

# Shifting from Hard Times to Great Success

## A Decades-Old Family Business Learns to Adapt for Survival

BY JOY RAMOS AND RON WEBER  
 THE PORTLAND OBSERVER

For over three decades, the Knauls family had built up an impressive clientele through their food and entertainment business, and then later with a hair studio. Just to economically survive, they've had to "shift gears."

Whatever the Knauls family ventures into through their businesses, they leave a national impression. Their ties to famous people is obvious when you step into their hair studio, Geneva's Shear Perfection, located at 5601 N.E. Martin Luther King Jr., Blvd. One wall is dedicated to their association with well-known entertainers, professional athletes and politicians. Standing out in these pictures is the ever-present Paul Knauls Sr. with his naval hat and beaming smile. The opposite wall is littered with honors and articles written on them about their exemplary service and community involvements.

The first family business started by the Knauls family was the Cotton Club in 1963, located at 2125 N. Vancouver Ave. It was one of the "hottest" music night clubs in Portland, frequented by blacks and whites. Music artists on-the-rise got their start at the Cotton Club. Many of them later went on to become nationally renown.

Business from the Cotton Club was so profitable that the Knauls opened another club called Paul's in 1965. It was located at 125 N. Russell.

The downfall of the Cotton Club occurred when Martin Luther King, the famed civil rights leader died. Black and white club-goers were not as likely to be seen together. Segregation was again on the rise.

Paul's met the same fate of closing because Emmanuel Hospital was expanding out, making it necessary for the hospital to buy out the business. What remains of the area is an empty street block.

The Knauls family kept up their interest of running a club by opening Geneva's in 1970. After over 20 years in that business, they grew tired of doing it.

Opportunity "knocked on their door" when Union Ave. was given a name change to Martin Luther King Jr. Blvd. and a small building along the busy street was for sale. It took some serious convincing by Knauls Sr. to get his wife Geneva to consider opening up a hair studio there. The family spent one year renovating the building that once housed Winchell's Donut Shop. In 1991, Geneva's Shear Perfection was opened. The family business currently employs thirteen stylists and barbers, including son Paul Knauls Jr. and a granddaughter, Cherice.

Besides servicing celebrity clients, Geneva's gives fine service and warm hospitality to anyone who comes in the door—famous or not.

Professionals such as the Knauls give hope to other businesses, exemplifying that not only can you succeed as entrepreneurs, but you can also survive ever-changing financial times through hard work and good planning.



The Knauls family (from left) Paul Sr., Geneva and Paul Jr. in front of their nationally renown hair studio, Geneva's Shear Perfection that's located in northeast Portland. The greatest part of America's wealth lies with family-owned businesses. Family firms comprise 80 to 90% of all business enterprises in North America.

PHOTO BY MARK WASHINGTON/THE PORTLAND OBSERVER

## Soft Real Estate Market Might Provide Benefit for Small Firms

NEW YORK (AP)—Your small business has grown so large that your office or building is just too small. And maybe you're in a part of the country with a depressed real estate market. It might be a good time

to consider buying or leasing bigger quarters—after you've done a lot of business analysis and careful shopping.

Recently, the Federal Reserve reported some softness in the commercial real estate

markets in the Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta and Dallas areas. The Fed also said there were more vacancies and falling lease rates in California, the result of the continuing

cutbacks among Internet and technology companies.

Lower rents or asking prices means business owners are in a stronger bargaining position when dealing with a landlord or seller. But even in areas where com-

mercial real estate is strong and rents and prices are high, there are ways to find a good deal.

Real estate experts say current market conditions in some areas favor small business owners, particularly when it comes to leasing.

"A year ago or two years ago, a lot of people couldn't be bothered with you," said Tamie Thompson, a principal with Spaulding & Slye Colliers, a real estate firm in Boston. Now, "they want to fill those little spaces and if you've been a stable business around for a long time and good about steadily paying your rent, you'll find landlords more willing to rent."

Fallout from the dot-com crash has made space much more available in parts of the country where high-tech companies were clustered. Often, the space is being

sublet by companies that rented more space than they needed based on growth projections that have now been discarded.

Thompson said the glut of space some landlords have is making them more inclined to negotiate not only on price but on improvements to the property and other lease terms.

Even in the stronger markets, small businesses can find better terms, said Linda Stoller, director of the Center for Real Estate at Babson College in Wellesley, Mass.

"If companies are willing to be a little less centrally located to highway access or be in buildings that don't have the cachet that others have," they'll find rents are cheaper, she said.

"If I were a small business owner, I would be looking," she said.

Bill Gladstone, a real estate agent in Harrisburg, Pa., said business owners will find better terms in what he called Class B buildings, those that are a step below the brand-new, glossy office towers.

If you're thinking of buying, perhaps the most important bit of advice you can get from a real estate professional is not to rush into anything.

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