



480.596.6600 14648 North Scottsdale Road, Suite 100
480.596.8004 fax Scottsdale, AZ 85254

www.jaypenney.com

What's "Right" With America

Profile: Bob and Shirley Stewart

Bob and Shirley Stewart are products of the nation's heartland. Bob was born in depression-era Southwestern Iowa, not far from Omaha, Nebraska, and Shirley hails from Southwestern Illinois about the same time, just east of St. Louis, Missouri. Neither was economically privileged to put it politely, both reared in lower-middle class homes. Bob was raised by a single mother, never knowing his Dad.

Like many of his generation, Bob served in the military, joining the Air Force in 1951 at the age of 21. It was while Bob was stationed at Scott Air Force Base in Collinsville, Illinois that he met, fell in love with, and ultimately married his bride, Shirley. Bob went on to serve in the Korean conflict, and after completing his tour of duty, the Stewarts decided to raise their growing family in Arizona.

Bob's a gregarious sort, quick with a joke and always a hard worker, so, at age 25, Swift Meat Packing Company (Swift) hired him to work in sales out of their Tucson unit. There was a traditional marriage. While Bob worked long hours to meet and exceed his quotas, Shirley was in charge of their home, and a growing number of Stewart children, five in all. Selling, it seemed, came naturally to Bob, and he quickly rose through the corporate ranks, moving up the rungs of sales and management. During his career with Swift, Bob and Shirley moved their family from Tucson to Dallas, to Ft. Worth, then up to Austin, back to Ft. Worth, and finally, west to Phoenix as General Manager of a larger unit that was unprofitable, and whose GM was failing badly.

Within a year of his arrival in Phoenix, the unit was profitable again, on its way, eventually, to becoming the number one Swift unit in the entire country! While there in 1970, Bob hired a brash young man from Tucson (also named Bob) to join his sales force, and he quickly proved to be an excellent hire. The older Bob trained and mentored the younger man, and though 18 years apart in age, they came to make a great team. Soon, the idea of starting their own meat and provisions distributor was discussed, and began to make sense. In 1981, at the age of 50, and twenty-six years into his career with Swift, Bob traveled to a management conference, where he was once again honored for having the number one unit in the country. He picked up his trophy, went home, and promptly resigned his position. With a financial investment so small Bob doesn't remember the amount, the "two Bob's", now equal partners, gave birth to *City Meat and Provisions, Co., Inc.* (City Meat).

They started their business out of a tiny old building in Tucson with a single cooler that was so beneath safety standards, inspectors would never approve it for occupancy today, let alone as a meat-cutting plant. City Meat competed with the much larger, national distributors by relying on the relationships the two Bob's had forged with restaurateurs, hotels and conference facilities, and countless other food purveyors across Arizona. They counted about 20 employees in the earliest years, a few butchers, some truck drivers, an office manager and a bunch of salesmen, led by the two owners, and they just flat out-worked their competitors.

Over the ensuing years, City Meat grew rapidly, breaking sales record after sales record, and expanded statewide. With the help of a great CPA, who put real business and accounting systems in place, and a banker who took a risk on the young company, they added facilities in Phoenix and Yuma. By 1988, City Meat had well over 100 employees, and was doing over \$120 million in sales, with millions of dollars falling to the bottom line in profits.

It was at that point that Bob and Shirley decided it was time for a change, and they sold their interest in the business to their partner. For the first time in their lives, they found themselves with an amount of money that eight short years earlier would have seemed to them to be *impossible* to amass. I had been hired by the company to manage their 401(k) Profit Sharing Plan, and was advising the two owners personally on financial matters as well, so we were prepared.

Bob “retired” to the business of raising and racing thoroughbred horses, where he has been actively following his passion for more than twenty-years now. He keeps nine or ten horses today, and can be found at the track most every morning, supervising his trainers’ efforts, and keeping his eyes open for horses to buy, or to breed.

Shirley has suffered some health setbacks in recent years, but she and Bob are happily married going on fifty-seven years now, and are greatly fulfilled in their lives, counting twelve grandchildren, and five great-grandchildren among the Stewart clan today. Neither of the Stewarts looks their age, and Bob claims he can still hit the “running jumper” on his driveway basketball hoop. (I’m twenty-six years his junior, and I wouldn’t fight the man.) I’m proud to say the Stewarts remain clients and friends of mine to this day, some 23 years since I began advising their company.

Bob and Shirley’s is a “Great American Story”, an example of what’s “right” with America. It’s a story of hard work, skill, tenacity, and of Bob’s willingness to risk an entire career in his 50’s, to start his own small business. It’s a risk that was well rewarded, and a testament to America’s entrepreneurial culture, a culture this country would be well advised to nurture and protect. When speaking to Bob about his story last week, he commented that during the time when they were growing their business, the government *promoted*, as opposed to *hindered* small businesses, and that their banker’s willingness to take calculated risks in lending to meet their operational and expansionary needs was *critical* to their survival and success.

I ask myself if entrepreneurs today would say the same today about their government, or about their bankers. Respectfully, I’d suggest it’s doubtful, and in my opinion, unless that changes, it’s not a good omen for America’s economic prospects. Promoting small business formation is a uniquely American cultural phenomenon. However of late, it seems small business owners have become “targets” of their government’s regulation and tax policy, and they’ve been all but abandoned by their bankers in this environment.

We can, and must work harder in this country to ensure that the “next Bob Stewart”, and others like him, can strike out on their own in the future, adding value to whatever marketplace they choose to compete in, creating jobs, paying taxes, and growing America along the way. We owe it to the generation of Americans like the Stewarts, who’ve paved the way with their example.

Happy Thanksgiving!

- JRP