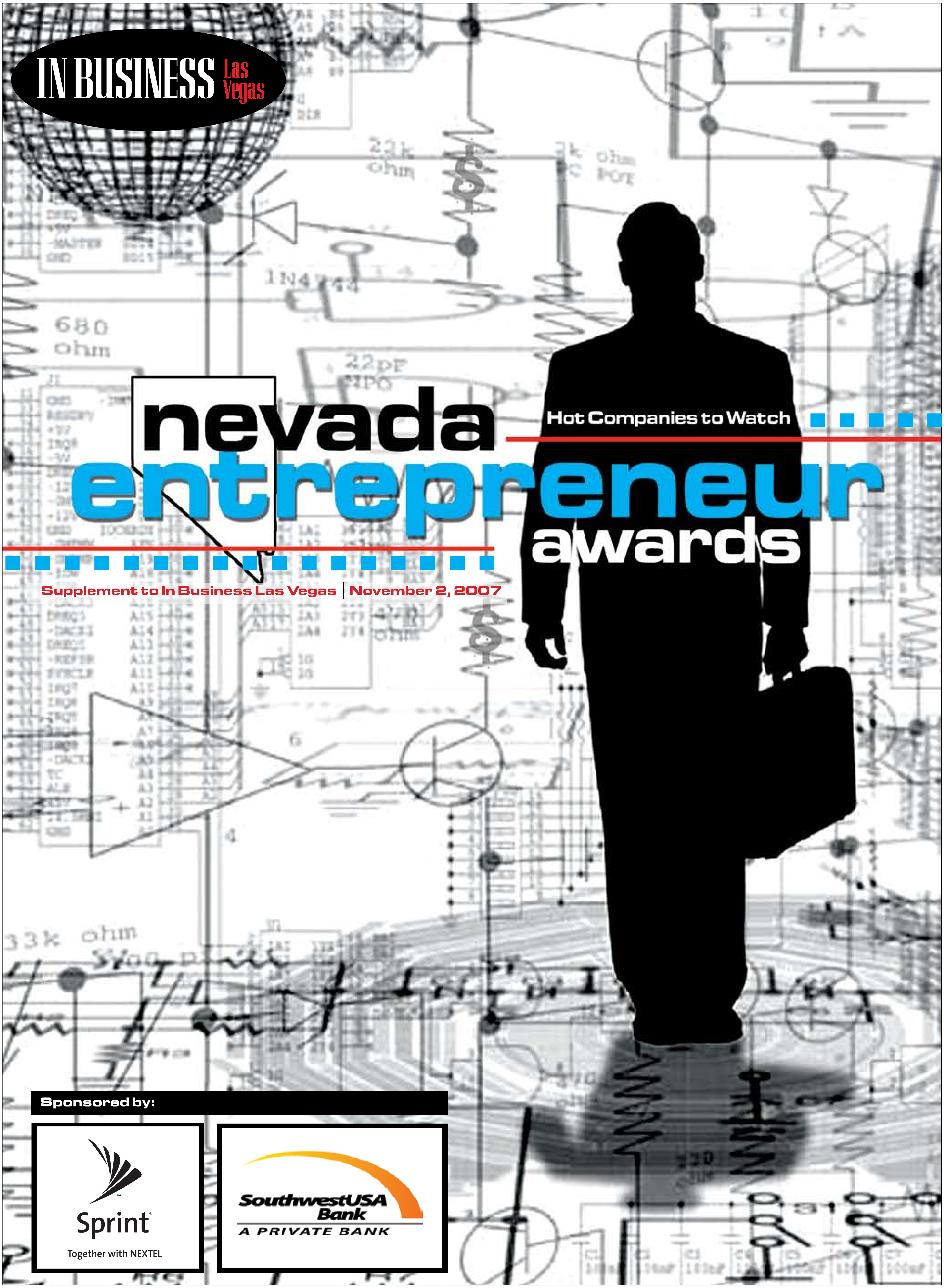
IN BUSINESS Las Vegas



nevada entrepreneur awards

Hot Companies to Watch

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IN BUSINESS Las Vegas

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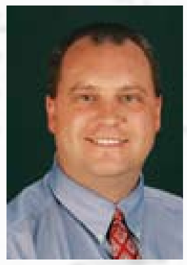
from the editor

Dear Readers,



One thing is certain when you venture into the planning and production of a Nevada Entrepreneur Awards section — you discover some amazing companies and remarkable people.

Inside, you'll find the inaugural class of award winners. Twelve companies from across the state are honored for their success and entrepreneurship. We accepted nominations, had our writers and editors do some additional research and then had a panel make the selections. There were a few criteria the companies had to meet to be eligible:

- Must have been founded between Jan. 1, 1998, and Dec. 31, 2004
- Founder/original owner must still be actively involved with the company
- Company must have had positive job growth between 2004 and 2006
- 2006 sales must not exceed $1 billion
- Company cannot be a spinoff or division of a larger company

More than 60 companies received consideration — they are listed below. Some amazing stories were unearthed and you can read about the risks that nearly all of these companies had to endure to reap the rewards they see everyday now.

The winners include companies in industries such as real estate and construction, transportation, hospitality, advertising and public relations and retail. These are businesses that saw a niche and capitalized on it.

The population growth in Southern Nevada has provided a platform for these companies to capitalize on. We applaud them for their achievements.

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list of nominees

ARC Paper
Abbott's Custom Printing
Acclaim Materials Testing & Inspection
Advanced Imaging Solutions
All Systems Go
Asset Realty
Avalar Network
BEST Agency
Black Mountain Community Bank
Bluedial.com
Business Credit Services
California Closets Las Vegas
Clark County Collection Service LLC
Danoski Clutts Building Group
DAV Productions
Desert Living Inc.
Diamond Bay Investments Inc.
Dollar Loan Center
Employers Holdings
Far East Aluminum Works (U.S.) Corp.
G&R Insulation Contracting
Gatski Commercial Real Estate Services
General Design & Construction (GDC)
Hallier Properties
Harmon Resources
Herb Trade
Imagine Marketing
JV Safety & Supplies LLC
K&K Construction Supply Inc.
Land Resource Investments
LaPour Partners
Liquid Courage
Logistics & Distributions Services
MCDM Landscape
McGarey Partners, Commercial Real Estate Services
Milano Wealth Management
MyNewCompany.com Inc.
Nevada Cancer Institute
Onsite Creative Services
Precision Color Digital Imaging
Rock ´n Roll Wine LLC
Shades
Silver State Helicopters
SK+G Advertising
Pacific Coast Development Inc.
Payroll Solutions Group Company
ProServe Mortgage Corporation
Purdue Marion & Associates
Quality Medical Imaging
Scavolini Las Vegas (dba Sierra Cabinets & Closets in Reno, NV)
Steiners – A Nevada Style Pub – 3 locations
The Beckley Group
The PENTA Building Group
Trusted Home Lending
TWC Construction Inc.
VegasAuditions.com
Virgen Advertising Corporation
WorldDoc
Women's Specialty Care LLLP
Wright Engineers
YourBuyer Worldwide
YWS Architects
Zappos.com

from the sponsors

Dear Nevada Entrepreneur Awards Attendees:

On behalf of Sprint Nextel, welcome to In Business Las Vegas' Nevada Entrepreneur Awards. This special day allows us to profile and showcase many of Nevada's most successful and accomplished entrepreneurs of 2007. Sprint Nextel has and will continue to play a major role in creating a new vision and supportive environment for the expansion and growth of entrepreneurs throughout the state.

