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# ADAM HERGENROTHER COMPANIES

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## Taking Real Estate to Another Level Adam Hergenrother Companies has gone from the Brokerage Side to Buying, Selling and Leasing, to Custom Built Homes for CEOs and Celebrities Operating in 10 States to Now Creating Senior Care Facilities and Communities



**Adam Hergenrother**  
Founder & Chief Executive Officer

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**CEOCFO Magazine**

**CEOCFO: Mr. Hergenrother, would you tell us the focus of Adam Hergenrother Companies?**

**Mr. Hergenrother:** Ultimately my vision was to create a vertically integrated real estate firm where individuals, clients, and customers could come into our world and have every real estate need and experience fulfilled. It started with the brokerage side of real estate of buying and selling and leasing, and then it evolved into building new construction, development, custom homes, and then from custom homes to multiple residential divisions from your standard style homes to full luxury, custom-built homes for Presidents, CEOs and celebrities. From there, it went into how we scale Hergenrother Realty Group which now operates in ten different states and has scaled and systematized the process for buying, selling and leasing and now we are working on how we grow that into building. We have rolled that into creating senior care facilities/communities which involve independent living, assisted living and Alzheimer's care as well as skilled nursing. We have created multiple campuses throughout New England so far and we have partnered with three companies. We are creating jobs and we just finished a facility that created over 100 full-time jobs in a small area which is a huge amount of jobs. Again, it is that fully vertically integrated real estate firm including property management and leasing. Now we have everything so no matter what somebody wants to do whether they have land to build on and develop and sell, need to lease, we can handle the whole thing.

**"I wake up and think how to make other people in my world millionaires. I want to wake up five years from now knowing we have a billion dollar organization and people all around me are millionaires and they can go out there and give to their charity or kids or whatever it is that they want to do. When you are about to take your last breath, isn't that what life is all about? At least it is for me. It is about knowing how many people I impacted through the ability to give in my world."- Adam Hergenrother**

**CEOCFO: What was the impetus for the original idea?**

**Mr. Hergenrother:** I wish I could say that I had this vision from the beginning. Ultimately when I graduated from college I was going to be successful in whatever I did, I just did not know it was going to be real estate. I actually got into real estate from flipping a condo in college back in 2003 and then in 2005 the market was just skyrocketing. I said no wonder everyone is in real estate, it is the easiest thing to do ever. Then it was not. But I got into real estate and I found my path. The reality is I got into the business world so that nobody can limit my thinking. It happened to be in the avenue of real

estate. I enjoy real estate and I like building real estate, so I came into that. I did not know that it would be to this level but I just knew that once I got in there I was just searching for growth and to provide opportunities around me.

**CEOCFO: *Why the focus on providing opportunity, the training and the desire to be really interested in your people? Why is it that so few companies seem to understand the importance?***

**Mr. Hergenrother:** Ultimately I believe that we are a training and consulting company that happens to be in real estate now. We pour into our employees and our people that are around us the most so that we have the best skilled, the happiest, and the best culture. What does that do for your clients? It is like when you work on your inner world, anything you do in the external world becomes fun. It is the same thing in an organization, when you work on your inner world and your people and they have the best culture and you hire the best people for the specific roles that they are doing then they are going to take care of your clients and customers better than anybody else will. I just changed the philosophy and said we are going to have this organization where people are its framework and we grow from thinking big, taking on new challenges and disrupting industries so that we can go out there and be remembered 200 years from now. By being able to internally grow our individuals and provide opportunities for them, you never need talent. What I mean by that is I wake up every day and think about how to create a world large enough for all my team members to exceed any goal imaginable so ultimately they can grow their own business inside my world so they can have all the opportunities that I do. I think the fundamental shift is that there are secular changes occurring and I think you are seeing this with younger companies or individuals who understand this more. Once you hit a certain financial metric in your life, you realize that getting more money and things is not what life is about, it is about the experiences you can give to yourself and other people which I think comes from giving. I wake up and think how to make other people in my world millionaires. I want to wake up five years from now knowing we have a billion dollar organization and people all around me are millionaires and they can go out there and give to their charity or kids or whatever it is that they want to do. When you are about to take your last breath, isn't that what life is all about? At least it is for me. It is about knowing how many people I impacted through the ability to give in my world.

