

No debt, new services keep broker afloat

During its 30-year history, Southeast Venture had two major wake-up calls: the Savings and Loan crisis of the early 1990s and the Great Recession of 2008. Lessons learned from the first crisis helped the commercial real estate brokerage survive the most recent one.

The firm was vulnerable during the Savings and Loan debacle because it had one focus: commercial development. In 1992 the company diversified and added other layers of expertise, including sales, brokerage services, architectural, landscaping, interior design services and development.

That diversified structure, coupled with the company's commitment to avoid debt, made the economic downturn of 2008 a survivable event, said Southeast Venture Principal Wood Caldwell.

"The Savings and Loan crisis really was a rough time; a lot of private companies went out of business," Caldwell said. "We knew if we added value to our services, we'd be in a position to benefit. Diversification was a good way to generate income and a cost effective way to help clients solve a lot of problems."

When the economy hit the skids in 2008, the company trimmed back but remained stable in large part because all the revenue wasn't coming from one division.

"We thought about what we'd gone through in the early 1990s," Caldwell said. "We knew we'd be in a good position when the market came back because of our model of diversification."

"We had track

record with great clients, and we knew they'd come back," he said. "Plus, we were in a better position than some during the recession because we don't borrow money. Our No. 1 rule is 'hold on to your cash.'"

In 2010 revenue was \$3.7 million, lower than the company's pre-recession high of \$5 million, but on the upswing. The big deals are happening again, including one of the largest of 2010 — HealthSpring's \$54 million headquarters in MetroCenter. Southeast Venture is the developer and will handle all the property's long-term operations and maintenance.

Wood also credits Southeast Venture's unorthodox management structure for giving the company staying power. The seven principals of the company are equal owners. They don't have titles, only areas of expertise. All the money that comes in, including commissions, go into one big pot from which everyone benefits.

"When we make sacrifices, everyone makes them," Caldwell said, adding that the entire staff took pay cuts during the economic downturn.

Southeast Venture recently named its first new partners in 14 years with Michael Finucane and Todd Alexander. Other owners include Cam Sorenson, Paul Plummer, Randy Parham and Axson West.

"We're adding a third generation of ownership in our 30th year of business," Caldwell said. "We're optimistic about the future."

— Linda Bryant



**Southeast
Venture Principal
Wood Caldwell**