Sprint Nextel is dedicated to the advancement of the work of entrepreneurs in the business community and looks forward to working with you to find solutions to your company's communications needs. You'll find competitive pricing on a variety of communications products and services and can custom design communication solutions to meet your needs. Whether you're interested in managing workflow, tracking assets or processing payment information remotely, Sprint Nextel can help improve customer satisfaction, manage costs and maximize efficiencies in your business.

Sprint Nextel would like to thank In Business Las Vegas for all their support and for spearheading this event. We are also grateful to all the participants who have stepped forward to make this event successful.

Kerry McGonigal
Director Multi-Channels
Sprint Nextel

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Dear In Business Las Vegas Readers:

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Patrick Wisman
Chief Executive Officer
SouthwestUSA Bank

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Steiner's mixes Nevada style with 'Cheers' hominess

By Brian Sodoma
Special Publications writer

Roger Sachs, 42, knows the ins and outs of running a tavern and restaurant because it's a profession he admits he's been in almost his entire adult life. "Through the years, I worked my way up through the ranks [with a variety of restaurant employers]. I took a break for a little while, but it always seemed to call me back," Sachs said. The successful co-owner of Steiner's: A Nevada-style pub, also seems right at home in a competitive market that is facing the harsh realities of a smoking ban and a slowing economy that's put a damper on discretionary spending.

In 1997, Hank Gordon, CEO of Laurich Properties, Sachs longtime friend and owner of more than 20 valley neighborhood shopping centers, called upon Sachs to come to the valley and run a new tavern chain. Since that time, the pair's concept, Steiner's, has grown to three locations, now employs roughly 150 people and will top $10 million in combined revenue this year.

Walking into a Steiner's is intended to recall hometown-bar memories from an old neighborhood back home. At the same time, Steiner's provides a glimpse into Nevada history. A combination of old Nevada newspaper clippings and Silver State artifacts on the walls are complemented by detailed mill work and brick columns that give Steiner's a look and feel of "Cheers," the long running sitcom from the 80s and 90s, but with a Nevada flavor.

"We wanted to differentiate ourselves from the everyday bar by giving our locations a local flavor, but also a genuine hometown feel. A lot of people come in here from around the country and remember a place like this back home," Sachs said.

Steiner's also takes its food offerings seriously. Chef Gary Leiser has been overseeing the taverns' kitchens since it opened. "We consider ourselves as much a great restaurant as we do a video poker tavern," Sachs added.

Roger sachs, top and above right, has three Steiners's locations across the valley.

Sachs is candid about the challenges in running a tavern in Las Vegas these days. Steiner's faces the fallout from a slowing economy, a smoking ban as well as immigration issues, hot topics that have encouraged Steiner's ownership to take a little more conservative approach to growth. "We're hoping that we'll open that fourth location, but we're holding steady for the moment," Sachs said. "Any restaurant, whether it's corporate or a mom-and-pop shop, is competing for those entertainment dollars. … People are watching their money and are going out maybe once or twice a week as opposed to three to five times a week four years ago."

While Sachs eyes the future hoping to add another Steiner's location, he remains very "hands-on" when it comes to running existing locations. He still works inside the taverns three days a week, filling in for managers at each location on their days off. He likes being close to the action, he admits, a necessity in his line of work, which not only involves keeping operations running smoothly, but also coming up with new promotions to get people to choose his pub over hundreds of other competitors in town. In its nine years, Steiner's has given away a VW bug, three Harley Davidson motorcycles, a Nissan 350Z convertible, Super Bowl trips and plenty more.

"Running the promotions can be highly successful in getting people through the door, but it's all part of the total package. The food, the ambiance, cleanliness, promotions, they're all little pieces of the pie," he said. "I think competition is great. It makes you work a little harder to get your guests into your place. … If you're doing things right by treating people well and letting them have fun you'll be okay. I would be worried if my operations weren't run as well as they are."

Finding good employees in a transient town is also tough, admits Sachs. But he is proud of the gems he's found. "I've got a bartender at [our first location] who has been with us since we opened in 1998. … You try to treat people right. Through the years, some of our employees have found a home working with us," he added.

Q&A:

Q: What was your reason for starting the company?

Sachs: We started this business because we wanted to change the face of the tavern industry in Las Vegas and become the best and most respected small-bar operators in Nevada.

Q: What was your biggest risk?

Sachs: Venturing into multi-unit operations is always a supreme challenge — to try to duplicate or triplicate success without forgetting the original location and keeping it focused as well.

Q: What was your best business decision?

Sachs: My best business decision was to go to work with Hank Gordon, our founder and commercial real estate developer, my mentor and friend, who has given me the wherewithal to explore my abilities and create several successful business operations to which we are both benefactors.

Q: What was your biggest mistake?

Sachs: Not seeing the changes in the business climate last year early enough that would've allowed me to react much more quickly and effectively to the recent smoking [ordinance], economy, immigration and minimum wage issues affecting our industry.

If the shoe fits…

Zappos.com fills a market niche

By Danielle Birkin
Contributing writer

Zappos.com CEO Tony Hsieh

In 1999, Zappos.com founder, Nick Swinmurn, was shoe shopping in San Francisco when he found himself in a footwear fix. One store had the right color but the wrong size, while another store had the right size but the wrong color. Frustrated, he left empty-handed, and subsequently conducted an Internet search that revealed a shortage of specialty shoe retailers selling online.

Realizing there was a niche market just waiting to be filled, he founded Zappos.com the same year. The company originally offered just a handful of brands, but as the Web site gained momentum, it increased its offerings, and now carries more than 1,200 brands representing 3.5 million items and more than 150,000 styles. Zappos.com also added other categories to its lineup, including apparel, handbags, sunglasses, watches and other accessories.

When Swinmurn moved on to pursue other ventures, Tony Hsieh stepped into the role of the company's chief executive officer, which has seen steady growth in gross revenue as well as employees: Revenue grew from $370 million in 2005 to $597 million in 2006 and is expected to reach $800 million this year. During the same timeframe, the company's workforce has more than doubled, from 700 employees in 2005 to a projected 1,500 by the end of this year.