**CEOCFO: *Would you give us an examples of customer interactions?***

**Mr. Hergenrother:** For one, from the brokerage side of things in HRG, (Hergenrother Realty Group) we look at our real estate team as specialists. Instead of an individual agent doing all the components from taking an initial intake form, to listing your home, to working on the closing transaction, to managing all the websites and social media, branding and then doing administrative paperwork and then following up with closing coordinators and trying to take care of the sellers and agents, what we do is look and see that agents can handle a certain amount. The majority of them are not good at the marketing and administrative side of things but they do it because they have to but it does not mean they enjoy it or are good at it, so we have decided that there is an opportunity in the real estate industry on the brokerage side to break this down so that there is better customer service and you are keeping people in their strength zones. Think about it in terms of a conveyer belt but just a highly leveraged and very culture-based conveyer belt where each department has their own person that loves what they do. You have the agent who gets the listing, they sign the listing and from there, it is sent to a listing department who then works with our marketing department on branding who then works with the client so they get much more client interaction about what the marketing is doing and how we are changing and adopting these things to get them a higher price and sale. Once it goes under contract, and it goes to our transaction coordination (TC) department who specialize on working with attorneys, title companies, inspectors and any other addendum items that need to happen so that the transaction goes as smoothly as possible and coordinates with rules and regulations to ensure everything is in compliance for the closing or escrow at the time it is going to happen. After it closes, it goes to our marketing and client care department who then services and adds value to our clients through discounts and value-adds like 25% off from Lowe's or \$500 off coupon for moving services. We are constantly looking for ways to add value to our clients' life within circles it creates this virtual cycle because then our clients want to refer more people to us or when they sell again in an average of three to six years, they call us back and start the process again. Instead of an agent doing all of the pieces, we have broken this down so that we have specialists handling each part of the real estate transaction. We have adopted these larger philosophies to provide better client service but also we keep people in the roles they love.

**CEOCFO: *Many times home sellers do not feel they are getting the right representation from the brokers. Are clients turning to you because they see it as a less adversarial process as it seems in many real estate dealings?***

**Mr. Hergenrother:** I think it depends on the person. One of the things in my vision is to help change the real estate industry so that it is not looked on in a negative or adversarial way, that we are actually a fiduciary who has the client's best interest in mind. I think when you separate the departments that way you can actually start providing that service. When you have people doing parts of the job that they do not like to do, you are not going to get the best service as when you hire a specific behavioral style who loves to do transaction coordination. One of the top five things that people fear the

most in selling a home. There is a lot of stress, you are moving and there is emotion involved. It is stressful but it is our job is to make sure that we minimize that as much as possible from our end so that you have a seamless process.

**CEOCFO: *You mentioned that you are in a number of locations. How have you decided where to go geographically?***

**Mr. Hergenrother:** First it is who and then what. In business how I see it is first who and then what and where. Ultimately we get the right person and if we get the right person let's say in Minnesota then we will launch in Minnesota. If we get the right person in Austin, then we are going to launch in Austin because the right person is going to be able to implement our platform that we created for residential and development and for the brokerage side. We also have a standard, meaning that there is a certain sales price and number of transactions we look at amount other data points. There is criteria on the brokerage side. On the development side, it is more driven through analytics. It is driven on whether there is a need for senior care, what does the senior care market look like over here, is it saturated and is there a waiting list, who are the operators and are they operating at a 70% capacity or a 103% capacity, what is the level of service that they are getting. We look at all of those components and we rely and use that information from a market study to determine which markets we are going into for that.

**CEOCFO: *Would you tell us about your new office building?***

**Mr. Hergenrother:** This has been a dream/vision of mine for about seven years. It took three years to build it up and about five years ago we put the first piece of land under contract and then there was a lot of blasting that had to be done and then we had to move locations again which cost us about a year and then went to another place. Then permitting and other issues came up so we had to move locations again. But we ended up on the best piece possible. We are bringing people into our community to help with the economic growth of this and have them share a slice of where we live.

**CEOCFO: *Would you tell us where you focus with your Foundation and why?***

**Mr. Hergenrother:** Most of my teenage years I was about 100 lbs. over weight. I was embarrassed and insecure. I would lie because I was trying to be somebody I was not, because I was so embarrassed of who I was. Then one day I came home and decided I was going to change my life. I started crying and stayed up all night trying to decide how I was going to do it. I lost 100 lbs. in a year and I got into sports. I ended up becoming captain of the football team and that was a pivotal moment of my life. When people say, "Wow you are 35 and have accomplished all this and you have only been working in business for ten years," I say, "Hold on. I have actually been working on the principles of business building since I was 16 years old and that is why I am here today." I believe exercise is a conduit for our own personal growth so my passion and our foundation's mission is to inspire kids through physical fitness and to provide camps and mentorship for them to understand that they can go out there and have full control of their decisions and their lives.

**CEOCFO: *What is next for Adam Hergenrother Companies?***

**Mr. Hergenrother:** My vision for the next five years is to make people around me millionaires. I do not say that lightly, I mean really pouring into the organization so that the people that are growing with me the most are wealthy, and not just financially wealthy but wealthy spiritually, physically, and professionally, that they love their jobs and that we start operating worldwide but with people that love what they do and have fun with what they do and we continue to push forward. I wake up and my mission statement everyday is to provide a world large enough for all my team members to achieve any goal imaginable. If I go out and accomplish that every day, I know they are going to do the same thing for our clients.

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