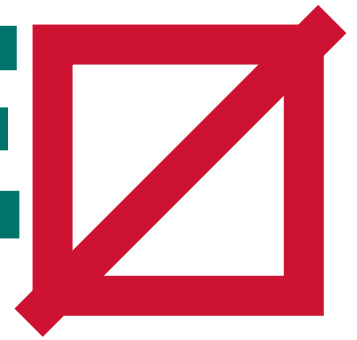




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Commercial real estate & construction in West Michigan



Staying nimble

Wolverine Building Group adapts with market cycles

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Having been in business since 1939, **Wolverine Building Group** has learned how to adapt to fluctuations in the market, presidents Michael Kelly and Richard VanderZyden say.

"We've certainly seen markets get hot and cold," Kelly said. "It's constantly changing, and you find yourself changing with it."

Medical is one recently hot market that's now cooling off. And Wolverine earlier this year completed what easily could be considered the capstone project on the Medical Mile in Grand Rapids: **Spectrum Health's Helen DeVos Children's Hospital**.

Wolverine has worked for Spectrum almost continuously since 1994, but the children's hospital was the largest, most expensive and most complex project, VanderZyden said.

"It's not unusual, when you go through the growth curve the medical industry's been through, to have a period of time when everybody's going to take a deep breath and grow into their spaces before they march forward with another surge of expansion," Kelly said.

Now Wolverine plans to maintain relationships with established clients, such as Spectrum and **Saint Mary's Health Care**, but it also would like to utilize the knowledge gained from so much medical work in Grand Rapids. That might mean looking at opportunities throughout the state or the Midwest while West Michigan's medical construction sector goes through that quieter phase, Kelly said.

"We're still focused on medical projects. We understand there won't be any gigantic

projects like there have been in the past in the near future," VanderZyden said. "Ultimately there will be again, but the sort of medical work that will continue will be more renovations and remodels and equipment installations, those types of things."

Renovations, remodels and repurposing old buildings are not limited to the medical sector. Wolverine has seen such projects from the multi-family and student housing sector to the industrial sector. VanderZyden and Kelly agree these projects are a good strategy for businesses at this time.

"A lot of companies have been conservative in holding onto their resources, waiting for the uptick," VanderZyden said. "Since people have been holding off for so long, now they're starting to see some levels of confidence that allow them to pull the trigger on new construction work, renovation work, expansion work, which should be good for the construction industry in West Michigan. We have a lot of very strong competitors here in this part of the state, so there should be more work coming."

One somewhat surprising trend Kelly and VanderZyden are seeing is a wave of car dealership projects. Dealerships that have survived the past few years are getting "marching orders" from General Motors and Ford to revamp their showrooms, Kelly said.

"It seems GM has kind of targeted the state of Michigan first and then will spread this out to other states," Kelly said. "GM's also helping fund part of the cost of the upgrades, so there's incentive for them (dealerships) to do it."

And much like with medical, Wolverine can translate the experience it gains from local car dealership projects else-



WOLVERINE'S RICHARD VANDERZYDEN AND MICHAEL KELLY STAND IN THE PEDESTRIAN BRIDGE ABOVE MICHIGAN AVE., WHICH CONNECTS TO THE HELEN DEVOS CHILDREN'S HOSPITAL. PHOTO BY JOHNNY QUIRIN

where once GM and Ford shift their focus beyond Michigan, Kelly said.

Wolverine added out-of-state capabilities when it created the Wolverine North America division in 2006, and its merger with Houseman Construction in 2009 enhanced those capabilities.

Wolverine's existing customers had been asking the company to take on out-of-state projects for many years. Kelly believes it was because they saw a difference between work done in West Michigan and work done elsewhere.

"The more we do work in other places in the country, it becomes more and more evident that when it comes to quality, work ethic and abilities, West Michigan would rival any place in the United States," Kelly said.

He believes Wolverine's local projects illustrate the capabilities of West Michigan's construction industry. When building its call center and print distribution expansion in Caledonia, **Farmers Insurance** had a desire to utilize a West Michigan work

force.

"Last time I checked, 94 percent of that project was constructed with subcontractors and materials suppliers within a 60-mile radius of that location, which is pretty unique," Kelly said. "Almost half of those came from just Kent County alone."

That project is almost complete. The print distribution center, which is up and running, is 100,000 square feet. More impressive, the call center, to which Wolverine was adding the "finishing touches" last month, is three stories and 275,000 square feet. The final piece of the project is renovating the campus's existing building, which should be complete this summer.

Kelly and VanderZyden believe the call center likely is the largest in West Michigan, if not the state.

"During the last few years, we've built the tallest building in West Michigan — Riverhouse — the most complex — that being the children's hospital — and we're now building the largest call center," Kelly said. "It's nice

having all of those on your résumé."

That kind of diversity is an important quality these days, he said.

"Everything has cycles that they go through," Kelly said. "It's just understanding that and marketing yourself and having expertise to do all those specialties that allows companies to survive in this kind of economy."

Companies that refuse to change quickly become "yesterday's news," Kelly said.

"We've been concentrating on being very nimble as a company," VanderZyden said. "We have low overhead, we have a very strong balance sheet, and we just streamlined to the point where we can adapt and change for the quickly changing environments in the business world."

"We're conservative fiscally, but we're not so conservative when it comes to taking chances in the marketplace and trying new things. When we know we can do something, we're willing to roll up our sleeves and try it."