

ARN 2009 Revenue Conference & Exhibition

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Thank you, Pauline, and congratulations on another successful conference, as well as another great year for Airport Revenue News; it is truly a must-read and the bible of the airport revenue industry.

I won't belabor the issue, which we all know is true, that these are tough, difficult times that we are all going through right now. But I think a little perspective is always in order. If you think back about 30 years, and some of us are old enough to remember those days, the last great recession that occurred between 1979 and 1981. Let me take you back a little bit about what we were dealing with at the time.

In 1979, similar to what we currently experienced, we had a housing market that was overheated, and in '79 the housing market hit a bubble. And it collapsed. As a result, we went into a deep recession. At the time, we had the prime lending rate of about 18%; today, it's 0%, since the feds are trying to get people to borrow money. We had mortgage rates in 1980, if you could afford a home, which approached 21.5% interest. We had unemployment rates more than 11% - almost double the rate today.

And yet, during that period of time, people stepped forward. Companies stepped forward and made a difference. And some of these companies that stepped forward, came forward as a result of leadership, new ideas, entrepreneurial thinking, those types of tried and true business practices.

So I think it's important that we look back and we say "OK, in a similar time like this, what did business do? What did individuals do?"

In 1979, right as the bubble burst, credit markets tightened up, SONY introduced its first Walkman and its first Handicam. It also created the first floppy disk. A couple of guys got together and borrowed \$12,000, mostly from family, and started an ice cream company named Ben and Jerry's. That same year, in Boston, Louis Cane launched Au Bon Pain. Oh, and a couple of guys working out of their garage approached IBM, and for very little money, bought the licensing agreement to create the first computer operating system; you might have heard of them: Paul Allen and Bill Gates. They became Microsoft.

That was all during the recession of '79 through '81. Or how about in 1980, a couple of entrepreneurs opened an Applebee's in Atlanta. They now have 1,500 locations throughout the USA. That same year, Whole Foods opened its first location - and we all know the success of that story, particularly as more and more people try to get healthy. Arthur Blank, strangely enough, believing that the housing market would recover, opened his first Home Depot. Now they're the forth-largest retailer in the world with more than 1,500 locations. Remember that was in 1980, when the housing bubble burst and mortgage rates were more than 21%. What foresight! What courage!

And then a former Atari game programmer started a company by sending a letter to a British recording company, Apple, to see if he could use its name in a new company he was launching; we all know what his name was: Steve Jobs.

But we're not done. Finally, in 1981, as the country began to emerge from the recession, things are starting to look good and just maybe they're starting to turn around, a couple of transplants from Buffalo, N.Y., moved to Kent, Ohio, and they were longing for Buffalo wings. They couldn't find anything like that in Kent; instead of going back to Buffalo, they decided to create their own company - it's called Buffalo Wild Wings. They now have 370 locations throughout the U.S. that was in '81. By the way, Toyota launched the Camry in 1981, the world's most popular car.

A few others I won't go into mentioning, a couple others that some of us might regret - that was also the year MTV was launched, and it was also the year that the first IBM PC computer was sold in America.

So I could go on, but I think that you get the idea. So we are all sitting around this room and saying to ourselves, "What do we do now?" You can't get money, credit markets are tight, there's a lot of indecision; maybe we just close down.

But usually what happens is you will look back, 20 years from now, and say, "Well, during that awful time, look what came out of that awful time." And a lot of it is about leadership, isn't it? At the end of the day, we all get together and we ask what are we going to do? What are we going to do to get through this period of indecision, primarily; it's a period of indecision and insecurity about our own futures and where our companies are going.

It's about leadership. So with that, it is my pleasure to introduce true leaders in the airport industry.