Ready When Opportunity Knocks

Smart Expansion Fuels Growth at Berkshire Hathaway HomeServices Anderson Properties

From left to right: Broker/Owner Mike Huff, COO Rick Young, CAO Michael Johnston

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Smart Expansion Fuels Growth at Berkshire Hathaway HomeServices Anderson Properties

by Maria Patterson

From left to right: Broker/Owner Mike Huff, COO Rick Young, CAO Michael Johnston
Mike Huff has a simple philosophy when it comes to growth: go to where the opportunities are. It is this mindset that put him on the path to taking Anderson Properties from five agents in Houston to 1,000 agents in 40 locations throughout Texas, Oklahoma and Arkansas. With a focus on consolidation within the firm’s footprint and acquisitions from outside, Huff believes in getting out of the way and letting agents do what they do best: “Do your job and work hard and good things are going to happen.” Find out more about Huff’s winning attitude and the strategies that have led to the firm’s success in this exclusive feature.

Maria Patterson: Tell us a little about how you got started in the business world.

Mike Huff: I spent most of my childhood in a town that no one’s heard of but everybody knows. Mount Airy, N.C. is the real Mayberry—it’s where Andy Griffith was born and where “The Andy Griffith Show” was conceived. My father had a wholesale distribution business that covered all of Western North Carolina. After graduating college, I got into that business with my father; we had multiple locations and we were very successful. We worked with contractors and dealt in building, plumbing, heating, air conditioning and electrical supplies.

But like most businesses, everything goes through a phase of consolidation, and so did we. When we sold the business, I got into that business with my father; we had multiple locations and we were very successful. We worked with contractors and dealt in building, plumbing, heating, air conditioning and electrical supplies.

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Maria Patterson: How did your career path lead you toward real estate?

Mike Huff: I had gotten my real estate license and started acquiring properties in Houston. I had acquired 100 properties and decided I would start managing them; that grew to 400 properties. I had my license with a small company with just five agents, Anderson Properties. When I got there in the early 2000s, Suzanne Anderson was about to shut the business down, and I got to thinking, this is a chance for me to show what I can do. I was frustrated with the publicly traded company I worked for and felt like this was a chance to put my money where my mouth is and see if what I thought about running a business would really work.

Maria Patterson: Seems like you made the right decision—the company has certainly grown since then!

Mike Huff: I took those five agents and in 12 years, have grown it to 1,000 agents in 40 locations within three states.

Maria Patterson: What did your path to growth look like?

Mike Huff: The company did pretty well in Houston the first 3 - 4 years, and then we had an agent who wanted to move to Austin, so we bought a company there.

When we got to about 100 agents, we felt we needed to change something. We had reached a plateau and were afraid to change and risk losing what we had, but you have to be dynamic and continue to look for ways to grow the business. We decided to affiliate with Better Homes and Gardens Real Estate in 2010 and continued to grow and add companies within and outside of our footprint. But a year-and-a-half later, the polish was wearing off, and Better Homes and Gardens Real Estate had the opportunity to get a bigger player in Houston. They asked us to leave the network. We immediately secured an opportunity to join the Prudential Real Estate network, just prior to the creation of Berkshire Hathaway HomeServices. That fortuitous move was like an explosion. Within just a little bit, we expanded our business outside the state of Texas to Oklahoma. When we converted fully to Berkshire Hathaway HomeServices, it took us to another level.

When we went from Better Homes...
and Gardens to Prudential, we doubled, and when we went from Prudential to Berkshire Hathaway HomeServices, we doubled again. Now, we’re working on consolidation within our footprint and acquisitions outside our footprint.

**MP:** Clearly, you’re very successful at business expansion. What is your philosophy toward growth?

**MH:** We’re constantly buying companies and consolidating branches. Consolidation is the wave of the future for this industry—there are a lot of broker/owners out there aged 65 - 85 with no exit strategy. Every company I buy, I evaluate for six months to a year, and each one is different. We understand the importance of loyalty and identity, so we allow them to retain some independence and continue to do what had historically made them strong. I’d like to tell you that I’m real smart and did all these smart things to make us grow—but my father reminded me that I’m not that smart and I need to hire smart people. So I did. I had worked with Rick Young in a prior life, and Michael Johnston was not only a friend, but the first person I hired when I bought Anderson Properties. I could not have gotten here without the both of them—and yes, they are smarter than me! These days, everybody likes to be bold and different, but there’s a lot to be said about consistency. We have stayed consistent to our core values. Pretty much everything we believed in at the beginning, we still preach now.

