, a declining economy, declining costs, and a strong dollar.

The quarterly survey released last June showed that more than half of the respondents thought business conditions deteriorated thus far in 1986, and one-third thought that conditions would continue to decline. That survey was “the most pessimistic we’ve ever had,” said Adams. People perceived their own industries as declining, and none thought the Colorado economy was “strong.” The survey showed potential employment cutbacks in the remainder of 1986.

A major reason for the pessimistic outlook was the energy industry decline, reasoned Adams. “The surprise is how long it took for attitudes about the oil industry to change.” Only in the last six months, said Adams, have people recognized the permanence of the oil price decline. In the long run, Colorado will be a beneficiary of lower oil prices, said Adams.

Another indication of perception trailing actuality was that during the earlier surveys, business people believed that high tech and energy would lead the economic recovery. In actuality, service industries and small businesses have been strong sectors. Adams pointed out that the surveys do give a good indication of employment plans, and in this respect lead actual employment figures.

In fact Colorado’s economy is growing, though slowly, and employment is increasing at about 1.9 percent. “This is a readjustment period in Colorado’s economy,” noted Adams. “I hope we’re near the bottom.”

Tax reform bill will be beneficial

Some factors that may have positive impacts on the state are the federal tax reform package, and major infrastructure and capital construction projects. Adams said that long term effects of tax revision will not be apparent for a couple of years, but that the bill as being considered by Congress will initially bring about $200 million into the Colorado state coffers. This could offset loss of state revenue from the energy industry decline.

The congressional bill is weighted toward the service industries’ benefit, and 80 percent of Colorado business is service, with only 14 percent in manufacturing and much of that not “heavy industry.” The real estate sector may be hurt in the short run, predicted Adams, because investment in real estate as a tax shelter will no longer be a benefit. However, in the long run the real estate and construction industries will be stronger because there will no longer be the speculative construction of commercial and office buildings. “The decline in interest rates will help the housing industry. It will be a little tough on banks but I guess we’ll survive,” said Adams wryly.

If some potential major construction projects occur soon, it will be a boon for the economy and employment, said Adams. Such undertakings as a Denver area convention center, mass transit projects, the Two Forks water project, and a new airport will have a major impact. “A new airport will be the biggest construction project in Colorado’s history,” she noted.

CACI’s Public Affairs Forum breakfasts are held monthly at Writer’s Manor, 1-25 and Colorado Boulevard in Denver. The breakfasts feature recognized experts from the business, education and government sectors.

Business Viewpoint

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Colorado delegation plays major role

By Duane D. Pearsall

Why would people in their right minds leave cool Colorado to immerse themselves for five days in a myriad of dingy corridors and hot meeting rooms of a Washington hotel in the middle of August? Not only did several small business owners do this, but they did it with gusto and shelled out over $1,000 each for the privilege!

Their reason was simply that they had an opportunity to participate in drafting a new set of legislative priorities for both the Administration and the Congress to consider over the next several months.

The event: the White House Conference on Small Business, the first since 1980 and only the second in history.

Most of the 26 Colorado delegates were elected about a year ago following a day-long conference attended by over 300 small business people. Ten of the delegates were appointed by either a member of our Congressional delegation, the President or the Governor. Many meetings have been held developing new issues, reviewing existing policy and, in general, preparing a set of Colorado priority issues and also a strategy to have them accepted by the other conference delegates.

A most important difference from the 1980 White House Conference was that half of the elected delegates from Colorado were women. The National Association of Women Business Owners (NAWBO) really had their act together and, using the old fashioned methods of campaign strategy, were able to elect 50 percent of the delegates.

This story is about people, very special people. Those chosen to represent Colorado really strive to make a difference. Most are fiscal conservatives and are incensed about the size of the national debt. For the most part, they want less government, and they are risk-takers who represent the best of entrepreneurship. They believe, sincerely, that the small business economy is America and anything in the way of unnecessary regulations, unnecessary government or inequities in tax policy contribute to slowing the growth of America’s economy. The presence and influence of NAWBO reflects a significant economic change and an important new ingredient; that is, the overwhelming numbers of new women-owned businesses.

