

## Capital Club Radio Interviews Jenny Pruitt of Atlanta Fine Homes Sotheby's International Realty

Opening: Broadcasting live from the Pro Business Channel Studios at Atlanta, Georgia. It's time for Capital Club Radio. Brought to you by FLOCK Specialty Finance. Please welcome your host, Chairman, and CEO, Michael Flock.

00:30 Michael Flock: Good afternoon and welcome to Capital Club Radio. Today, we're gonna depart a little bit from our tradition of speaking with entrepreneurs in the financial services industry to speaking with someone who's an inspirational leader in the residential real estate community of Atlanta and in the South East. This woman started with no formal training and she started actually in 1968, and with no formal training although she sold the most Girl Scout cookies ever in the state of Georgia. She developed a spectacular track record in residential real estate by building two successful companies in Atlanta.

01:17 MF: One, she started in 1988, and she's gonna tell us about how she started that with Kim King, a very important person, well known businessman and figure in sports in the Atlanta community, so we can talk about that. She sold that one in 2001, it was called Jenny Pruitt Associates. She sold it to Berkshire Hathaway, everyone knows what company that is. And when her contract expired in 2006, she and her son-in-law, David Boehmig, opened another one called Atlanta Fine Homes and Sotheby's International Realty. Today, the company's 400 agents are among the most accomplished real estate professionals in Atlanta with more than 2.4 billion in sales in 2016.

02:09 MF: Jenny is one of the most visionary real estate leaders in the country. She's got so many awards, I don't have time to go through 'em all today, but I think the two most important ones that she's most proud of I think of being an inductee of the Business Hall of Fame at Georgia state, as well as the Four Pillar Award here in Atlanta. And she's committed to helping Atlanta maintain its exceptional quality of life and culture, it's active with the habitat of humanity, she's also on the board of directors of the Metro Atlanta Chamber of Commerce. She recently published her first book, "Beneath His Wings," the story of her spiritual journey.

02:49 MF: But today, we wanna learn how Jenny built her businesses and how she dealt with adversity throughout her life. She has a saying, "It takes two valleys to make a mountain." And so, she's gonna discuss some of the valleys that she experienced, and what she learned from those experiences, and how it actually helped her personally and professionally in her long and very successful career. So, welcome today, Jenny Pruitt. We are delighted to have you here. We're so honored that you could spend some time with us. Take us back to 1988, you had 20 years as a real estate agent, no formal training, you did obviously very, very well, and you had a friend and a business partner in Kim King. Could you tell our listeners how you got started with your own company in 1988, and what were those lessons that you learned, and how you applied them in your negotiation with Mr. King?

03:44 Jenny Pruitt: Oh, thank you, Michael. And thank you so much for asking me to be a guest, and your generous introduction. Thank you. Well, back to 1988, seems like a long time ago, and it really is, but this year, I celebrate or next year, I'll celebrate 50 years in the real estate business, so for the first 20 years, I was an agent for nine years and then a manager for the next 11 years. I had the most successful office in Atlanta with 90 top agents. A friend of mine said, "I have this friend that would like to meet you and he is interested in starting a residential real estate company, and I want you all to get together and meet." So, I first said to myself, "No. I didn't really wanna do that." 'cause I was pretty happy where I was. And I told my husband that that night and he said, "No, I think you should see what opportunity he might offer you. Don't close that door before you check it out. So, go have lunch," and I said, "Well, I know, but it's just wasting time." He said, "No, it may not be. You tell him that if you'll put up all the capital, give you 51% ownership, and total control, you would consider it."

04:57 JP: And I said, "Nobody's gonna do that." I went to have lunch with him and they just served the water, and hadn't even looked at the menu and he said, "Well, I've done my homework and you're the best person I wanna be in business with, so how can we make that happen?" Well, I told him those three things: 51% ownership, total capital, total control, and I added a fourth one, that my husband who has a financial background, would be the CFO. So, Kim said to me and he passed away about five or six years ago with cancer, but he was the best business partner I've ever had, and he said to me, "Well, I've never started a company, bought a company, merged a company, and given away total control and majority ownership, and put up all the capital, but I've done my homework and you're the person I wanna go on business with. So, I'd say, let's do it." And then, I thought, "Oh my gosh. Now, I've got a decision to make."

