

A FAMILY'S FORTUNES, PART III

The Eddie Era: An Appointment with Destiny

By Rob Johnson

So often, people find their destinies when and where they least expect them, or when they're not particularly looking. A quirk of chance or unseen design, a turn right instead of left, deciding to do something now instead of later, and there it is: destiny. And it's amazing how fit someone can be for an unexpected encounter with his own future.

As much as he values humility, Bashas' Chairman and CEO Eddie Basha no doubt would deem "destiny" too egocentric or poetic a term to characterize his years at the helm of his family's business; a bit of hyperbole that fails to take into account that, but for a key decision here or a bit of good fortune there, things may have turned out quite differently. Eddie also would downplay his personal contribution, and would be quick to point out that he couldn't have fulfilled any sort of "destiny" without the talent and dedication of the key people who surrounded him over the years.

But even the most cursory review of the "Eddie Era" of Bashas' history reveals that the company changed dramatically from the time he assumed leadership to the present day. The public today takes it for granted that Bashas' is a fixture on the *Forbes* "500 Biggest Private Companies" list; a grocery industry powerhouse that's one of the state's largest employers and a rock-solid part of the Arizona business community. But it was not always so. It was not that way when Eddie took the reins 30-some years ago.

While Eddie's visionary side might concede that destiny did, in fact, have a hand in his career, his pragmatic side would remind us that much of what passes for destiny is just plain old hard work: taking the things life hands us and making the best of them. It isn't so much about leading a star-crossed life or acting out a preordained plan as it is something that one forges for himself—a sort of practical destiny that one builds as he goes along.

Whether or not the success Bashas' has enjoyed was meant to be, the fact remains *that it happened on Eddie's watch*. That alone is a powerful argument that Eddie's tenure at Bashas' really was fated to happen; that he was the right man at the right time.

Of course, the trick about destiny is that it's often a matter of hindsight: One may not know he's carrying it out until he looks back, years later, and realizes that he truly was fulfilling his best and highest purpose all along.

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When we left off at the end of Part II of *A Family's Fortunes*, it was 1966 and matriarch Najeeb Basha had just passed away. Her eldest son, Ike, had died eight years

earlier, leaving leadership of the family grocery chain to Eddie Basha Sr., with a hefty contribution from his sisters. The younger Eddie, who'd been born in August of 1937, was now a man in his late twenties. He was working closely with his father and was being exposed to more and more aspects of the company's operations, but his appointment with destiny was just around the corner—sooner, perhaps, than he'd expected.

Before we get to that, however, we need to go back to the beginning, and a first brush with destiny that was—as is so often the case—unwelcome.

In the summer of 1949, just days after summer vacation had begun, a happy and carefree 11-year-old Chandler boy rode his bicycle to the nearby grocery store to get some baking powder for his mother, who was making a cake. It was a simple enough errand, but by the time the boy had concluded the short, three-block trip, his life (as it was interwoven with Bashas', anyhow) would take its first major turn.

Upon arrival at the family-run store on Boston Street, his uncle, Ike, took one look at little Eddie and—realizing full well that his nephew was out of school for the summer—told him that it was time he learned responsibility and went to work. Aghast, he raced home with the baking powder and told his mother about his uncle's awful pronouncement. Unbelievably, she agreed. So Eddie, dejected, got right back on his bicycle, rode back to the store and went to work.

All that summer—and for several summer vacations afterward—Eddie swept, cleaned, stocked and did whatever else his uncle and others at the store instructed him to do. Eddie became a courtesy clerk, working part time during the school year and full time in summer, and would also work Wednesday nights as a stocker. He begrudged the work less and less, realizing as time went by that selling groceries was what his family did. Everyone pitched in, and it was important work.