The Chairman of the Colorado delegation is an excellent example, Mary McCurry, president of McCurry and Co. and Past President of NAWBO. Her leadership qualities were amply demonstrated when, in the heat of debate in a marathon review of some 200 complicated issues, she was able to keep the group focused on one subject at a time, giving each delegate the opportunity to participate. Managing this effort, in a small over-heated hotel room at midnight, crammed with 25 people sitting on chairs, couches, tables, window sills, even on the floor as in the case of Carol Green and Meg Hansson, was no small feat. In spite of the physical discomforts, all were intensely marking their copies of the 45-page issues document, hoping they could complete the exercise in time to vote their ballots by the 1:00 a.m. deadline.

In addition to the concerns about choosing the right issues and keeping the delegates focused, Mary also had to recognize another dimension, i.e., the politics that always pervades a process such as this. For instance, what are the priorities of NAWBO? Were they consistent with the Colorado priority issues? What is the position of the major small business lobbying organizations? What issues are the U.S. Chamber and NFIB (National Federation of Independent Business) promoting? And what about the National Small Business Association and Small Business United? Will there be a confrontation between the U.S. Chamber and NFIB against NAWBO, NSBA and SBU?

This pressure pot became more intense with each day, but created surprisingly few flare-ups necessitating the session chairman to cut off debate. Through all of this, the Colorado delegation distinguished itself in many ways. They were well prepared, very knowledgeable on the issues and demonstrated true leadership qualities. For a relatively small state, Colorado had a high degree of impact on the leadership. Mary McCurry, for instance, has a national reputation as immediate Past President of NAWBO. Meg Hansson had been one of the nine commissioners directing policy for the White House Conference in 1980.

Barbara Griffin, President, Whale Scientific, was named as a member of the very important Rules Committee, a task that commanded a great deal of her time. Ken Peck, a Denver lawyer, was named as one of the 11 commissioners and did an excellent job as chairman of the very difficult issue area of economic policy. Ken also recently spent two weeks attending regional conferences as the Commissioner for Economic Policy.

A review of the following delegates demonstrates what a powerful group represented Colorado. They were assigned different issue areas and all distinguished themselves as knowledgeable contributors to the process.

Margaret S. Hansson, President, M.S. Hansson, Inc., Chairman, Purecycle Corp., Director, United Bank of Boulder and United Banks of Colorado, Director, Woman’s Point of View; Donna Bates, Bates Corporate Communications, Inc., and Director, Federal Home Loan Bank (FHLF), Presidential appointee to the Conference; Wilma A. Faison, President, Faison Office Products Co.; Glenda S. Lyle, Owner, Planners, Etc.; Mary Ann Padilla, President, Sunny Side, Inc.; Carlos De Moraes, President, Custom Engineering, Inc.; Carol B. Green, President, Franchise Services of America, Inc., member of the Board of Directors, Denver Chamber of Commerce, Colorado.
role in Washington conference

Association of Commerce and Industry (CACI), and Woman’s Point of View; Lester J. Larsen, Jr., President, CyberLYNX Computer Corp., business consultant and member of the Advisory Committee, Federal Reserve Bank, Kansas City; Constance E. Maslow, President, Consultants for Business Meetings, Inc.

Loren D. Nelson, President, Ophir Corp.; Bradley Pelsue, President, T. A. Pelsue Co. (Board of Directors, Colorado Association of Commerce and Industry [CACI]); Richard C. TenEyck, President, TenEyck Associates (Business Consultant, Board of Directors, Denver Chamber of Commerce); Cathryn O. Vagneur, President, Vagneur and Co., CPAs; Brent Alderfer, Partner, Brightwell, Reeves and Alderfer; Gary Fields, Partner, Fields, Louis, Pittenger and Rost, Patent Attorney; Samuel V. Suplizio, President, Home Loan and Investment Co., Grand Junction; Airie P. Taylor, Owner, A.P.T. Associates (former State Representative); Stephen Butler, Laventhal and Horwath, CPAs; Jordan Obertier, Regional Manager, General Business Services; Melvin D. Flowers, CPA, President, Olson Schultz and Flowers, P.C.