06:00 JP: I almost backed out one time but I didn't, and thank goodness I didn't because that was on October of 88', we started the company and immediately, we had 35 top agents with our company. We called it Jenny Pruitt and Associates, and he often said to me before he passed away that I was the best investment that he'd ever made. We had buyout rights from him and so we bought him out and...

06:24 MF: Was the the fourth one that you were referring to? The four things, the buyout rights?

06:29 JP: No. No. The fourth thing was that my husband would be the CFO.

06:35 JP: Yes. 'Cause I knew a lesson there is that you have to realize what you're weaknesses and your strengths are, and work towards your strengths and I knew that my weaknesses would be, I couldn't be all things to all people...

06:47 JP: Marketing grow the company, be the... I'd like to say that I was a hunter and my husband was the skinner, so I brought home the funds to get the company going and did all the upfront stuff and he would make things happen in the back of the house. In the back of the house, yes. We grew and we just really became a wonderful company in Atlanta. And then in 2001, well, in 1998 or '99 I think it was, we bought out the 49% that Kim King had.

07:22 MF: Okay, right. You buyout rights.

07:23 JP: So we would totally in control of the company, and we sell the company in 2001.

07:30 MF: To Berkshire Hathaway?

07:31 JP: To Berkshire Hathaway, and I worked out a five year contract.

07:35 MF: Now, Jenny, in 1998, what was your vision, your mission for Jenny Pruitt Associates? How did you create that and define it?

07:47 JP: The mission was to... Well, I've always liked to say that if you care about the people first, the bottom line will come. And so, going back to when I was a manager after nine years being a top sales agent in Atlanta, the first company I was with made me the first female manager they had. And so, quite quickly actually, we became the smallest office but the number one office in their company.

08:17 JP: And after I'd been a manager, about six months, I was at my church one Sunday, and they were having a mission conference, and something just compelled me that I wanted to go down front and give my life to foreign missions. So, I nudged my husband sitting next to me and he said, "Well, I don't feel the same calling." Naturally, I didn't go down front, but I said to my minister later that week, I said, "I really wanted... I really felt that calling from that missionary that was doing the talk." He said, "well, you know what, Jenny? You really are in a mission feel when you're in the marketplace. I want you to think of your business as a platform that God has given you to influence those people for the good around you."

09:01 JP: I never thought of my business the same anymore, I thought that he really had given me the gifts and talents I needed, and the opportunities, and that I should use them to influence others. And from that, I feel like came my style of leadership which is servant leadership.

09:20 JP: Meaning leading from the bottom up instead of the top down. Which means that my business partner and I as the CEO and president, or at the bottom, and then we lead up to our managers which lead up to the agents, and then they lead up at the very top of the triangle to the client.

09:39 MF: To the client, okay.

09:40 JP: And that has served us well.

09:43 JP: That has served us well because we've created a culture and an environment that's very caring, and that people loved. It's like a magnet out there in the marketplace. They are attracted to us, and then we spend our time serving them, and getting what we need to happen in our company, leading them to achieve great success. So, when they're successful, we're successful.

10:14 MF: So, the culture was part of the secret sauce maybe of the Jenny Pruitt Associates 'cause I don't know or met that many real estate companies that think that way, that think from leading from the bottom up, and the stickiness, the magnet, as you're saying is the differentiator, and you're saying it manifest itself through how the agents treat the clients. Could you give us more examples? Did they spend more time with the client in terms of studying what their needs are, the marketplace they wanna get into, or how does that translate to the tactics of selling a property or buying a property?

10:48 JP: Well, I think they listen better than I would say maybe other people do. Instead of really thinking that it's going to be their bottom line, they more think about how can they serve that client. Like I said, if you care about the people first, the bottom line will come. We care about our agents, our employees, and we have 60 employees, we have 430 agents. The agent's independent contract is strictly commission. We spend a lot of time thinking, "How can we help them be successful? What tools can we give them? What education can we give them?"

11:31 MF: Now, because there are 1099 agents, do you treat them differently than the employees or is it pretty much the same?

11:38 JP: It's pretty much the same, yeah. We have some perks for our employees that maybe we don't extend to the agents, but they have perks that the employees don't have.

11:47 MF: Okay. Okay. But it's one big team? So when you think of culture, it's not just employees, it's all those agents that interface with your clients.