Diversity is another important part of who we are. We have over 35 countries represented within our offices and 30 different languages spoken, along with every religious denomination and sexual orientation. We’re all swimming in the same pool and fishing in the same water.

**MP:** What sets your firm apart in its various markets?

**MH:** First of all, the Berkshire Hathaway HomeServices name is very powerful and opens a lot of doors for us. I also think we have a very strong management team throughout the system, from regional to state leaders to individual managers in the offices. I think that sets us apart. And our upper management—myself, COO Rick Young and CAO Michael Johnston—we get our hands dirty. We don’t micromanage, but we do know the business and how to make things happen.

**MP:** What are some of the market challenges you’re currently dealing with?

**MH:** Our markets are very heavily reliant on oil and crude. While the rest of the country loves how low gas prices are, Oklahoma and Texas would be a lot happier if oil and gas prices were higher. But those are
things you can’t control, and believing otherwise will get you in trouble really quickly. We need to be nimble enough to react to the market because there’s no way to control it.

Now, with the devastating aftermath of Hurricane Harvey upon us, we have a whole new set of challenges that will impact our communities, agents, markets and business for years to come.

MP: What most attracts agents to Berkshire Hathaway HomeServices Anderson Properties, and why do they stay?

MH: There’s not one thing that brings a mass of agents to you… there are 10 - 15 things that bring 80 percent of agents to you. Agents are creatures of habit. They like to stay where they are, and they know what we have to offer. We want to be in their top 2 - 3 choices of companies. If you have to go out and convince someone to work for you, there’s a good chance you’ll lose them.

We’ve had a good track record with agents over the years. We’ve been honest with them and do the best we can to do the right things for them. One of the best things about me is also the worst thing—I’m always going to tell you the truth.

For what it’s worth, the surviving agents from the original five are still with us, and most owners of the companies we’ve acquired remain as integral players. Their experience is valued as we continue to grow, which says a lot about our culture.

MP: Please describe your firm’s culture and leadership philosophy.

MH: We all have a job to do. Do your job and work hard and good things are going to happen. I let people do their jobs, and that translates down to the agents. I’m there to help them if they want it, but otherwise, I step out of the way and let them do their work.

A vital part of what binds the company together across three states is our support of the Sunshine Kids organization. Dedicated to helping children living with cancer, this organization has been supported by the entire network for many years. Two years ago, we broke the record for funds raised, and we continue to do all we can as we go forward.

MP: What is your approach to coaching and training?

MH: For new agents, we have a week-long boot camp, which teaches them 80 percent of what they need to know. The other 20 percent is experience. We probably have 300 training opportunities a year at our branches, and we also offer online training. You can lead a horse to water, but you can’t make them drink. Usually, agents who don’t want to adhere to training—and those who fight you on it—won’t be real successful.

MP: What most drives the company’s success?

MH: I’m a firm believer that 80 percent of this business is based on agents’ connections (who they know and what they know), and the other 10 - 15 percent of the business is based on relocation and other types of outside influences. A lot of brokers say it’s all about themselves, but it’s not the broker that makes the agent—the agent makes the brokerage. The broker has the financial and legal responsibility, but at the end of the day, good agents make us look good.

MP: How do you stay ahead of the curve on technology, online marketing and social media?

MH: You can’t. Technology is changing way too quickly. If you take the time to evaluate technology the way you should, it’s outdated before you can even implement it. You have to rely on your gut and your agents. We also rely on Berkshire Hathaway HomeServices to move us forward.

MP: How will you grow the company moving forward?

MH: We’ll go wherever the opportunities are. We’re not putting pins on the map and saying, ‘this is where we want to go next.’ We go where the opportunity presents itself. If you don’t have an exit strategy and you want to do something with your company, we don’t care where you’re at. If you don’t hunt, you don’t eat in this business. RE

For more information, please visit www.berkshirehathawayhs.com/Anderson-Properties.
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