

IN
THE
KNOW
Tom
Demeropolis



Recession changed Hemmer's company – and his approach

Paul Hemmer Jr. knew his company was in for the fight of its life.

The recession, which hurt many businesses across the region, hit Paul Hemmer Cos. particularly hard. In the aftermath of the recession, Hemmer filed for Chapter 7 bankruptcy in August 2011, following another bankruptcy filing for a separate entity of Paul Hemmer Cos.

To make it through, Hemmer, CEO of the Fort Mitchell-based construction and real estate development company, took the gloves off and came out swinging.



Hemmer

Hemmer re-engineered his company. He cut out noncore functions first, including marketing, leasing, public relations, information technology and design. This resulted in significant savings.

But even with those cuts, Hemmer had to go deeper. Eventually, Hemmer had to start cutting long-time, productive members of his staff.

The cuts were needed because the reduction in revenue was so drastic. In 2008, the company hit construction revenue of \$100 million. A year later, that revenue dropped to around \$20 million. In the second half of 2008, five projects in Hemmer's pipeline were delayed.

The company went from leasing 40,000 square feet of space to 6,000 square feet. Its employment dropped to less than 20, from a high of 165. Part of that decrease is attributed to the spin off of Building Management Partners, which included about 40 full-time employees.

Nearly four years after the recession of officially ended, Hemmer is finally seeing business pick up.

"2012 was really the turning point," Hemmer said from his office. "Black is back," he said, referring to being out of the red ink of losses.

The company that emerged from the recession is very different from the one that went in. Its focus and goals are different than they were a decade ago.

The firm is much more responsive to

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Bringing in the best



BRUCE CRIPPEN | COURIER

Instead of a few stars, Hach packed CCR with solid performers

When Wayne Hach started Cincinnati Commercial Realtors with Neal Sundermann in 1993, they decided to craft a different kind of commercial real estate firm.

Instead of an 80/20 format, where 80 percent of the deals came from 20 percent of the agents, Hach wanted a firm full of top producers.

That remains the company culture today at what is now Cushman & Wakefield | Cincinnati Commercial Realtors, where Hach is principal owner.

For two decades, it's been working. Last year was the firm's best year in revenue and profits, with a nearly 39 percent increase compared with 2011. Part of the boost came from the firm adding property management to its services.

WAYNE
HACH



BY TOM DEMEROPOLIS
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And now, the firm is preparing to move downtown to One East Fourth Street.

"Every time I come downtown and walk around, I have at least two impromptu meetings with people I meet on the street," Hach said. "It will keep us connected and it creates opportunities for additional networking."

When Hach isn't busy closing deals for his clients, which have included Great American Insurance Co., FRCH Design Worldwide and PNC Bank, he enjoys spending time watching his 16-year-old son play baseball. In addition, Hach enjoys skiing, fishing and traveling. He recently started playing golf on a regular basis. His goal this year on the course is to shoot under 90, or "bogey golf."

Q: Why do you have the career you have?

I love the commercial real estate industry, where bricks and mortar and operational, financial and business issues converge. As brokers we are on the front line for our clients and get to interact with key executives on

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Wayne Hach, President, Cushman & Wakefield | Cincinnati Commercial Realtors

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HEMMER: Recession prompted construction firm – and its owner – to undergo some major changes

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smaller renovation projects, ranging in size from a couple thousand dollars to a couple hundred thousand dollars.

“That business is there every single day,” Hemmer said.

But the company is still working on massive projects, such as a \$30 million expansion for Mazak in Florence.

“I don’t want anyone to feel our company is too little or too big to do something,” Hemmer said.

One of the moves was to bring in new investments. Hemmer brought in investors from outside the family and the company to take a stake. The other move was spinning off its service business and selling half of it to Messer Construction Co., called Building Management Partners.

In addition to changing the company, Hemmer made changes to himself. He said he’s much more connected to each project the company is working on.

The company also added three outside directors to its board. The change means Hemmer’s more accountable. Those investors and directors helped show Hemmer to be more responsive to the market.

“It’s made me more disciplined, more focused,” he said. “It’s made work fun again.”

It also helps that many of Hemmer’s customers are feeling more confident about expanding again. Chuck Ackerman, an industrial broker with Colliers International,

HITTING BOTTOM

Many construction companies were hit hard by the recession, and Paul Hemmer’s firm was no exception. After restructuring, the Fort Mitchell-based company is finally seeing business pick up.

Drop in revenue between 2008 and 2009 **\$80M**

Percentage decline in number of employees **88%**

said many companies are focused on finding existing buildings that will need to be retrofitted to meet their needs. He likes the interest and activity he’s seeing on some listings.

“I have some vacant land listings that at least one spec(ulative) builder is looking at seriously,” Ackerman said. “Whether it happens or not, it’s encouraging to see there’s a builder looking at one of our sites.”

In addition to the Mazak expansion project, Hemmer is building a massive distribution center outside Columbus for Prologis, a \$1.2 million expansion for Quality Casing Co. Inc. in Hebron, and recently finished an \$18 million expansion for ZF Rubber & Plastics in Hebron.

The backlog today is stronger than it’s been since 2008. And the amount of opportunities the company is chasing is greater than it was even prior to 2008.

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What can YOU do about elder abuse?



If you were told that there was a major problem in the United States that affected more than one in ten individuals, would you be concerned? If you knew that there were more than 2.5 million people who were victims of elder abuse, would you think, “That is a serious problem that needs to be addressed”?

One would think that numbers that staggering would merit some attention, particularly when you recognize that the individuals suffering are over the age of 65. Elder abuse is a large and growing problem in our society and the most likely to be victims are not only the most vulnerable but the fastest growing, over age 85.

What is elder abuse?

Elder abuse is, by definition, is intentional or neglected acts by a caregiver or trusted individual that lead to, or may lead to, harm of a vulnerable elder. Abuse of older adults may be physical; sexual; financial; verbal; emotional and/or psychological. It can only include neglect which may mean that an individual’s care or physical needs are unmet or ignored. Almost without exception, financial abuse is an element of elder abuse.

What does abuse look like?

It’s a woman who has been physically battered by her daughter; a man whose son was his power of attorney and who emptied all of his bank accounts and now does not answer his phone. There is no happy ending for most of these people—their situation goes unrecognized and unreported; they are afraid or ashamed to ask for help; they are not believed if they do seek assistance often simply because of their age.

The **Shalom Center for Elder Abuse Prevention at Cedar Village** is a safe haven for individuals over 65 who are victims of abuse. Made possible by the generous support of The Jewish Foundation of Cincinnati, it is a *virtual shelter*, which means that any one of Cedar Village’s resident rooms can be used. The victims may stay up to 120 days with planning for discharge to the least restrictive alternative beginning immediately on admission. While in the shelter, the victims are integrated into the Cedar Village community and there is no charge for these services; we provide them because we believe it is our obligation to older adults and to our community.

You can help end elder abuse. Be alert to older adults whose pattern changes, who become socially isolated, have unexplained injuries or sudden social isolation. Believe them and don’t write them off because of their age. Educate yourselves and others. Our older adults deserve respect and quality of life—help them to find it.



Carol Silver Elliott

President and CEO

Carol Silver Elliott is president and CEO of Cedar Village, a continuing care retirement community located in Mason, Ohio, a position she has held since 2007. Ms. Silver Elliott has spent most of her career in health-care, primarily hospitals, including Rockford Memorial Hospital, Stamford Health System and Unity Health System. Ms. Silver Elliott is a member of the board of LeadingAge Ohio and Chair, of AJAS, the Association of Jewish Aging Service.

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for Elder Abuse Prevention
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