Eddie was coming to understand something that many children figure out sooner or later: that work done out of pride, under one's own initiative, feels much less burdensome than work one is compelled to do. And in order to do such grunt work with any sort of enthusiasm, Eddie didn't have to look far for motivation. With so many family members serving every day as living role models, it couldn't help but seep into young Eddie's mind that a family business was something in which everyone played a part, and that his part meant something. His competitive instincts were stirred, and he wanted to help his family's store succeed in the same way he later would want to help his high school football team defeat its cross-town rival. It became a point of pride.

At 13 years old, Eddie's work changed. Wanting to build himself up for football, he began shouldering a heavier burden—literally. Using nothing more than a two-wheeled dolly, Eddie would unload an entire boxcar of arriving goods at the Chandler train depot (where the Chandler Police Department now is located) onto a waiting Bashas' truck. Eddie can still recall the exact method he employed in shuffling the goods from the train car to the truck. When the truck was loaded, he'd ride to the warehouse

(on the site of the present-day administrative office) and repeat the process in reverse. It was an enormous task that took hours of exhausting labor to complete, yet Eddie insisted on doing it alone. “I had to touch every box myself,” he says.

When he wasn’t moving a mountain of boxes, Eddie did other jobs around the warehouse. But these jobs, though less herculean, were more menial and, therefore, more burdensome. One of Eddie’s uncles, Joe Soza (who was married to Laurice), ran the warehouse and seemed to have adopted it as his mission to “break” young Eddie in much the fashion of a drill sergeant shaping a recruit in boot camp. So Eddie swept the warehouse, and swept the warehouse . . . and swept it yet again. And when Eddie wasn’t sweeping, Uncle Joe would assign him every other insufferable chore he could think of. The idea wasn’t to ruin Eddie or to make him resent work, but to get him to understand that it was one thing to take pride in an individual achievement like unloading a boxcar all by himself, but quite another to take pride in being *part of a team*, and in doing whatever job the team needed done, even if it wasn’t glamorous.

This pattern—working part time during the school year and full time all summer—continued year after year, all the way through high school. Eddie learned a lot about the nitty-gritty end of the grocery business during his teens, and even when he went off to college at Stanford and life showed him other potential paths—other destinies—that he might consider, the roots he’d put down during his formative years at Bashas’ always seemed to draw him back, rendering the alternate paths mere flirtations. But he was a young man finding his way, wondering what was out there for him, and he had yet to determine which path was best.

One of the possible alternate paths was the Marines. While at Stanford, Eddie enrolled in the ROTC. After the first quarter of his freshman year, he dropped the ROTC and joined the Platoon Leader’s Class, a Marine Corps program enabling college students to attend summer training for six weeks, then be commissioned upon graduation.

In what seemed to Eddie a cruel twist of fate at the time, he never got that far. He’d hurt his back during a high school football tackling drill, and the injury was severe enough that he’d played out his senior year relying on Novocain injections to deal with the pain he experienced during games. Before entering Stanford he also was in a car accident that aggravated the back injury. Worse yet, while at college he took a tumble down a flight of stairs that hospitalized him for five days. Fate seemed to be telling Eddie that the Marines weren’t for him. He maintained his Marine Corps connection for a time in the Reserves, where his assignment was to attend meetings in both Phoenix and San Jose, California, but his master sergeant had a close look at the cumulative effects of Eddie’s back injuries and ultimately pronounced him physically unfit to serve. In 1957, during Eddie’s sophomore year at Stanford, he was given a medical discharge.

Eddie’s back continues to bother him to this day, and he’ll exchange a proud (yet wistful) *semper fi* with any Marine he encounters, but had it not been for the medical discharge, who knows what path he may have chosen?

The next possible alternate path was a career in education. Because Stanford had no undergraduate business program at the time (which would have been a natural course of study for a young man raised in retail), Eddie had to choose a different major. He had broad interests and wanted a general education that would expose him to many disciplines, but he decided on history because of Stanford's western civilization course, which was required to complete the degree. And the more Eddie studied history, the more enamored he became with the notion of teaching history's lessons to young people. It seemed like a noble calling—legitimate enough to make him consider straying from his grocery roots.