11:55 JP: Right. Well, I've often had an agent say to me, "This feels like a family. It feels like I'm so accepted, and cared for, and I'm listened to, and I feel like what I have to say is important." And we do listen to our agents just as we listen to our clients, we listen to our employees. But I think listening, and serving, leading from the heart would be another thing and they learn to do that too. As I have a servant's heart, they're also leading, they're really listening to what their needs are. And sometimes the client does not know exactly what their needs are.

12:34 MF: Right. Alright, let me ask a contrary question for a second. Leading from the heart, now, how does that work when you're in a tough negotiation on behalf of a customer? Or how does leading from the heart work when you have an employee or an agent that isn't making their performance targets? How do you apply that culture to very tough business decisions?

13:00 JP: Well, I'd have to think about that question for a while because it's so inbred that I'm not sure I've identified what it is. For example, when I am interviewing somebody that wants to be in the business, I can ask certain questions that I really wanna know what makes them tick. Because people will interview sometimes and say what you want them to say, and I wanna get beneath that, I wanna see if they have... If I feel like their value system will match up to ours, if they will appreciate the culture that we have in the environment that we've created because it's not a one size fits all and they may not be the right person.

13:39 JP: If we have an employee say that we have to terminate, that is when your value system really shines or doesn't shine. We like to do it in the nicest, most dignified way we can because we wanna accept some of the blame, really for hiring someone that didn't make it, maybe we didn't check it out well enough, we didn't do our due diligence quite as well so we take some blame for that. I've even been known to help them find another job but we certainly give them an ample amount of servant's... Severance pay and keep their interest till they can find a job, and just do everything we can to help that person if employed.

14:23 MF: So it's very caring in terms of the transition that that employee or person has to make? Now, back to Jenny Pruitt Associates from 1988 to 2001, obviously, you had a tremendous track record, because you're very successful in the sell to Berkshire Hathaway, but share with our listeners, what were some of your obstacles or challenges along those many years, and what did you learn from those? Or was it pretty much smooth sailing that it just everything go on a straight line?

14:50 JP: Well, we had two big clients. I won't call them recessions but two economic corrections between '88 and 2001. The first six years we survived, Jenny Pruitt & Associates but we really didn't hit the ground running, like we wanted to, until about 1996. And I can remember in the early '80s that we were selling real estate at 21% interest rates. You see, I feel like that a client should be up...

15:20 MF: Wow, 21%.

15:22 JP: Standing outside my door, knocking on the door to buy some real estate. Just think of what the interest rates are today. And so, I've seen them in really tough times and then the interest rates were during '88 and '96, they were double digit or just below double digit like 9%. So we've have had some great years of great interest rates, and they're still very good. But in owning a business you always have challenges. It's never just a smooth sailing.

15:55 MF: A straight line?

15:55 JP: Yes. Right now we are in good real estate times, especially in Atlanta. But right now our problems might be low inventory. Lots of demand but not as much supply in certain price range and in certain areas. But you just learn how to cope with them and I have always said my favourite verse for running a business is in Proverbs 16:3 and it's called "Commit your work to the Lord and your plans will succeed." And I've always gone by that, whether it's committing my children or my marriage, of which I just celebrated 50 years of marriage and I'm the most proud of that this past year. And I like to commit everything to Him and then ask for his wisdom and his guidance on every decision that I make.

16:52 MF: The challenges during that period were more macroeconomic in the market, interest rates, housing prizes, so forth and you got yourself through that, I guess in part with your spiritual strength, your faith, is that right?

17:08 JP: That's right.

17:09 MF: And that's when you became... There was an intersection in your life in your journey where the personal faith helped your professional objectives in career, your mission, you were executing your mission which you said the Lord had blessed you with your skills in the marketplace and you were using that faith and the prayer to get you through those times being a servant leader. Is that a way of summarize it?

17:33 JP: Yes, that's right, but I've had adversities in life. I can remember the very first adversity at age 12, my father had died when we were very young, and my mother was having a very tough time raising us and I like to say I was born with a silver

spoon in my mouth but it soon tarnished. We were having a hard time and we were living with relatives, and I thought at one time that my brother and sister, and I were gonna be in an orphanage, with different foster families. That was, really the first time that, I guess at a young age that I cried out to the Lord for his help. I felt as though, that at that moment that I was not alone, that he was walking beside me. So we got through that and you know...

