

Philip Downs

Keeping It Simple

In 1970, Philip Downs's father left a secure job at a Fortune 500 company and wrote a \$5,000 check to purchase Cooper Materials Handling, an industrial equipment company that brought in around \$200,000 in revenue a year. At fifty years old, he was tired of working for the man, and decided to try his hand at entrepreneurship. "He had no idea what he was doing, but it wasn't rocket science," Philip recounts today. "He used common sense and instincts, and he was incredibly good at connecting with people."

As a child, Philip would go into work with his father on Saturdays, and he remembers how Weldon Downs would lean over a large piece of graph paper. Over time, in seven different colors of ink and between coffee stains, he patiently filled out the 24" by 36" page with the name of every person he wrote a check to, including the amounts. He filled in the salaries he paid to his older sons and the paycheck that went to Philip, his youngest. It was his version of analytics, and it worked.

Now the founder and CEO of Critical Choice Consulting, Philip has that piece of graph paper framed in his office with a small plaque that reads, *Keep it simple*. "It symbolizes everything my father taught me about business," he says. "It reminds me every day that business is all about human beings. It's the simple stuff, the business basics, and the people component that really make the world go round. Businesses large and small have their unique challenges, but they operate by the same simple principles at heart."

Through Critical Choice Consulting, Philip brings over four decades of business experience — what he terms an 'absolute education' — to the service and mentorship of his clients. "You can read, study, and think about business, but there's just no magic bullet," he says. "There's no substitute for experience, and unless you can bring

that experience in, you'll have to go through it the hard way. I've been down every road and confronted every obstacle, and I wish this kind of insight had been available to me back in 1984. Through a culture of confidentiality and support at Critical Choice Consulting, I hope to make the journey a little simpler for others."

While his consultation can be adapted to virtually any situation, Philip's expertise is ideally suited to government contracting, particularly in small business and minority business certification.



He knows small business operations like the back of his hand, from banking, to checking, to payroll, to cash flow, to bonding. And above all else, his sweet spot lies in family business. "My ideal client is a multi-generation family business whose success is threatened by family issues that have not been compartmentalized," he explains. "Issues like that threaten the stability of the entire organization, including the jobs

of innocent bystanders who aren't family members. It's every business owner's responsibility to make the critical choices necessary to restore that stability, and that's where I come in."

To fully grasp the extent of the insight Philip brings to the table in this regard, one must trace the threads back to his own family, in the days before a family business seized its structure and redefined its future. As the first in his family to go to college, Philip's father was a self-made man from Michigan who forged a path forward through life without the guidance of mentors. He graduated from Michigan State University and served in World War II as a contractor for Sperry Gyroscope. Philip's mother was a rural Florida panhandle girl who went to work as a typist in Washington, DC, where she met Weldon, and the two married in the 1940s.

Phillip was born the youngest of four sons in Wichita, Kansas, before the family moved to Long Island, and then San Diego. His father was rarely home, always traveling the world for work, but Philip didn't realize that his absence was uncommon until much later. He had a happy childhood marked by independence, and would often spend the entire day on his own exploring the town. "I'd hitchhike to the beach, ride my bike around, and skateboard—typical California in the 1960's," he laughs "I was just living life, having a great time."

Philip can still remember the exact place on the dirt baseball field at his elementary school, where he was standing when he learned that President Kennedy had been shot. He also remembers the exact moment when the principal of the school approached him in the middle of recess and asked him to serve on the school's safety patrol. "I was in fifth grade at the time, and I was lingering between social spheres of good influences and not-so-good influences," he recalls. "It seems like such a trivial moment, to be selected to wear a uniform, raise the flag, and march four blocks up to the main intersection to stand guard. But it had a big impact on me. I realized someone saw value and goodness in me, and I was hooked on that feeling."

Philip shouldered the responsibility with a strong sense of mission, and before long had become the leader of the patrol. He also stood out as a capable, stable leader in his class, which was constantly changing as Navy families moved in and out of the area. "Because I was there for five years, I was considered the reliable one, and the fixer," he recounts. "It was a role that cultivated my ability to lead and communicate."