While these figures are impressive, Hsieh is not gratified. "We have a little more than 6 million customers, meaning that over 2 percent of the U.S. population has bought from Zappos, but what about the other 98 percent?" said Hsieh, who has a strategy to draw them in. "We want to be known for the absolute best customer service and customer experience. Most of our business has been from repeat customers and word of mouth, and people might not be aware that we have free overnight shipping and free shipping back. They can also call us anytime day or night."

The company, which does 99 percent of its business online, has also expanded its outlet store network and now has three locations in Las Vegas and one in Louisville, Kentucky, which carry end-of-season items that can't be sold on the Internet. The outlet stores allow Zappos.com to maintain higher prices on the Web site so that the company can continue to build its brand and focus on service and selection, not price.

Zappos.com, which was ranked as the 31st highest-grossing Internet retailer by Internet Retailer Magazine (based on 2006 sales), also has a few other tricks up its sleeve, such as launching a Canadian version of its Web site and increasing its number of lifestyle vertical sites to four. "We have sister Web sites, such as running.zappos.com, which will outfit a customer from head to toe in running apparel, including accessories," Hsieh said.

Although most any business will suffer some bumps along the road, Hsieh said the staff at Zappos.com doesn't sweat it too much. "Internally we try to encourage people to not try to not make mistakes — even if something does not turn out as you predicted, as long as it is a learning experience it is still part of the education," said Hsieh, who went on to say that in hindsight he may have focused more aggressively on customer service from the get-go. "Ultimately, everything we have done has benefited us, but we didn't pay as much attention to customer service and we saw an impact on repeat business and word of mouth. But if we had not gone through that process we would not be as fanatical about customer service. In retrospect, I guess I'd have to say we have done everything we've done, but faster."

The company has taken risks in its years of growth, including relocating from San Francisco to Southern Nevada. "It was a risk uprooting the entire company, but our Las Vegas call center was fast growing and it was challenging to grow that in San Francisco," he said. "So we decided to move the whole company, because if we are serious about customer service, our call center should not be like some island out in nowhere."

He said the move paid off, and was ultimately a great business decision, much like the company's commitment to its company culture. "We have always wanted to make sure we don't turn into a big company where no one wants to work," he said. "We just want all of our employees to participate and have fun."

Herb Trade rooted in growing organics industry

By Brian Sodoma
Special Publications writer

Kevin Lindseth has been in touch with green living since he was young. For years, his family was in the tea business and as he grew up, he learned about the business of trying to find the cleanest organic ingredients for tea formulations. The experience paid off after his family sold the business, Long Life Tea, and he embarked on a unique green business of his own that, today, sees sales in excess of $10 million. That figure will undoubtedly multiply even further.

In the late 1990s, Lindseth saw the increased worldwide need for organic ingredients for teas, supplements and food products. Today, Reno-based Herb Trade sells organic ingredients, such as spices, herbs, dried fruits, vegetables, and other natural products to manufacturers in the food, neutraceutical and tea industries around the world.

"In those early years, Kevin focused very strongly on building a network of [organic] growers around the world," said Richard Mason, Herb Trade's vice president and operations manager. Today, Lindseth is responsible for bringing ingredients in the door, while Mason, who came on as a partner in 2002, is responsible for building customer relationships and formulating or processing the raw organic ingredients for clients.

Mason, whose background was the jewelry business, was a longtime friend of Lindseth's, but found his interest piqued by the company's potential and Lindseth's commitment to the movement. "I was really drawn to the ethically minded vision of what Herb Trade represents," Mason added. "After 25 years in the jewelry business, which is nothing like that, I left a thriving business behind in New York and joined Herb Trade."


The staff of Herb Trade on a company outing to Lake Tahoe.

In 2002, the organic movement went from years of self-regulation to becoming a Department of Agriculture-monitored industry. At that point, Lindseth had already established relationships with quality organic growers in more than 30 countries spanning Asia, Europe and South America. Mason said establishing better organic guidelines for growers, like soil test requirements, a near absence of pesticides, genetically modified organisms (GMO), synthetic fertilizers and other strict guidelines, legitimized the movement. "Any grower we buy from around the world needs to have had their fields or wild harvestings tested by a field agent working for an approved certifier by the U.S. Department of Agriculture," Mason added. "It was excellent for business because at that point the organic name really meant something."

Mason also said the move helped the organic movement capture the interest of larger corporations. Where up to that point, Herb Trade was selling mostly to mom-and-pop supplement, tea, and food product manufacturers, it now sells to divisions of General Mills and other large food companies looking to incorporate organic ingredients into their new and old recipes. The shift helped push revenues from about $3 million in 2003 to more than $10 million today. "Our clients went from being entirely small companies now to a mix of small, medium and larger corporations," Mason said, while adding that he foresees Herb Trade growing to a hundred million or two hundred million dollar company someday. Recent reports from Food Business News indicate that only seven percent of adults buy organic all or some of the time. "If that's really the case, then there's a lot of room for expansion," Mason said.

The vice president said there is always a concern that as the organic movement grows, corners could be cut, and the purist mind-set that initiated the movement could be replaced by the drive for profit. But for now, he is pleased with the way things are going in regard to quality control and the overall quality of organic products on the market in general.

"In my opinion, Herb Trade goes a little above that organic certificate. When that certificate is presented to us, there's really no need for us to test that product. But in order to avoid dumbing down the industry, in many cases we do our own testing," he added.

Herb Trade actually originated in New York, but the company moved to Reno in 2003. The goal was to tap the years of family experience in distribution and manufacturing for Herb Trade's new warehouse and processing facility. Herb Trade also has a consolidation facility in Rotterdam, a purchasing and monitoring operation in southern Germany, a quality control team in Shanghai, as well as its office in Reno.

Sales are primarily in Canada, the U.S. and some small quantities are sold to Europe, Mason said. Herb Trade's next focus is its new food science division. The division's food scientist can take a client's recipe, reverse engineer it, then blend it to organic standards. "Many companies need help with this. It's the latest thing we are doing to help our customers," Mason added.

Q&A:

Q: What was your reason for starting the business?

Lindseth: My family owned an herbal tea company and we always tried to use organic herbs even though there weren't many available at the time. After my father passed away and we sold the company, I [discovered] there was a huge offering of organic herbs around the world not being offered in the US at that time, so I thought of making these organic herbs and spices available to natural food and tea companies in the United States.

Q: What was your biggest risk?

Lindseth: My biggest risk continues every day. I really have my entire future tied to the success of Herb Trade, and have had to personally guarantee all financial risk. Herb Trade sells hundreds of organic ingredients from all over the world, many from developing countries, [so] we are responsible for the safety of all of those products.

Q: What was your best business decision?

Lindseth: My best business decision was to bring in a partner [Richard Mason] who could both support the efforts being made, compliment my own abilities as well as bring new strengths to our operation. Together, we were able to accomplish many more things than just me alone, and our teamwork has helped drive company growth.