But then, in the winter of 1958, when Eddie was a junior, his Uncle Ike died. It was an attention-getting event, and when Eddie came home to Chandler for the funeral, all thoughts of other careers left him. Realizing that Ike had left a great void, Eddie told his father that he would quit college immediately and join him at Bashas' full time. Although Eddie Sr. could see that his son sincerely felt that his place was with the family, he insisted that he return to college and finish his degree, so he did. Eddie graduated from Stanford in 1959. At that point, no one had to tell Eddie where his future lay. Looking back, he now says that he always knew he'd be at Bashas'. "There was never a mandate," recalls Eddie. "I just had a natural inclination to do it."

Upon his return to Bashas', Eddie's involvement in company operations was immediate, comprehensive and vigorous. There were seven stores in the grocery chain at that time: stores 1, 2, 3, 4, 5, 7 and 11 (with only 3, 4 and 5 being at the same sites then as they are now). Eddie Sr. saw to it that his college-educated son worked in real estate, store development and long-range planning. But Eddie was involved in store operations, too. He learned meat cutting from Judd Jutson, and earlier, he'd learned about the nuances of running a produce department one summer during a college break. Eddie signed the checks for all produce purchases, and personally signed every single company payroll check, too. He even dabbled as a buyer, handling "repeat items" at the warehouse (ongoing standard orders like meat trays and cigarettes).

This "maximum exposure" training, which was very much like the rotations a medical intern goes through on his way to becoming a doctor, continued throughout the 1960s. The company grew, and so did Eddie's understanding of the industry. Although he was becoming more and more capable, Eddie didn't feel that he was ready to run the show by any stretch of the imagination. He figured that such a day—if it even came—would be many years down the road.

But as is so often the case, fate had the future scripted a bit differently.

In 1968, Bashas' was a 36-year-old, up-and-coming Arizona business. Now with 16 stores, the company had more than doubled in size since Eddie graduated. But everything wasn't perfect, and the year proved a challenging one from the outset. Aunt Laurice had passed away in January, and Eddie Sr., who had suffered a stroke the previous summer, was in poor health. The company was enduring some growing pains, too, and was struggling under a massive load of debt. Eddie Sr.'s vision of making

Bashas' self-sustaining, though ambitious, was becoming costly. There were 5,500 dairy cows at the farm in Corona (the farm that Eddie Sr. opened and had run personally for some time), and there were ranches in Nevada and Merced, California, too, that had spun off from the dairy operation. When the Corona dairy cows would have calves, the heifers would be sent to Merced and the bulls to Nevada to be raised. The idea was for the company not only to sustain its dairy herd on an ongoing basis, but to supply its own beef, as well. Then there was the farmland in Blythe, where the company grew citrus, as well as alfalfa to support the dairy operation.

But on October 5, 1968, Eddie Sr. passed away. The family was devastated, naturally, having lost Najeeby just two years prior and Laurice earlier in the year, but the loss to the family business also was profound. Eddie Sr. had been a brilliant, ambitious, visionary businessman, but his vision for Bashas' was highly personal, and he had been the one man capable of staying true to that blueprint and holding the company's tenuous confederation of interests together in some kind of balance.

When Eddie was just 31—and whether he was ready for it or not—that intimidating responsibility suddenly fell to him. He didn't have a title (and to this day he doesn't place much stock in such formalities), but all eyes were on him and everyone clearly understood that the mantle of leadership now was his.

Although Eddie had shadowed his father for years and was *aware* of most of the company's interests and operations, it was another thing entirely to actually be *in charge* of everything; to be the decision-maker. That was why Eddie's father, anticipating the burden that would be on his son's shoulders after his death, had selected long-time Bashas' legend Don Cooper to serve in the dual role of Bashas' general manager and mentor to Eddie.