The following summer, Philip saw his mother cry for the first time when they said goodbye to their beautiful home to move across the country to Vienna, Virginia. "My brothers and I never wanted for anything materially, but she rarely conveyed emotion," he recounts. "In San Diego, she was very socially engaged in the community and was named volunteer of the year. But in Vienna, she withdrew a lot. Only looking back did I realize she was depressed. But we adapted and moved forward, and I discovered a deep, intuitive affinity for the DC metropolitan area."

Philip would find his way to downtown Washington, where he would explore the

monuments and the Smithsonian museums. One day, in June of 1970, he took a cab to Capitol Hill and sat in the Senate gallery, where he noticed some kids on the Senate floor. His father found out that they were pages, and as a sophomore in high school, Philip found a way to become one himself. He enrolled in school at the Library of Congress with the other pages, and he became the lead page serving Gerald Ford when he was the Republican minority leader. "That was huge for me," he says. "Like the safety patrol, it was another instance of the adult world extending me an opportunity. My desk was on the floor of the House of Representatives, and in that position of authority, I observed how progress really gets made—not through confrontation and in-your-face aggression, but through a collaborative atmosphere where leaders agree to engage in the hard, patient work of getting things done."

As the overseer of the seventeen other pages, Philip was making \$600 a month, driving the coolest car in Vienna, and living the dream. It was the era of Vietnam War protests and bombings in the Capitol. Philip knew he was in the middle of it all and a witness to an exciting chapter of American history. It was during this period, when he was present for a Nixon State of the Union message, that his interest was aroused by the rigorous security work surrounding the event. Philip decided he wanted to become a U.S. Secret Service agent later in life, and when he discovered that the majority of agents at that time had graduated from his father's alma mater, Michigan State University, he knew precisely where his future lay—at least in the near term. He had no idea at the time that his true future path was unfolding right under his nose with his father's purchase of Cooper that same year. "We had a lot of conversations about his choice to buy the business," Philip reflects. "I could see how much happier he was working for himself. But I wasn't going to work for him—I was going to become a cop."

Philip's tenure with the page program ended midway through his senior year, and when he graduated from high school in Vienna, he enrolled at Michigan State as planned. Out of state and on his own for the first time, he was making it happen, igniting the independent streak that had defined his childhood to ensure success in his new environment. He took courses over the summer and graduated in three years, anxious to start life

as an adult. "One of my true regrets in life is that I had no idea I could actually learn something in college," he says. "I was the president of my fraternity, and I just skated through school."

Unfortunately, Philip didn't have the required 20/20 vision, which meant he was barred from joining the Secret Service. Upon graduating, he moved home and landed a job as the first civilian dispatcher for the Town of Vienna. Within a year or two, he was promoted to a cop position that opened up—a job he enjoyed until he got a call from his mother. "By that time, my three brothers were working for my dad, and she told me they were all disorganized basket cases," he recalls. "She asked me to come work for Cooper to get things cleaned up, and though I had never taken accounting, I decided it was a good move."

In that way, four sons were given the gift of an opportunity to get to know the father they had missed out on growing up, and they relished it. "He was an unbelievable person, and we all wanted to connect with him and to make him proud," Philip says. "And for him, having his four sons come to work for him was the proudest time of his life. Inviting us to join him was his way of saying I love you. The experience taught me that family businesses can be invaluable meaningful opportunities for people to get to know their families. The greatest gift I ever got was being able to connect with my father as an adult, and our family business was a vehicle for that."

When he started working for Cooper in 1976 at the age of 23, he couldn't have imagined the forks that lay in the road ahead or the stakes of the moments that would have a defining impact on his character. But after almost forty years with the company, he exited as one of the last brothers standing—the leader that saw the company through to its ultimate sale. And the road to get from beginning to end was no cake walk. One brother left to start a competing company with six of Cooper's employees—a major blow that Philip's father never got over. Fortunately, Cooper continued to hum along through the 1980s and 90s, growing to \$20 million in revenue and developing several auxiliary businesses. Philip's father gifted Cooper's stock to his three remaining sons and started his own separate company, National Store Fixtures, which was very profitable until he sold it. Philip was his father's confidant and assisted in the details of the sale.