Q: What was your biggest mistake?

Lindseth: I'd say that our biggest mistake, in the early years of the business, was hiring some people who were not really competent enough for their functions. We hired 'cheap' and learned quickly that inexpensive employees can lead to big, expensive mistakes.

Women's Specialty Care grows along with Las Vegas

By Danielle Birkin
Contributing writer

When K. Warren Volker, M.D., Ph.D., F.A.C.O.G., co-founded Women's Specialty Care, LLLP, in 2001 with Tammy Kelly, M.D., F.A.C.O.G., they had a well-defined goal: recruit qualified physicians with myriad specialties in women's health care. "Tammy and I trained together at the University of Nevada [where Volker completed his residency] and nobody in this city was trying to have a large women's health organization where we could share information and meet to discuss the latest advances," said Volker, a self-described research academic who serves as managing partner and medical director. "So the practice was really based on bringing well-known and growing OB/GYNs to the city, especially with the hospital population and the city booming."

They did just that, growing the two-physician OB/GYN practice, which originally had one location, into the largest women's health private practice in Nevada. Women's Specialty Care now has 102 employees — including 20 physicians and four locations, in addition to two diagnostic and imaging centers. Volker said Women's Specialty Care follows residential growth, opening in areas of the valley that are rapidly expanding. Its first location was Summerlin in 2001, followed by Spring Valley, Mountain View and Green Valley.


The staff at Women's Specialty Care

Volker said each of the four locations serves as a one-stop health center for women. "Women are so busy, they're moms and working, so we try to consolidate as many services as possible so a woman can come in and get everything done all in one visit," he said.

Women's Specialty Health grew by nearly 100 percent from 2004 to 2005, about 8 percent from 2005 to 2006, and is projected to double again from 2006 to 2007. Meanwhile, it has emerged as a leader in minimally invasive gynecological surgery and advance obstetric care. It is the only Nevada medical practice to offer HALO, a revolutionary new screening procedure that can detect risk for common breast cancers up to eight years earlier than a mammogram. The test is minimally invasive and can be performed in the office in about five minutes.

"Early detection of cancer is everything, especially breast cancer, and one in eight women will develop it," Volker said, adding that there is a 90 percent survival rate over 10 years. "The problem we are seeing, though, is younger women getting breast cancer and a mammogram is not the best way to detect cancer in younger women because their breast tissue is dense. In fact, mammograms are really for women over 50. But with HALO, we can detect abnormal cells before there is cancer and before there is even a lump — for one cancer cell to turn into lump that you can detect takes seven years. The only other center to have HALO is Scripps in San Diego." Volker also said Women's Specialty Care offers a number of one-day minimally invasive surgery procedures, with patients who fly in from all over the country to receive treatment.

His only regret? "Not buying a commercial property earlier when we had opportunity," he said. "The price has gone up and we would have saved ourselves a huge amount of money."

Volker said an additional location is slated to open in Centennial Hills next spring, with a sixth opening in Southern Hills in late 2008. "Our plan is to continue to recruit qualified physicians, and to stick to our original plan — growth, but for the right reasons, and to bring the best women's health care to the city," he said.

SK+G Advertising sets sights on getting better, not bigger

By Brian Sodoma
Special Publications writer

Jerry Kramer and John Schadler are at the top of the advertising game. But being pegged as an advertising expert can come as somewhat of a misnomer. Sure the SK+G Advertising principals' names are tied to some of the slickest Strip casino ads and video promos going. Yet Kramer has a distinguished music video career under his belt that puts his name with the likes of Van Halen and Michael Jackson, among others. Schadler's resumé includes head of marketing for Steve Wynn at the Mirage, Treasure Island and Bellagio properties.

But SK+G, the pair's eight-year-old effort, goes far beyond advertising, said Schadler, while discussing a recent project — the Montbleau Resort, Casino and Spa in Lake Tahoe. The former Caesars Tahoe property recently underwent a significant brand shift, with the help of SK+G, from a tired Roman theme to a younger, hipper, contemporary guest experience. "It's about giving the brand more than a façade. It's about giving it its soul," Schadler added. "We tend to be asked to work on more than traditional advertising, but instead paying attention to every brand touch point. In the case of the Montbleau, the overall vibe of the place is radically different from before."

Eight years ago, Schadler and Kramer started the SK+G with $60,000 and promises to early employees that the company would succeed. "It was a big risk for people to come work for us. All we really had was our word," added Kramer. Those words were promises the duo clearly kept. In 2006, revenues topped $60 million, and the company made Entrepreneur Magazine's 200 Fastest Growing Companies list.

Today, Schadler looks every bit the sophisticated, but hip, exec, while Kramer looks like he needs to be talked into a sports coat. Looks mirror personalities and both admit to very different management styles. Shadler considers himself more structured, Kramer a little more relaxed, but both are committed to a laissez faire management philosophy with their creative teams. "We manage the process, spot check and respond to major issues," Kramer said. "Micromanaging is a real disservice to the client." Schadler added.

Having done work for Atlantic City's Borgata Hotel, Casino & Spa (owned by Boyd Gaming), the MGM Grand, Wolfgang Puck, Trump International Hotel & Tower, the company is now taking on the challenges of re-branding MGM's Luxor property. "That property was conceived during the 90s when everything was very acutely themed. In deconstructing that property, you have to dissect it very carefully. It's very iconic, and you have to try to make it relevant and contemporary today," Schadler said.

The principals also assert that they don't only work with the biggest leisure and luxury names in the gaming and entertainment business. Schadler points to Montage Resorts of Laguna Beach and Yoga Works, a Los Angeles-based yoga instructor training company, as two smaller clients SK+G has embraced.

"We like to work with companies that we think have a great future and potential, and companies where we like the concepts behind the business," Schadler added. "Yoga Works is an example of that. Now, [after working with us] they're able to take off and become a real national force."

Jerry Kramer and John Schadler

With an increasing client list and revenues climbing with it, developing a suitable creative space for its employees became a central focus for Schadler and Kramer. In January the company moved into its new home in the west valley, a 36,000-square-foot space inside a 70,000-square-foot building the company built. The space has several lounge and gathering areas, ergonomically-designed Herman Miller cubicles and work spaces, and exposed duct work and ceilings giving it an industrial touch.

"The first thing we wanted to do was to make the space flow. We spent a lot of time figuring out who needs to be near whom," said Schadler. "You have your privacy, but it's easy to kind of dive into things with other people." Adds Kramer: "It's good for people to bump into each other. They can talk about things, ideas. It's important for the creative process."

As for SK+G's future, the group will focus on getting better instead of getting bigger, said Kramer, who remains committed to constantly educating himself on trends and new concepts, while keeping his eyes open for top talent. A new company Web site coming online in December will focus on reflecting the SK+G's casual but professional culture, as well as its advertising work, in hopes of helping to court more talent. While the pair sees future SK+G offices in other markets, Vegas will remain the firm's home. "I think there's more going on here than anywhere else," Schadler said.