The following attended as observers:

Mike Raabe, Vice President, Denver Chamber of Commerce (Board of Directors, Small Business United); Duane D. Pearsall, General Partner, Columbine Venture Fund; Dee Weitzel, Owner, The Business Center, Grand Junction (elected alternate delegate).

In terms of commitment, Dee Weitzel of Grand Junction stands out for making the trip with all the costs and sacrifices, knowing that she would not have a vote even though she was an elected alternate. Dee was not just a casual observer, but served as a major communications and an arrangements coordinator. She could be seen making early table reservations so the delegates could caucus at lunch, getting the latest information on other delegations’ activities, or being the first to get the latest revision of recommendation documents, hot off the press. That’s real commitment.

It is also hard to imagine a greater commitment than that demonstrated by Tom Brock. Tom Brock, of Brock, Buchholz & Stow, CPAs, has distinguished himself for years in the national arena of small business. Through personal initiative, he has worked with the staff of the Senate Finance Committee in the difficult area of employee benefits to allow small businesses to more nearly match benefits available to major corporate employees.

As a member of the Small Business Committee of the American Institute of CPAs (AICPA), he organized a National Issues Conference on Small Business to draft a preliminary agenda in anticipation of this conference. Out of that three-day meeting, 40 key issues were selected to 100 knowledgeable people, representing four major Small Business organizations. His job was so effectively accomplished that he was given standing ovations at the conclusion. Tom was really recognized unofficially as “Mr. Small Business in America” as a result of that conference.

Early this year, Tom was stricken with a serious illness that could not immediately be diagnosed. Exploratory surgery revealed a bacterial infection of the spine. This was followed by six months of hospitalization and repeated surgery.

Tom arrived at the conference wearing a very awkward looking metal body brace. When asked why, with all the discomfort of his condition and the experience that nearly cost him his life, why was he here? He replied, “Listen, the White House Conference was my objective. I made up my mind I was going to make this meeting and I’m truly delighted to be here.”

Was it worth the sacrifice to their business, the high cost or the intense effort? Was the White House Conference on Small Business really a privilege?

Ask any of the delegates, but especially, ask Tom Brock.

(Editor’s Note)

Since 1976 when he was named National Small Business Person of the Year by the SBA, Duane Pearsall has devoted himself to furthering the interests of small business. He has testified before national and state

THE WHITE HOUSE
CONFERENCE ON SMALL BUSINESS

Congressional and Senate committees, served as director of numerous small business organizations, and is a frequent speaker on small business issues. In 1980 he served as Co-Chairman of the Colorado Delegation to the White House Conference. At present, he is a General Partner of Columbine Venture Fund, Ltd. Pearsall attended the 1986 White House Conference as a resource person.

Pearsall’s account of the White House Conference was written for Women’s View and reprinted in Business Viewpoint by permission. Women’s View is the only weekly publication in the nation expressly for business and professional women. For more information about Women’s View call Marilyn Holmes at 761-0666.

September 11 Debriefing to cover results of Conference

A comprehensive review of the Washington conference, for the benefit of the Colorado delegation as well as other small business people, will occur September 11, from 10:00 a.m. to 5:00 p.m., at the Regency Hotel Inn, 3900 Elati (I-25 and 38th Ave.) in Denver. Registration of $20 per person includes luncheon and a cocktail reception following the conference.

Gubernatorial candidates Roy Romer and Ted Strickland will address the debriefing, on their perceptions of the economic outlook for small business in Colorado.

Other information sessions will cover finance/economic policy/taxation; regulation and paperwork; payroll costs; procurement; education and training; and liability insurance. The agenda includes discussion of each issue, its impact on Colorado, and what should be done further.

Registration can be made through Patty Davis at the Colorado Society of CPAs, 773-2877. For more information call Andrea Smith at CACI, 831-7411.

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