Meanwhile, Philip stepped into the CEO

role in the mid-1990s, following along in his family's grand tradition of figuring it out as he went along. "There was nobody to tell me how to run the books, get a bank line of credit, hire employees, or make payroll," he recalls. "I also became the referee of the family, and when the company's progress was in jeopardy from ongoing battles with a brother, I needed a solution."

Philip wrestled with alternatives for many weeks and knew a bold solution was needed, but it required courage. Flying to Nashville, he met with the company's major supplier and explained the dire situation and how the company was in jeopardy because of the family infighting. The supplier wanted to protect its substantial outstanding accounts receivable, and Philip worked toward a win-win for all concerned.

"I told him he needed to buy out the distribution division of our company that owed him the money, and I told him how it could be done," Philip recounts. "We essentially spun that division out, taking one of my brothers with it, stripping Cooper back to the basics of selling shelving and allow my other brother, Stuart, and I to continue in peace."

It was a moment of transcendence in which Philip's choice created the best possible path forward for the vendor, the employees, the family business, and the family. "It was a huge defining moment where I finally resolved that if I was going to be the leader, I had to walk the walk and talk the talk," Philip says. "I sat down with that vendor, and we found a way to work it out because our interests were the same. Through my work as a Critical Choice consultant, I bring this expertise to help others when they reach their defining junctures, showing them how to keep it simple and achieve success despite exceptionally high-stakes, high-stress environments."

After that deal closed in 1998, Cooper expanded into a construction company, achieved its 8(a) minority business certification, and earned top secret security clearances that enabled it to compete for and win stellar government projects. Philip also met and married Karen, the love of his life. She helped him through a quadruple bypass surgery, and the two built a beautiful home together in the Shenandoah Valley. Their love persisted even when Cooper graduated out of its 8(a) certification, causing its profits to contract. "We would give up the Shenandoah home, but not each other," Philip says. "I absolutely found the

right woman, and I do everything I can to make her happy because I love her unconditionally. We could lose everything and spend the rest of our lives living in a Volkswagen bus, and I know we'd still be happy because we have each other."

When it came time for Philip and his brother to say goodbye to Cooper, he had learned valuable lessons in the supreme importance of culture to the success of a company, and how time can work to undo a business identity once thought to be unshakable. "I was absent for a while, and it got to a point where our employees no longer knew the Cooper story," he says. "The profitable, well-run company I had built, where great people did great work with real appreciation for one another, had turned into something different. And by that point, it was time for me to do something different too."

Leveraging Cooper's top secret clearances and prominent client base, Philip sold the company to Hess Construction, a strong, family-run company headquartered in Gaithersburg, Maryland. It was a weight lifted from his shoulders, giving him space and inspiration to launch Critical Choice Consulting today. "Running a small business, you're pretty much on your own," he concedes. "You see your own successes and mistakes right in front of you, and you can't count on anyone but yourself. The buck stops with you. That can be scary, but it's also exciting and empowering."

In advising young people entering the working world today, Philip tells millennials to be proud of their lot in life, and to walk confidently forward as they make their way in the world. "No other generation has been as smart, responsive, socially concerned, or socially progressive," he

affirms. "It's really an exciting time to be a young person, and I look forward to seeing what they accomplish."

Beyond that, he reminds us that leadership, like business and like family, comes down to people. "Leadership is never about I, and all about we," he says. "It's defined by respect for everyone, regardless of their title or back story. It's about honesty and directness, and it's absolutely necessary to achieve success in an environment like a family business. I've seen family businesses destroy family relationships, but I've also seen them bring people together like never before. It's leadership in those moments of critical choices that help shift things back on track when they're veering dangerously toward disaster, and keep things simple in an increasingly complex world."

© January 2017 Gordon J. Bernhardt. All rights reserved. Reprinted by permission.

— By **Gordon J. Bernhardt, CPA, PFS, CFP®, AIF®**

About Gordon J. Bernhardt

President and founder of Bernhardt Wealth Management and author of Profiles in Success: Inspiration from Executive Leaders in the Washington D.C. Area, Gordon provides financial planning and wealth management services to affluent individuals, families and business-owners throughout the Washington, DC area. Since establishing his firm in 1994, he and his team have been focused on providing high-quality service and independent financial advice to help clients make informed decisions about their money. For more information, visit www.BernhardtWealth.com and [Gordon's Blog](#).