"We are a part of changing the notion that Las Vegas isn't an advertising center What you learn here is how to aggressively approach challenges," Kramer added. "I think what you can learn in this market you can take to another market and apply immediately."

Q&A:

Q: What was your reason for starting the business?

Schadler: As a client for many years, I always felt the need to go out of town for great advertising. We believed there was a need for a world-class advertising agency in Las Vegas and we seized the opportunity.

Q: What was your biggest risk?

Kramer: Our biggest risk was perhaps starting up an agency at a time when we weren't 100 percent sure if Las Vegas was ready for the sophisticated sensibility that we believed we could bring to the market.

Q: What was your best business decision?

Schadler: Our best business decision was creating and building an advertising agency here during a time when Las Vegas was truly becoming a city of the 21st century. The entrepreneurial spirit and can-do attitude of Las Vegas has allowed us to do phenomenal work for our clients.

Q: What was your biggest mistake?

Kramer: Our biggest mistake, aside from not mortgaging the agency to buy stock in Google, may be some of the hiring decisions we have made over the years, which is a challenge for any company. Our agency is all about people and we are always in search of passionate, creative individuals with a strong work ethic who fit our dynamic culture.

Opportunities abound for LaPour Partner's founder

By Danielle Birkin
Contributing writer

In 2000, Jeff LaPour, a real estate broker who studied marketing and communications at the University of Nebraska, drew on his knowledge of the real estate development industry to bring his vision to fruition. "I felt I could combine my experience as a broker representing landlords and tenants with my experience being a partner with Jackson Shaw, and those two backgrounds would give me a real competitive advantage. It turned out to be true," said LaPour, who subsequently founded LaPour Partners Inc., a full-service commercial real estate development, investment and management firm. "Shortly after I launched the company as a solo person in an executive suite, I broke ground on about 60,000 square feet of multi-tenant flex/warehouse and distribution space, and followed that up with an additional 140,000 square feet. I put together an investment and bought the site and developed the building and I still own about half of it. I sold the other half about a year ago. I generally develop with the intent to hold unless there is an offer that is too good to be true, and in this case, it was."


Jeff LaPour

LaPour, who has some 15 years of commercial real estate experience, made his first hire within about three months of founding the company. "We had a pretty good pipeline of development opportunities and a really significant amount of capital to invest," he said. "It was just a question of getting the right fit."

He did just that, and by 2006, the company had 10 employees and had developed 40 buildings, acquired an additional 250 acres for future development and was managing 70 tenants occupying more than 546,000 square feet. Of this total, 23 leases totaling 332,000 square feet were signed in 2006 alone, a 28 percent increase over the last three years combined.

LaPour Partners now has a staff of 11 and an annual gross revenue that's nearly doubled each year from 2004 to 2006 and is expected to follow suit in 2007, LaPour said. The company has received Spotlight Awards from the National Association of Industrial and Office Properties in four categories: light industrial development, small building industrial park, industrial building midbay distribution and redevelopment project.

Although LaPour Partner's initial focus was on local real estate development, the company quickly established a regional presence with properties in Arizona and California, and now develops and manages on a national level. The company remains focused on strategic location and superior designs, and has completed or is under construction on more than 3 million square feet of hospitality, office and industrial product in the Southwest. The company also develops adaptive re-use and maintains a commercial pipeline of 1 million square feet of industrial and office projects and a hospitality pipeline of four hotels comprising more than 1,000 rooms.

LaPour considers the recent acquisition of 250 acres of vacant land one of his most astute business moves. "My greatest business decisions have been putting a big emphasis on developing relationships with people and taking the long view, and secondly, inventorying vacant land to allow me to have a future supply of product when others may not be able to," said LaPour. He added that most of the land was acquired within the last 24 to 36 months.

As for his worst business decision? "It was probably growing the company's development portfolio quicker than I grew the staff and the infrastructure to handle it," LaPour revealed. "But that was back in the early days." His biggest mistake in business?

"Not buying more land," he said. "No seriously, that's probably it."

Taking risk paid off for PENTA Building Group founders

By Danielle Birkin
Contributing writer

In 2000, Jeff Ehret, Blake Anderson and Ken Alber were all working for a large local contractor when the trio joined forces to form The PENTA Building Group, a private commercial general contractor which offers a wide array of services, including general contracting, construction project management, construction consulting and design-build services for myriad market sectors. "We got to the point in our careers where it was time to try something new," said Ehret, who serves as president of the company. "For me, you could almost call it a midlife crisis. I looked in the mirror one day and realized I still loved the business and still wanted to work a bunch of years, but I felt like it was time to try something totally different. It's the best decision I ever made, other than marrying my wife."


Ken Alber, Jeff Ehret and Blake Anderson

Alber, who serves as senior vice president of preconstruction, expressed a similar sentiment. "I think we all had the entrepreneurial itch to satisfy, but the struggle with that is the fear of the unknown," Alber said. "Some people stay with jobs because they are secure and they don't want to take a risk, but we rolled the dice and took a chance. It was stressful but we all three had the desire to take the chance and live the American dream of building your own company. It was difficult at first because we had to wear multiple hats, and we struggled through the aftermath of 9/11 where things got kind of quiet in the construction market, but we are fortunate to be in Las Vegas where construction activity is pretty plentiful. In other parts of the country we would not be as successful as we are today."

Since its inception, the company — which has a satellite office in Reno — has experienced continuous growth, increasing its workforce from the three founders to about 165 salaried employees and 380 field tradesmen. Growth in annual gross revenue has also been continual, increasing from $197 million in 2004, to $318 million in 2005, to $370 million in 2006 and a projected $620 million this year. Ehret, who holds a Bachelor of Science in construction and an MBA from Arizona State University, predicted that figure will reach $730 million in 2008.

"Growth has been steady, and the future of the company is only going to be constrained by the abilities of our people," said Ehret, who added that hiring talented, reliable employees is a shrewd move for any business owner. "I am inspired by the quality of people we have and that inspires me to want to do better and gives me a reason to get up each day."

Alber also considers selecting the best staff to be a significant advantage, and said he has had a 95 percent success rate with the employees that have joined the company, which was named Contractor of the Year in 2005 by the Las Vegas chapter of Associated General Contractors of America, and was also ranked 163rd among the top 400 general contracting firms in the nation by Engineering News Record.

Signature PENTA projects include World Market Center Building 3 and parking garage; Aliante Stations Casino; Hilton Grand Vacations Club Timeshare Resort, Phase I & II and Hilton Grand Vacations Club parking garage; UNR Student Union; and UNLV Student Union Building, Phase I & II.