18:25 MF: And you were how old then?

18:26 JP: 12 and my sister was 10, and my brother was younger than that. It would have been difficult to be separated from each other. Then small challenges, but I think that the next big challenge would be that my first marriage for three years was with an abusive husband and I had a small child so, that was very difficult to go through. And then, the valley of cancer, 21 years ago. And a verse that really got me through that cancer battle was, in Psalms 23:4 when it says, "Even when I walk the darkest valley, I will not be afraid, for you're close beside me." That verse got me through that and I'm very thankful, that was 21 years ago.

19:15 MF: Wow.

19:16 JP: And then in 2007, I had my contract to five years was up, with the company that had bought our company, had bought Jenny Pruitt & Associates, and we started a new company in '07 and did everything to the later, my contract said that when five years was up and I was no longer there that I was free to do whatever I wanted to in the business world, as long as I didn't use Jenny Pruitt in the name of the business. Everything else was okay, but then we started the company in May '07 and we didn't realize it, the market was gonna tank, the economy was gonna tank later that year. And one month after we'd started the company, we were sued by our former company. So that was a very difficult and dark valley to walk through, and I like to say that the verse that really got me through that was in second Chronicles 20:15, "And this is what the Lord says, Do not be afraid, don't be discouraged, by this mighty army, for the battle is not yours but God's." And I hung on to that verse, because for a year we were funding a new company, and writing checks every single month, to the law firm that was representing us.

20:40 MF: Right.

20:41 JP: But we won everything that we needed to win. They just really wanted to slow us down and they wanted to use up our funds that we couldn't put in the business, but in a year, we won the summary judgment and then...

20:53 MF: And what year was that, the summary judgement, winning?

20:56 JP: In 2008. They sued us in 2007 and 2008.

21:00 MF: Right in the middle of the crash.

21:02 JP: Right, and then it was still tough for another three or four years. And there were times that we thought that we were gonna have to figure an exit strategy, but we just, we hung in there and in the last quarter of 2010, we made a small profit and we thought, "Okay, the tide has turned." So in '11 and '12 we caught up, we've never had debt in our company, so we're excited that we did not have a lot of debt to pay off. And we have really, really done well in the last couple years, closing.

21:35 MF: Was your culture challenged at all during these very, very tough times? '08 was the crash, you're in this horrible lawsuit with your former buyer. Did it put a challenge on leading with the heart and servant leadership when you've got that much stress, both financial and personal?

21:54 JP: I would say it did because here's the problem. You can't let the troops know, so to speak that you're worried. Or that you're concerned about all the money that's flying out the window. That was the hard thing, and I had people say after those five years that we went through all that, that we would have never known that you and David were under any pressure. Any financial pressure, any stress, and I was thinking, "Oh my goodness, that's the best compliment I have ever had," because it was truly... I always had a smile on my face, you just couldn't let people be discouraged because they were working out there trying to survive in their own business. So you couldn't let them know that the leaders of the company were the least bit concerned.

22:42 MF: Right, Right.

22:42 JP: And I have to say that I have the most wonderful business partner. We worked together at the other company. We started this company together. He is my son-in-law which is a very unusual... He's married to my oldest daughter, and we've worked together for 20 years, and we have the most unusual relationship. We've never had a disagreement in 20 years.

23:03 MF: That's awesome.

23:04 JP: If I don't agree on something, or he doesn't agree, we keep talking about it until we have a consensus. Yeah, I don't think I've ever had to override anything 'cause he is so smart, articulate, finance degree from Georgia State, so we

complement each other.

23:22 MF: And He shares the same values and leadership style?

23:25 JP: Yes, absolutely. We pray a lot about our decisions.

23:32 MF: What's a little different though about the second company is you have a strategic partner in Sotheby's. A lot of us in our industry have strategic partners. Could you comment on that partnership, and how it came about, and what the value add is and of Sotheby's?

23:45 JP: Well, that is a partnership made in heaven.

23:47 MF: Sotheby's? Okay.

23:48 JP: Oh, I will tell you that, because...

23:49 MF: But you said Kim King was one of your best business partners.