The two men worked well together, with Don making the day-to-day operational decisions and Eddie—watching Don closely all the while—choosing the path that would ensure that Bashas' not only had a future, but that it had a bright one.

Yet right from the get-go, choosing that path proved difficult, and there was no opportunity to sit back and mull things over. Eddie's leadership skills were challenged immediately. He respected his father tremendously, and had even been in awe of him at times, but he had to acknowledge that the company whose leadership he'd inherited was in terrible debt, and seemed to have no prospect of getting out of that situation. Bashas' had interests that were far-flung and expensive, but as bad as was the financial hardship these interests created, the managerial hardship was worse. There was too much going on in too many places to stay on top of it all. The company seemed to lack focus; there was no real sense of mission. No one questioned that Eddie Sr.'s grand vision of a grocery chain that covered its bases from farm to market was brilliant in conception; in reality, however, it was proving to be a plan whose reach may have exceeded its grasp. There was so much debt that Arizona banks wouldn't loan Bashas' money for expansion, and the company wallowed. Something had to give.

Eddie agonized over what to do, ultimately realizing that Bashas' needed to get back to basics: selling groceries. That was how the company had started, and he was sure his father would understand that its survival depended on eliminating all distractions from that central purpose.

So Eddie judiciously began selling off various assets and properties, liquidating everything that wasn't strictly grocery-related. The farm in Blythe went first, then the ranches in Nevada and Merced. Boom, boom, boom—gone.

Free of all these properties, Bashas' was able to pay off much of its debt and gain working capital. Banks suddenly were interested. Eddie would obtain a loan, buy a pad and work in conjunction with a developer to build a Bashas'-anchored shopping center, then often he'd sell the property to the developer at a profit to gain more capital to build yet another store. Several key land trades happened, as well, and Bashas' was off on a course of aggressive expansion.

Indeed, aggressive growth turned out to be one of two main characteristics that have distinguished the Eddie Era at Bashas', and the central characteristic that differentiated his era from the past. As Bashas' celebrates its 70th anniversary, it's interesting to note that the number of years Eddie has guided the company nearly equals the number of years during which Ike and Eddie Sr. did, which makes for an interesting comparison between the two halves of the company's history. From the time of the company's founding in 1932 until Eddie Sr.'s death in 1968, Bashas' grew steadily from one to 16 stores. Yet from 1968 to the present day, growth accelerated markedly. The chain added 10 stores in the 1970s, 25 in the '80s and 40 in the '90s. As of this writing, Bashas' has expanded by 112 stores since 1968 to nearly 130—meaning that the store total in the second half of Bashas' history is *eight times* as great as in the first.

Asked whether he agrees that growth was an obvious priority for him, Eddie says, "Absolutely. It's part and parcel of capitalism." Did this change of direction signal a disagreement with his father's way of doing things? No. It was mostly a matter of interpreting the vision—and of necessity, too. "My dad was a multifaceted entrepreneur," Eddie explains. "He was very gifted, very talented. He loved to take on challenges. I'm different. More pragmatic, maybe. When my dad died, I didn't have the luxury of time to choose our direction. I had to make decisions, and because I'd grown up in the business, expanding the business was what I chose to do. The grocery chain was the main thing. In my view, everything else was ancillary. I had to decide whether to focus on the business or stay involved in all these other interests, and I chose to focus. I was a Chandler kid and this was a Chandler business, and all that other stuff just wasn't *home* to me."

What is the other characteristic that has marked Eddie's tenure at the helm? In a word, family. As important as his own family was to him, Eddie wanted that feeling to embrace everyone around him, so it was imparting that sense of closeness and unity of purpose to the chain's entire staff that preoccupied him. Aware that rapid expansion and an influx of new faces could quickly erase all memory of the company's deep roots and

the family that had founded it, Eddie took steps to ensure that there would be continuity from past to future, and that everyone would feel included—as though he or she had a personal stake in the company’s well-being.