"All of our projects have been profitable. We have been very conservative about keeping profits in the company and we are fortunate that we have been able to pick and choose the projects we elect to participate in," said Alber, who holds a Bachelor of Science in civil engineering from the University of Akron and an MBA from University of Phoenix. Anderson, who serves as senior vice president of operations, earned a Bachelor of Science in construction from Arizona State University.

Alber and Ehret were unable to pinpoint any specific major mistakes or bad business decisions that may have affected PENTA. "There have been little ones here and there, and we don't want to sound egotistical by any means. I am sure as we move forward we might look back someday and say 'that was a dumb move' but we can't say that we have anything in our past that we can reflect on," Alber said.

In summary, Ehret said victory in business can be achieved by following a clear-cut and proven principle. "There a really simple secret for success," Ehret said. "Get yourself a lot of great, talented people and give them clear direction and the opportunity to do well. It's amazing what they can do."

Wright engineers a higher purpose

By Danielle Birkin
Contributing writer

In 1998, Brent Wright, C.E., S.E., was working for someone else when he was bitten by the entrepreneurial bug. "I was partner in another engineering firm and decided to hang up my own shingle. I had always wanted to do it," said Wright, who holds both a bachelor's degree and a master's degree in engineering from Brigham Young University. "I started with three people, and it felt like a risk, but I was very hopeful. A lot of people in town knew me so we had work instantly, and I took out a home equity loan on my house to get started. We had that loan paid off before the end of our first year, and it was the only thing that got us going — that and a lot of hard work."

Nearly a decade later, Wright Engineers is among the largest engineering firms in Southern Nevada, with 158 employees and nearly $1 billion in ongoing projects. Gross annual revenue increased by about 69 percent from 2005 to 2006, and is expected to grow by a similar percentage this year.

The company — which works with homebuilders, architects and residential and commercial developers — is also the only single-source engineering firm in Nevada, providing full multi-discipline engineering services, including structural, civil, mechanical, electrical, plumbing, surveying and planning, according to Wright, who serves as CEO and chief engineer for the firm.

"Las Vegas is a great place to be, and with all the construction it's the perfect opportunity to grow an engineering business," said Wright, who also attributes the company's success to having a great team. "I've got a great partner, Daniel Bartlett, and we are really in alignment in the way we think. We also have the same values and work ethic — we work really hard and we love what we do, but it's not the most important thing in our lives. We have a higher purpose, our families, and we rarely work weekends. I have always said that if I have a lot of work to do I will just come in earlier, because my kids are asleep when I go to work, whether I leave at 7 a.m. or 4 a.m."

Earlier this year, Structural Engineer Magazine named the company No. 21 on its list of the best companies to work for, which Wright said was based on scoring by staff members. Wright Engineers has also been ranked twice as one of the fastest-growing engineering firms in the nation by Zweig White, a business information expert for architecture, engineering and construction.

But the company's success has not been without challenges. "Anytime you grow I suppose it's a risk but then it's risky not to grow, and branching out into the other disciplines could be looked at as risky. But it has really paid off for us," Wright said. "Also, we don't operate with debt and so we have the ability to seize opportunities and not worry about meeting the debt burden."

Although employee recruitment has not been daunting, Wright stressed that it is imperative to hire the best people for each position. "My biggest mistake has been hiring the wrong person for a key position," he said. "Sometimes it is hard to tell how people will be until they actually show up for work. It hasn't happened to us often, thank goodness, but it can be expensive. It's like that book "Good to Great" by Jim Collins. You get people on the bus and if they are in the wrong seat you try to find the right seat for them, and if you can't — if there is no seat on the bus — they have to get off."

Wright hopes to continue to grow the company in the future, despite recent changes in the local construction industry, which has experienced a slowdown in residential building. "It may be a little more challenging to make money for the next while because of the downturn in residential, and people think that commercial will follow, so we are adjusting to make sure we do what we need to do," Wright said. "We will have to think more creatively and work a little smarter, because there are new developments in the way projects are done."

This includes a heightened industry commitment to green building principles, a concept that gained momentum over the last decade, particularly in recent years. But as the first Nevada licensed structural engineer to become LEED-accredited, Wright is prepared to forge ahead. "Everybody is interested in green building, and it is something that will not go away, so we're embracing it. We teach classes in our office," Wright said. "That is just one of the things we are doing to grow a successful operation. As the face of construction changes, we will change with it."

Employers Holdings finds workers comp niche

By Brian Sodoma
Special Publications writer

a singular characteristic among successful business owners seems to be the ability to see great opportunity in the midst of dire circumstances. Douglas Dirks, president and CEO of Employers Holdings Inc., is one of those people.

After spending time as an accountant, insurance regulator and investment banker, Dirks was called to Nevada in 1992 by then Governor Bob Miller to do a solvency investigation on the state-run workers compensation insurance program. The results were as ugly as most expected at the time — a $2.2 billion debt debacle that left few thinking there was any hope in sight for the fund which had been in place since 1913. But Dirks was also allowed to implement a plan to reverse the losses, and by 1999 he helped to steer the program to a surplus exceeding $200 million. "The potential was that the fund would become completely bankrupt, leaving the state with something approaching a $3 billion deficit," Dirks said about his early days in Nevada.

But when Gov. Kenny Guinn took office in 1999, he asked Dirks to create a plan to privatize the fund, which happened on January 1, 2000. The result of the privatization was the establishment of Employers Insurance Company of Nevada, a private mutual company owned by its policy owners. Through the years, Employers became the source for workers compensation insurance for more than 6,000 Nevada small business owners. In the 1990s, business owners were only able to self-fund or use the state fund for workers compensation insurance. Since 2000, other companies have come to the Silver State to seek workers compensation business, while Employers has carved out a niche in the low-to-medium hazard small business sectors focusing on businesses like high-end and family restaurants, doctors offices, other office-based businesses, small machine shops and educational institutions, to name a few. Dirks described the niche as having "less pricing competition and greater customer loyalty."


Douglas Dirks

"Some companies focus on large accounts in high-risk areas. We are completely opposite of that," Dirks said. "Our contention is that you can't be everything to everybody. … We'd rather focus on the areas that present greater opportunities for profitability and generate fewer losses."

By February of 2007, Dirks helped steer the company, which operates in 10 other states, to a public offering. The move proved to be beneficial to current Nevada policyholders. "When we completed the conversion to a publicly held stock company, we distributed $850 million of cash and stock in the new public company to our policy holders. Approximately 6,600 Nevada business owners shared in $850 million. … That was a good day for them."

Today, Employers Holdings Inc. has independent agents in California, Montana, Idaho, Oregon, Arizona, Texas, Illinois and several other markets, with over 30,000 policies in place. Dirks said the short-term goal is to expand the Texas, Florida, Arizona and Illinois markets.

"The number of states we are now doing business in represent approximately 46 percent of the total U.S. workers compensation market," Dirks said. "There're plenty of opportunities for growth within our existing states."