23:51 JP: Well, that was the first one, this is second one. To give him all the credit for sure. But Sotheby's was looking for an affiliate so it's an affiliate. They don't make any of our decisions, they don't fund us in any way, it's an affiliation, and more like a franchise, franchise-org situation. But they are a very compelling brand and so we really didn't wanna just start another company... Just Atlanta Fine Homes we could have, it says where we are and what we sell, we at Atlanta, sell fine homes, but we really wanted somebody that had an international brand that would carry us beyond the borders of our city or state, beyond the borders of the US.

24:39 MF: Okay.

24:40 JP: So they are in 80 different countries, we enjoy referrals from all these wonderful countries, and from the cities, and Atlanta, I mean, in the United States brokers and the International brokers. We have a wonderful relationship and I don't believe that we would have done it without such a relationship because their brand is so compelling.

25:05 MF: Internationally, especially.

25:06 JP: And within the US, yes. In the US because they're international.

25:11 MF: So they're really opening new markets for you that you couldn't have done on your own.

25:15 JP: Right.

25:16 MF: In your prior business model when you were just Jenny Pruitt Associates.

25:19 JP: Right. We like to say we have global impact, but make local decisions.

25:24 MF: Okay. That's excellent. The lesson learned from that for our listeners is... I mean, how would you coach our listeners in picking a partner, a strategic partner like a Sotheby's. What should we look for in a partner?

25:39 JP: Well, you should look for the fact that, the way you wanna run your business is alike and that they understand that you are the expert in this town and that one size doesn't fit all. We promised them royalties off of every sale, transaction, and that we would protect their brand, that we would protect brand with signs, and cards, and marketing material. That's what we've promised them, they have delivered in technology, branding, marketing, so many, so many wonderful ways, referrals, yes. We have been a very happy camper, and...

26:28 MF: And that's translated into some really good financial results this year or recently?

26:31 JP: Yes, Yes. Last year we closed 2.4 billion, and this year we're on track to do that a little better. That's a lotta homes.

26:42 MF: Yeah, that is. Do you track how much of that comes from the Sotheby's relationships, actually? Have you ever done that?

26:49 JP: That's very hard to quantify because we're just all-in-one. It's hard to quantify that.

26:57 MF: Jenny, you've got some hobbies we've talked about in the past. One of them is acrylic angels, could you share with us how you got into that hobby and why you enjoy it so much?

27:10 JP: Well, I wanted to for therapy have something that would keep me from just thinking real estate all the time. I don't know how I go this thought, maybe the Lord just dropped it in my conscience or something, but I thought, "I'm gonna paint," and there's an old saying that, "In every body is an artist waiting to come out." So I didn't believe that, but I went to the... I didn't take a lesson or anything, I just went to the art binders, and got canvases, and acrylic paints. I got acrylic paints because oils take for hours and days to dry. I wanted it to dry it quick, like go down and get a sandwich or walk back up and it's dry. And so then I thought "What am I gonna paint?" I did one little contemporary piece, and it was gorgeous colors, and everything but I didn't feel fulfilled. And then it was just like it came into my being, "Paint angels" and so there was an artist in Charlotte, North Carolina, her name is Ann Neilson, N-E-I-L-S-O-N and she is fabulous, I have one of her books of angels, and it inspired me.

28:23 JP: So I got up and I started painting the angels, and it was like the Lord was saying to me, "Paint those angels, Jenny. The angels that I sent that provided for you when you thought you were gonna be an orphan. And the angels I sent when you were in abusive marriage to protect you. And then the angels in the valley of cancer when I delivered you, and then paint those angels in that lawsuit, when you thought you weren't gonna make it and I got you through it, those are the angels I want you to paint." Now, when I stand up there and I paint those angels, they come alive to me and I'm amazed at how many people want my angels. Now, I don't charge for them, I ask that if you want an angel that you make a donation to Atlanta Mission here in Atlanta.

29:24 MF: So the angels became a channel in for you to the spiritual strength that you needed to get through these valleys.

29:30 JP: Right, I have a lot of charity people that call and say "Will you give us an angel for an auction?" I'm amazed they're getting \$1,200 and \$1,500 bidding for these angels.

29:41 MF: Wow.

29:42 JP: So they look more valuable to me now because... [chuckle] Yeah.

