

TOP 50 FASTEST GROWING PRIVATE COMPANIES

A dot-com winner SiteStuff proves to be a Web-based business that actually draws customers, revenue

by Brenda Thompson - Special to the Austin Business Journal

The dot-com boom spawned plenty of brilliant — and not-so brilliant — ideas to leverage the Internet for business operating efficiencies. Many flamed out dramatically. Others flickered out gradually. A few listened to their customers, learned from their mistakes and built sustainable businesses.

SiteStuff is one of these rare success stories, and it has achieved the distinction of No. 1 on our list of the Top 50 Fastest Growing Private Companies for 2003.

Founded in 1999, SiteStuff's net revenue soared from \$888,732 in 2000 to \$35 million only two years later — an average revenue growth rate of 527 percent.

SiteStuff's Web-based services allow clients to purchase products for maintaining, repairing and operating large buildings online. The company also offers a program that allows property teams to manage and analyze requests for proposals and contracts online, and another system that aggregates the demand for large project purchases, such as heating and air conditioning systems, to further reduce costs to properties.

SiteStuff was born when a consortium of the largest property managers came together to evaluate their procurement processes. Three of the companies — CB Richard Ellis Inc., Trammell Crow Company and Jones Lang LaSalle invested \$10 million each to fund a solution to their joint challenges.

In addition to the original investors, SiteStuff's customers include other large national real estate companies such as Macfarlan Real Estate Services, MC Lioness Realty Group, New Boston Management Services, PM Realty Group, and REIT Management and Research. SiteStuff has six regional account managers across the country, but the majority of its 57 employees are in Austin.

Relationships with the industry's largest players were key to SiteStuff's success, according to Charlie Pace, chief operating officer.

"Without their input and direction, we wouldn't be here," he says.

Yet, mistakes were made in the beginning, remembers Bill Sullivan, SiteStuff CEO.

"The early pitfall was the fact that in the dot-com heyday, people viewed technology as 'Now that we built it, they will come.' What we learned in the process is that there is a high level of service that



ABJ PHOTO / SARAH KERVER

Providing building basics online is the focus of (from left) SiteStuff Services Vice President Lisa Box, COO Charles W. Pace Jr., and CEO William E. Sullivan



needs to be associated with this concept," he says. "We focused on creating a win-win-win between manufacturers, distributors and clients. Technology is very important, but only one of five or six important components."

Sullivan says a major lesson learned was the importance of ongoing relationships and educating users how they could and should switch from their tried-and-true methods of doing things to ones that might be more productive.

Before, when property managers received complaints about soap running out in the bathroom or burned-out light bulbs in the conference room, they would call their janitorial supply companies.

SITESTUFF: Change of course on handling property management pays off

With SiteStuff, they simply go to the Web site to order all of the products they need.

“We began with ‘We’ve got this fabulous technology; click away,’” Pace says. “But the light bulbs still, have to get there on time. It’s all about the service to the property and making sure all of their needs are met, then implementing the technology.”

At first, SiteStuff’s leadership tended to court the top executives. But the majority of the commercial real estate market consists of the property managers, and these were the folks who would actually be “clicking away” to get the products and services they needed to manage their buildings.

“So, we took a step back,” Sullivan says. “We set up meetings with all of the major third-party property managers. Once we convinced one, they all came onboard. As we began working with them, we understood better what they wanted. At the end of the day, we eliminated the time they used to take managing their inventory and gave them that time back to deal with clients and provide service to their tenants.”

The willingness to change course has paid off.

“We’re one of the few remaining companies that had this vision that are still standing today,” Pace says.

For Trammell Crow Company, which uses SiteStuff for 1,041 properties and 2,887 users across the United States, an average of 13 percent has been saved on operating supplies and reduced administrative expenses.

Doug Rauls, manager of strategic sourcing for Trammell Crow Company in Austin, sees multiple sides — and benefits — with SiteStuff. Trammell Crow Company manages, leases and has the company’s own offices at the Wells Fargo Tower on 15th Street. In addition to having staff members who use SiteStuff to operate the building for Wells Fargo, they use the services for their own internal office expenses, Rauls says. While the dollars saved are key to Trammell Crow Company and its clients, Rauls also appreciates the time saved by using SiteStuff.

“SiteStuff allows us to buy all of the products we need, and buy from different sources, with one-stop shopping,” Rauls says. “SiteStuff also keeps records of all that information, so if clients want to know why did you buy that light bulb two years ago, or why did you contract with this landscaping company, we have it documented. And on the accounting

side, we get one invoice instead of five.”

The procurement of services through SiteStuff works a bit differently. Unlike the purchasing of toilet paper and light bulbs, services like landscaping and parking tend to be provided by local businesses, which compete to provide the best prices. In those cases, SiteStuff’s service is to help property managers create the proposal request and manage the bidding process with convenient online tools and templates. What’s next for Austin’s fastest growing company? Sullivan sees plenty of opportunity for continued growth.

“Real estate is the biggest industry in the world, and it’s highly decentralized — the perfect scenario for a company like us,” he says.

“Other technologies, like work order management, would be complementary to our existing service, for current and new clients,” Sullivan says.

And once you get through the commercial office side, there’s hospitality, government and education.

“There’s lots of real estate out there,” he says.

BRENDA THOMPSON is an Austin-based freelance writer.