Total revenues, including investment income for Employers exceeded $500 million in 2006, said Dirks, who also added that the company will maintain its focus on the workers compensation market for the future, instead of trying its hand at other insurance offerings.

"Today our focus is on workers compensation. That's not to say we won't expand beyond that, but as we continue to expand [now] we will continue to do things with less risk rather than attempting to do something we don't already do very well," he said. "We have a very experienced staff that's been in the business for decades, which adds value for our policyholders."

Q&A:

Q: What was your reason for starting the business?

Dirks: Even though we've been in operation since 1913 [as a state workers compensation insurance fund] in many respects we are a new company now [with the privatization in 2000 and this year's shift to a public company]. We're in business because we believe we can meet the needs for workers compensation across America better than anyone.

Q: What was your biggest risk?

Dirks: Our biggest risk was expanding into the California market in 2002. We did it at a time when conventional wisdom in insurance was that the California market was unprofitable and a risky place to do business. Today, we are the 18th largest private writer of workers compensation in the U.S. [because of the move]. The risk in the end was very much worth it.

Q: What was your best business decision?

Dirks: The decision to become a private entity [in 2000], then to go to California [2002], then to become a publicly traded company [this year].

Q: What was your biggest mistake?

Dirk: I don't think in terms of biggest mistake. I think in terms of opportunities that weren't fully realized. While the California decision was a good decision for the company, we didn't fully realize that opportunity. In hindsight, we could have been more aggressive.

Payroll Solutions thrives in growing valley

By Danielle Birkin
Contributing writer

howard Winters is in the business of assuming risk. As president of Payroll Solutions, a full-service professional employer organization (PEO) that also provides myriad personnel management, payroll and tax administration services, Winters said his business is, in fact, all about taking on risk. "As a PEO, we assume and manage human resource and personnel responsibilities for hundreds of small and medium-size clients, which removes or reduces the liability of having employees and allows a business to focus on their core competencies," said Winters, a native of Canada who founded Payroll Solutions in Las Vegas in 1999. "Every entrepreneur has to hire people when they grow, but they think the biggest risk is just starting the business. I would contend that when you hire your first, second, third and subsequent employees, you actually take as much risk, because having employees is by far one of the most difficult things an employer does. Yet it is crucial. So we work on solving what we call the 'entrepreneur's dilemma' by serving as the administrative employer, which means we become the W2 employer. We are doing that for hundreds of clients, so our whole business is about risk, because we have to know how to manage complicated issues as they arise."


Howard Winters

Although Winters said the PEO component is by far the largest segment of business for the company, it also serves as a traditional payroll bureau, offering payroll processing and tax liability management. "Even if a business owner handles the HR requirements on their own, many decide that the function they don't need to try and manage is the payroll function because it is complicated and has timelines and penalties, and, of course, deals with the IRS. And everybody knows what that is like," he said. "It's also very affordable, so many people outsource the whole payroll and tax liability function."

Payroll Solutions, which recently received recognition as a Hot 500 company by Entrepreneur magazine as well as a Top 5,000 by Inc. magazine, is expected to have a workforce of 52 by the end of the year, up from about 40 in 2004. Its gross revenue also grew by about 9 percent from 2005 to 2006, and is expected to experience about the same rate of growth this year.

Winters, who has a bachelor's degree in American history and also holds a Canadian certified general accounting designation, said he and his wife, Suzanne, didn't launch the business with a large investment, although the early years were challenging.

"But if we have done anything well we have surrounded ourselves with very talented people," he said. "We have a very clear vision of our company core values, so when we have a candidate not only do we try to understand what they can contribute to the company, but an equally important dimension is what we can do for them in terms of meeting their goals. If you find a good fit, you will have someone who will be excited about coming to work because they are advancing both their goals and the company's goals. We had the foresight and fortitude and good luck and fortune to attract a really talented group."

Although hiring a skilled and reliable staff was a sound move that has served the company well in terms of profitability and company culture, Winters said he has made other business decisions that didn't yield such favorably results. One in particular stands out. "I think the biggest mistake we made was getting involved in 2001 in another business that was not directly related to what we do as a company, and it was a disaster," Winters said. "It was in the automotive repair industry, and we don't know anything about that business and did not understand it at all. My CFO has a saying that is so true: 'Anytime there is confusion, somebody is going to lose,' and in the automotive repair industry we were very confused."

Winters said Payroll Solutions recently relocated into new digs, and he is optimistic about the future of the company. "We just moved into a brand new facility and we have tons of room to grow," he said. "We seem to have developed an exceptionally good name for ourselves and have an exceptionally good brand. We feel that the Las Vegas market will continue to grow and expand and have entrepreneurial opportunities so there will be continued demand for what we do. In HR, nothing is going to get easier as the days pass."

TWC finds 'winning combination' as local contractor


TWC Construction executives, from left: Matthew Ryba, Sam Villanueva, Mark Wilmer, David Wayman and Sharon Allen.

By Brian Sodoma
Special Publications writer

In the mid-90s, when Andrew Lessman was eyeing a new home for his vitamin supplement company, ProCaps Laboratories, he was not unlike many other California businessmen at the time. The high cost of doing business in the Golden State began to outweigh the benefits. When Lessman finally made the move from Santa Monica to Henderson, he needed a contractor to help build his state-of-the-art vitamin manufacturing facility.

As luck would have it, the project manager for the California contractor Lessman hired was Matthew Ryba, who later left the contracting company to join Lessman in establishing TWC Construction. At the time, neither man realized they would soon be laying the foundation for a company that today sees more than $120 million in annual revenues, has won several industry awards and experienced double-digit annual growth since it started less than a decade ago.

TWC officially opened its doors in 1998. The acronym stands for The Winning Combination, one of the early names Lessman had for his vitamin company. Ryba, who is TWC's CEO, runs the company much the way Lessman runs his vitamin business — with a strict adherence to quality standards and a focus on customer satisfaction.

"TWC Construction was founded on the principle of providing extraordinary client service. While many companies claim to have the same mission, delivering on this commitment can be difficult, especially in our ever-changing business," Ryba said.

One of TWC's proudest achievements comes in the redevelopment arena. Not shy about taking on complex projects, the contractor transformed the 40,000-square-foot Holsum Bakery into the Holsum Lofts, a mixed-use center that city redevelopment officials point to as a major catalyst in rebuilding downtown Las Vegas. "With the building being more than 50 years old, there were no original construction plans, and no infrastructure documents to work with," Ryba said. With the absence of plans, there were a lot of variables and unknowns when it came to digging and removing parts of the building's core.

TWC has taken on many other projects in town, among them two expansions of Lessman's vitamin business. Other projects include: Montecito Marketplace, Las Vegas Corporate Center, Genesis Pharmaceuticals (an FDA-certified pharmaceutical laboratory), and Sim Pro's flight simulation facility in Henderson. TWC was recently selected to build out LaPour Partners' new corporate headquarters in the southwest, a 70,000-square-foot office building whose owner will seek Leadership in Energy and Environmental Design (LEED) certification.