29:46 MF: Another hobby, or maybe it's not a hobby, but I know recently you've published a book. Is writing becoming a new hobby? You got a new book called "Beneath His Wings" which summarizes and tracks a lot of the valleys and mountains that you've had in your life. Is this writing, is this a new hobby for you?

30:01 JP: No, it's not a new hobby. That's the first and the last one. [laughter]

30:04 MF: The last one? Jenny, but your story is not over.

30:07 JP: I know it's not but...

30:08 MF: Story is not over, you don't see yourself as an author?

30:12 JP: No, I had a co-author and she was wonderful. It was a two-year project of love, labor of love. But I've told the story, and so I don't know. I didn't even think my story was that interesting, but once we got it on paper I thought, "Well, this could inspire and encourage people." That's really the reason I wrote it so that people could be inspired and encouraged. I've been given the gift of encouragement. The Lord's given me the gift of encouragement, and the gift of giving and serving. This all kinda fit into what I think I am all about, and it's gone to second printing and I give those away. I don't charge for them. And any money that was made from Amazon went to either Samaritan's Purse which is a part of the Billy Graham's Association, or the sex trafficking. What is the name, it's my friend that started it, it's just left me but it's organization here in Atlanta. And she's doing great works with it. So all the funds from the book have gone to either one of those two organizations. Yes.

31:24 MF: But if your story is not over, how can this be your last book, Jenny?

[laughter]

31:29 MF: You've got a lot going for you with this new company. We're all excited to see where this goes because...

31:34 JP: We celebrated our 10th anniversary this year. And that was very exciting.

31:39 MF: And you have no plans to retire, or this is your mission as you say?

31:44 JP: I never have understood what I'd be retiring from? Because I love what I do and it's mentally stimulating and physically, I have to keep myself in shape because I wanna be around. I think I'm just gonna stay in there, hang in there, and see...

32:05 MF: And keep on keeping on.

32:06 JP: See what happens. Right, keep on keeping on.

32:09 MF: We're gonna wrap it up, Jenny. Do you have any final words of wisdom for our listeners here at Capital Club Radio?

32:18 JP: Believe in yourself. Believe in the greater power, and believe in yourself because God has given each of us different gifts. And I think it is so amazing how he knew that we would question how valuable we are, but just think about this, every single one of us in the whole world of billions and billions of people have different fingerprints. Nobody has our fingerprint. To me, that says, you are so special, I am so special that he can show us that we meant so much to him that he gave each one of us a different fingerprint. And I also like this, that it amazes me if you get into God's word, how much wisdom there is. In Genesis, I love this because... I say this when I go to women's talks. But I like to say this because it is so true. "In each man has one less rib than the women do because God took a rib of Adam and created Eve. Then why should we ever question how great our God is? He could've taken something out of the hand, or something out of the feet. But he took something out of the side so that we could walk side by side."

33:43 JP: And when I tell that story, when I have talks to women, they always come up to me afterwards and they'll say, "That is so true. I wish I'd have thought about that myself, but now, I see my role is different with my mate, my spouse than I did before." It's just I'm excited. I'm excited about every single day, and thankful, and grateful because I think that God has not... He says in Jeremiah 29:11, "I know the plans I have for you," says the Lord, "Plans to give you a future and a hope, not to harm you." And so I'm not sure there even know the whole story, yeah.

34:24 MF: Right, it's not over.

34:25 JP: Yeah, it's so exciting.

34:26 MF: It's not over. And we will stay tuned and track the future achievements and inspiration of Jenny Pruitt in the years ahead. And so, Jenny, thank you so much for these fascinating stories.

34:39 JP: Well, thank you again for inviting me.

34:41 MF: Today, I mean how you grew from adversity, you used your passion, and perseverance, and prayer to overcome the obstacles which helped you create a terrific company and a terrific team with Atlanta Fine Homes in Sotheby's. Thank you so much for your time today. We're very grateful for being a guest on Capital Club Radio. Thank you Jenny Pruitt.

35:00 JP: Thank you. Thank you.

Closing: Thank you for joining Michael Flock and his guests on the Capital Club Radio Show. For more information on future interviews, please visit us at [flockfinance.com](http://flockfinance.com). This program is brought to you by FLOCK Specialty Finance where clients are provided knowledge and insights to help them grow their business in complex and risky market. FLOCK is more than a transaction.