“I wanted the company to be cohesive,” says Eddie, knitting his fingers together to demonstrate. “I wanted us to be joined by common goals and aspirations. Family really was a cornerstone, and I gave a lot of thought to it.”

One of the ways Eddie accomplished that was by giving the people who worked for him the sort of freedom, empowerment and trust he’d have granted a member of his own family. At the beginning, granting such free rein to his staff was largely an admission of his own status as a leadership rookie, so he was quick to defer to those he regarded as older and wiser; later, though, it was a core principle of his management style.

Most of all, it showed that Eddie’s highest priority was people—not processes, programs or (in a phrase made famous during his 1994 gubernatorial campaign) politics. Says Eddie, “I’ve always felt—and I know this might be trite—that our most important asset is people. I really believe that. That’s just always been my style. I like to give every leader as much autonomy as he or she can carry.”

Eddie is quick to point out many of the storied Bashas’ leaders who exercised that autonomy well: Don Cooper, Al Basila, Judd Jutson, Wayne Manning, Pat Fulks, Fred and Sonny Felix, Mike Proulx. But like an Academy Award recipient, he’s almost loath to start listing names lest he leave someone out. All of them understood the vision and acted as though the very honor and prosperity of their *own* families hinged on the decisions they made. All took Bashas’ to heart and merited the trust invested in them.

And now there’s a new generation of such leaders in the works, men of destiny in their own right: Eddie’s sons. Trey, Ike, Mike and David all work for Bashas’ (with Joshua and Jeremy not far behind), and all are working to shape the company’s future. Like Eddie, all of them grew up in the company. Like Eddie, all could have pursued any career he chose. And also like Eddie, all chose to stay at home.

“It’s great to have them all involved,” says Eddie. “They were free to do whatever they wanted. My only imperative to them was to graduate from college, which they did. And now they have MBAs. I’m very proud of them. They could have gone anywhere, but they’re *here*.”

As Eddie looks toward the future of Bashas’, knowing that his sons will play a key role in it is a source of joy and great encouragement. He appreciates all of the Bashas’ leadership team, but the bond he shares with his boys is undeniably special. “We have a family tradition of fathers kissing sons when they meet,” Eddie says. “I can’t tell you how enjoyable it is for me to come to work and be able to share that with my boys. It’s very uplifting.”

Uplifting, in large part, because Eddie knows that Bashas' will continue to be a family affair.

What other dreams does Eddie have for Bashas' future? For the years after he's passed the torch to the next generation? "I would like to see the absolute continuation of what we're doing," he says. "I want us to maintain our privacy; I'd like to see us continue to add more stores and upgrade existing stores; I'd like us to reinforce our efforts in niche marketing; I'd like us to keep up our community involvement, and work toward building a better state by taking a leadership role in bringing good industries and good jobs to Arizona."

Having had a lifetime to watch Eddie build Bashas' into what it is today, his sons no doubt will see to it that those dreams, like other dreams before them, become reality.

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Fate gets blamed for a lot of things. But as we stated at the outset, it usually doesn't get the rap until everyone can see how things turned out—which is when the Monday morning quarterbacking begins.

When a team loses a championship game, fans say, "I guess it just wasn't meant to be." If the team wins, they beam, "We were a team of destiny!" Regardless, the notion is the same: What happened *had* to happen, and they can go back and find the bits and pieces of fortune, good or ill, that support their argument. Maybe they're right, maybe they're wrong.

So we may have to leave in limbo the question of whether it was destiny that led Bashas' to the success it enjoys today. But if we consider the present state of Bashas' and then go back and view its history through the eyes of fate, it's clear that Eddie has been a man of destiny. Assuredly, Bashas' could not have become what it is today without him. Eddie may not have started out looking for any particular destiny, but destiny found him nevertheless.

And he certainly made the most of it.