The contractor is no stranger to green buildings. In fact, TWC is on the forefront of green construction. Almost four years ago, ProCaps hired TWC to install solar panels on its building's roof, thus allowing the company to generate about one-third of its electricity on its own.

"We were one of the first companies to have conversations with Nevada Power about solar credits," added Ryba. "Three and a half years later, the panels have been a great success."

TWC has also established itself as a technology leader with its job monitoring software, which is able to work with other common construction industry programs like Expedition or Primavera. TWC's program allows subcontractors, superintendents, owners and anyone else involved with a job to be in constant communication about changes and issues that arise. The software also allows for expedited payment for subcontractors.

"We understand that the key to a general contractor's success is the relationship he has with his subcontractors," Ryba added. "Technology is one aspect of successful relationships with subcontractors and consultants. It improves communication and helps expedite payment."

Adding new employees with a wide range of expertise will, through the years, allow TWC to pursue larger projects, perhaps in public works or on the Strip, or even other mixed-use work. The company has added LEED professionals to its staff and is ready to embrace more 'green' projects as well. TWC is selectively seeking new clients, while 75 percent of its current business comes from existing relationships, a trend Ryba doesn't see ending any time soon.

"Construction can be challenging because the demands of the project change constantly," Ryba added. "How you handle the changes and issues that arise is what's important. We work as a team with everyone involved with the project and our goal is to address issues to reach a satisfactory conclusion."

Q&A:

Q: What was your reason for starting the business?

Ryba: I was running another [contracting] company that had divisions in California and Nevada [in the mid-90s]. It was a family-owned company. I could see them winding down as I saw this opportunity [to start TWC with Andrew Lessman] winding up. I was 30 years old at the time and still had a lot of drive to grow a company.

Q: What was your biggest risk?

Ryba: I had a really good job [before starting TWC] and was doing very well where I was. I completely started over, with zero clients and no jobs.

Q: What was your best business decision?

Ryba: Being selective with whom I went into partnership with. I had other opportunities, but I went with my gut when it came to choosing Mr. Lessman.

Q: What was your biggest mistake?

Ryba: Everything has gone so well with the company. [But] I was newly married and starting a family when starting TWC. I would say I didn't prepare my wife for the commitment I was getting into for the next five years. I worked a lot of hours, but almost 10 years later, we're in a better place for it. I'm making it up to her now and working reasonable hours.

Helicopter company goes above and beyond

By Brian Sodoma
Special Publications writer

In the months following the September 11 terrorist attacks, there were probably few people looking to build a new aviation company from the ground up. But Jerry Airola was one of them.

In the late 90s, Airola sold a water purification company and was looking for his next business. Passionate about flying helicopters since his first flight in 1996, the entrepreneur purchased his own copter in 1999. He then worked with local law enforcement officials to help with searches and offered other air support for their efforts. Airola took delivery of his first commercial helicopter in November 2001, when the nation's aviation industry reeled from decreased passenger counts and increased security standards. Since then, he has grown his business, Silver State Helicopters, from a one-man operation to an entity that will, this year, exceed 900 employees and generate revenues topping $100 million. In addition, Silver State Helicopters made its Inc. 500 Fastest Growing Companies list debut in 2006, coming in at number 12. But Airola still insists his company is only scratching the surface of its potential even though it now serves 17 states with 45 locations. Thirty-three Silver State sites have pilot training facilities in addition to commercial service, which includes law enforcement air support, search and rescue, air ambulance, utility work, motion picture support and more. By the end of 2007, Silver State will take delivery of its 300th aircraft.

Airola says he buys one to three helicopters a week, all used, ranging in price from $200,000 to over $3 million apiece. While there's a shortage of helicopters on the market, there is an even greater shortage of helicopter pilots, the CEO said, making the company's pilot training program even more important to future growth. Today, there are roughly 12,000 American-born helicopter pilots, a number that is down significantly from the 64,000 on the job in 1981. The reason for the shortage, added Airola, is that Vietnam veteran pilots have retired and foreign pilots face increased difficulty obtaining licensure to fly in the U.S. after 9/11.

"After I took delivery of my first commercial helicopter, I couldn't grow the business because of the lack of pilots," Airola said. Today, Silver State has 2,800 pilots in its education programs on any given day. Pilot training makes up about 60 percent of Silver State's business.

"What started out as a necessary evil has become a very interesting business model," Airola added. "There's no real end in sight for the need to train pilots."

It used to take two years to complete helicopter pilot education with Silver State. But with the help of technology and distance learning, the average is now 14.4 months; the school's slowest-paced program is set at 18 months. Regardless of time, Silver State's pilot program includes 237 hours, 37 hours of flight simulator time and 200 hours of live flight time. After completing the program, a pilot is licensed to fly any helicopter under 12,000 pounds.

Airola, who still flies police missions as well as motion picture flights, likes to keep safety at the forefront. Every April, he shuts down the company for a week, inviting all employees to Las Vegas for training. Pilots review safety techniques, since the hot summer months are the most difficult times to fly, while management brushes up on other areas of the business.

Silver State has also donated millions of dollars in services to worthwhile causes. Some of the notable efforts include Hurricane Katrina flights and the search for Elizabeth Smart, among others. "I like to donate [when] I can control where the donation's going," Airola said. "I don't like … giving a check and hoping someone's doing the right thing with it."

As for Silver State's future, Airola recently partnered with New York private investment firm, Eos Partners. The move will give Airola a 40 percent stake in Silver State and Eos the remaining 60, but it will also bring about $75 million to the table for acquisitions. He hopes to grow revenues to $500 million within the next few years, and then take the company public.

Airola asserts that through the years he has learned the importance of letting go of control in order to grow the company. "As a business grows you have the privilege of surrounding yourself with people who are better at some things than you are. If you can't let go of control, a company can only grow so much. … The key to the next level of this business will be acquisitions. It's easier for me to buy companies that already have the assets than it is for me to find assets."

But one thing Airola won't give up is the ability to do some of the company's flights himself. "As long as I fly three or four times a month, I'm content," he said with a smile.

Q&A:

Q: What was your reason for starting the business?

Airola: I wanted to take my hobby and use it to do what I love, which is law enforcement.

Q: Your biggest risk?

Airola: "I'd have to say timing. After 9/11, everyone was really shy about aviation. It was a big risk to grow an aviation business after 9/11.

Q: What was your best business decision?

Airola: I'd have to say the same thing [as above]. Timing. As the business grew, the doors seemed to close behind us.

Q: What was your biggest mistake?

Airola: When I was new to the industry, I took the advice of people who were not successful in this industry about what type of equipment to buy. Everybody wants you to buy what they think is cool. And I've learned there's no shame in sticking with one aircraft (Bell) through the years.