

Theory of evolution: Companies adapt to survive

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Three years ago, Granite Loan Management LLC operated mostly in home construction, helping lenders manage the risks of getting a project through the building phase.

But then the bottom fell out of the residential real estate market.

Since then, the Centennial-based company has done what many Colorado companies have done to survive the recession: adapt.

"You have to be open to changing your business model," said Bill Cobb, company president. "You have to be open to looking at your platform, what processes you've built, what sales structure you've built, and how does it apply to completely different products you've never thought of."

At the peak of the real estate boom, there were as many as 80 national residential construction loan programs, run by companies such as Countrywide Financial, IndyMac Bancorp and Washington Mutual, Cobb said. Only a handful are left.

But Granite switched tracks, and now works mostly with banks holding bad loans on unfinished commercial construction projects, or banks that have been taken over by federal regulators and need to sell construction loan portfolios. Granite will create a plan to finish the project — either as originally envisioned or a cheaper version — hire the contractor, manage the remaining construction and help the lender sell it.

It hasn't been easy. Granite has cut costs by about 30 percent since last November, including terminating roughly 30 of



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Bill Cobb, president of Granite Loan Management, has taken his company in a new direction to combat the recession. It now works a lot with banks holding bad loans on commercial construction projects.

100 employees, furloughing others and cutting management salaries. But Cobb believes that by the first quarter of 2010, Granite's revenue will equal what it used to make from residential projects.

"Everything that companies have done through this economic downturn, we've attempted," Cobb said. "But our doors are still open, and we're growing our workout and commercial revenue."

P.J. Patierno, president of Peak Planning Group LLC in Greenwood Village, also is getting set to launch a side practice: brokering term life insurance for attorneys.

"My chief practice is what it is, but this is an offshoot in order to have a value-add for people who are looking to save a buck, and to better protect their families and their practices now that their portfolios are down," Patierno said.

Because his wife is a lawyer, and lawyers once made up the bulk of his financial planning practice, he understands their needs, Patierno said. He knows how to find discounts by choosing the right carriers — some insurers care less about cigar smoking, for instance, or offer discounts to private pilots with certain flight certifications. Joining or renewing a bar association membership also can translate to insurance discounts, Patierno said.

Elizabeth Suárez, a Castle Rock-based conflict-resolution mediator and speaker, also is branching out, although for a different reason.

Her business, which includes counseling companies on how to handle layoffs, has surged during the recession, she said. "When the going gets tough, conflict really escalates," she said.

But her original plan to meet demand by hiring additional staff met resistance from clients.

"Clients said the reason they hired me was because they want my capabilities," she said. "They don't want a second-tier person coming in for me."

So in March, she decided she would clone herself, in a sense, and sell her advice over the Internet. She has filmed, and is editing, a five-DVD set of instructional videos about conflict resolution, which she plans to begin selling via her website, www.elizabethsuarez.com, in October. After that, she'll create a series of print manuals to complement the DVDs.

"What I'm looking for is sustainability," Suárez said.

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