

## Stark Effect

By following his heart, Adam Stark is creating an office-suite empire.

Stark at 800 Westchester Avenue in Rye Brook



When Adam Stark decided to leave a lucrative career on Wall Street nearly 10 years ago to pursue a somewhat abstract real estate venture in Westchester, his friends, family, and clients thought he'd lost his mind. "They all told me I was insane," Stark laughs, noting that he had never run a business before. "It was like jumping off a cliff," he recalls, "a real trial by fire."

Luckily, the 40-year-old entrepreneur was never burned. In fact, his business—Stark Office Suites, which provides full-service office space to both full-time and virtual clients—has grown by an impressive 229 percent in revenue over the last five years. The company currently has eight locations: five in Westchester (Rye Brook, Harrison, Mount Kisco, White Plains, and Scarsdale); one in Manhattan, directly across from Grand Central Terminal; and two in Connecticut (Greenwich and Stamford), with further expansion plans in the works.

But the company doesn't actually own any real estate. "We take long-term leases in class-A buildings in [desirable] markets," the Edgemont native explains. "The leases are for big blocks of space, ranging in size from 10,000 to 40,000 square feet. We build out the space to create a premium turn-key environment with offices,

conference rooms, work stations, and reception areas."

Stark's full-time clients pay between \$1,000 and \$3,000 a month, with the average falling somewhere in the middle. The company also offers smaller work-station spaces for full-time clients, starting at \$350 a month. Prices include Internet, office furniture, phone calls, coffee service, and a receptionist.

For virtual clients—those who work mostly from home but need the occasional use of an office space or conference room—prices range from \$150 to \$325 a month, which includes a mailing address, a receptionist, and the ability to rent a space by the hour. The virtual model isn't just for work-from-home clients, though. A law firm based in Bedford that does a lot of work with clients in White Plains, for instance, might want a virtual office in White Plains to be able to meet with clients there, Stark explains. "Or, if you don't have a dedicated receptionist for your office, you might have us answering your phone and screening your calls."

Stark opened its first space in 2004 with 7,200 square feet. "It doesn't sound like a lot now, but I remember building out that property and seeing 16 empty offices and empty conference rooms and wondering, 'Is this really a great idea?'" he recalls.

The offices didn't stay empty for long. The company has steadily grown from a few clients to its current roster of more than 600. Today, Stark looks at his mini empire as an ecosystem, where each building supports one another. "I don't measure each building's success on an individual basis, but rather how it contributes to the business as a whole," he explains. "For example, we have a client in Mount Kisco who was renting a \$300-per-month office from us, but ended up moving their New York City office over to our location and signing a \$300,000 deal because they liked what they had in Mount Kisco."

It's an approach that seems to be working. Although Stark is reluctant to offer profit stats, he forecasts close to \$10 million in revenue for this year—not bad for what started as a self-financed venture. (Bank financing and investors followed thereafter.) While the company turned a profit in its sixth operating quarter, Stark embraced a spend-money-to-make-money approach and decided to invest more into the business to focus on long-term profitability. He wanted the firm to "generate enough profit and cash flow so that it could be a self-sustaining, growing organization with long-term potential."

Early on, Stark decided to invest in marketing—something many businesses forgo at the startup phase. "The business grew on a lot of those investments that you didn't see in the initial profit-and-loss statements," Stark explains.

Clientele for the privately owned company has grown largely from word-of-mouth referrals, and even from those calling in to speak to already established clients. One current client, Ted Miller of DataKey Consulting in Mount Kisco, says signing on with Stark seemed a no-brainer. "The professional office space, the amazing staff, the incredibly solid business processes, and the wide array of service offerings enable companies to focus on their business rather than all of the office logistics," Miller says.

Today, Stark Office Suites employs 25 full-time staffers (16 in Westchester), and Stark spends his time traveling between the offices and scouting possible new locations. "We always look for opportunities," Stark explains, "but we aren't going to do a deal on something just because we haven't done a deal in the past 12 months. We are focused more on following the right growth path than on timing."

Stark's business development partner and executive vice president, Ben Blumberg, agrees. "We like to think of ourselves as the 'architect' that listens to each client's needs and 'builds' the perfect solution," he says. "We create an environment where successful professionals and entrepreneurs can network, build relationships, and grow their businesses."

Customer service is a priority, so Stark has created a high-energy team that aims to be welcoming from the minute a client—or that client's clients—walks off the elevator. It can be a stressful for staffers, but Stark seeks to create a balance.

"My team works hard, and I know they are available to me when I need them, but I don't take advantage of that. Having that level of respect for one another translates into having respect for the clients," he explains.

The soft-spoken CEO and father of six (who is quick to credit

his wife, Marissa, with the day-to-day operations on the home front) credits his time in investment banking with teaching him how to be calm in the stressful environment that is his norm. "I try to take a step back rather than get engaged in the stress of the moment," he notes. "I am the leader of the organization and if the leader isn't calm, why should the team be calm?"

A graduate of the Woodrow Wilson School of Public and International Affairs at Princeton University, Stark envisioned a life in the world of mergers and acquisitions and, for a while, did just that at former New York firm Wasserstein Perella & Co. But shortly after Bruce Wasserstein sold the firm to a German bank, the company culture began to change—and Stark began to reconsider his path.

"I considered staying on Wall Street and going to another company, but I was also starting a family and had had it with spending a lot of time on airplanes and running around," he says. "I also didn't love the advisory role. It's great to tell people what you think they should do, but I also liked the idea of doing it myself. It was counting on my own advice that was appealing."

Also appealing was the niche Stark saw in the rebirth of downtown White Plains. With only temporary or high-end office spaces available, Stark forecast that "an increasing number of professionals would be looking for quality places to work and meet clients" in the now-dynamic neighborhood.

That type of business insight has taken Stark far at a young age, but he is not one to rest on his laurels, quipping that, "when people stop to pat themselves on the back, they end up throwing out their backs in the process." His future goal for Stark Office Suites? "To protect what we have but continue to grow and create opportunities," Stark says.

Though the current economy has made commercial real estate in Westchester a tricky business, Stark was able to use the downturn to his advantage. "We can be a solution for companies that are downsizing," he says. A company that used to have an office with a roster of employees but is now a much smaller operation, for instance, can cut costs significantly by renting a full-time or virtual office from Stark Office Suites, he explains. "Companies who had a dedicated receptionist can move into one of our spaces and their entire bill with us is less than they were paying their receptionist," Stark notes.

And, of course, when Stark leases a building during a down market, he keeps long-term profitability goals in mind: Once the market picks back up and the demand increases, the company's cost structure remains at down-market levels.

Despite the nail-biting moments in the early days when Stark, too, wondered if he was a little crazy to start the business, ultimately, he knew following his gut instincts would lead to success. While he initially contemplated launching an investment bank with one of his colleagues, he had a revelation of sorts that swayed him toward the real estate market. "I woke up one morning and said, 'I don't like investment banking. Why spend my time doing that?'" he recalls. "That was an eye-opener for me. Now, I love coming to work. I love what I do." ●