

DENVER BUSINESS JOURNAL

JULY 16-22, 2010

FASTEST GROWING PRIVATE COMPANIES



KATHLEEN LAVINE | BUSINESS JOURNAL

Echo Summit Property Management President Scott Lukes was formerly an engineer in Silicon Valley. He and his wife, Pam, started Echo Summit in 2006.

Echo Summit treats income properties like home

BY SARA MORREY / DENVER BUSINESS JOURNAL

Property management can be a messy business. Among the things that can go wrong in the middle of the night and require immediate attention: A water heater breaks and floods gallons everywhere; furnaces quit; and bedbug infestations take over.

Even more dramatically:

- The police call you at 3 a.m. because someone was murdered at one of your properties.
- Carbon-dioxide detectors sound the alarm. “If we hadn’t sent someone out at that time, the people would not have woken up,” said Scott Lukes, president of Echo Summit Property Management, citing one incident.

Lukes and his wife Pam started Echo Summit in April 2006. Lukes was a veteran of Silicon Valley — he was an engineer — and had dabbled in real estate as well. He saw great potential in property management after realizing that 30 percent of housing units nationwide are rentals.

Lukes said that “there’s no Re/Max of property management,” and he’d like to set the industry standard. Thus he promotes a philosophy that all rentals must be maintained as if they were homes.

“The overall philosophy is obviously, proactive maintenance is a huge thing on a property,” Lukes said. “There’s no such thing as a rental. There’s only tenant-occupied. ... Our philosophy is once you start treating a property like a rental, it eventually will become one.”

So he created the “Echo Summit QCC Framework,” (Quality, Consistency, Control). For example, under Consistency, Lukes wants the company to do things “right” every time — and if it isn’t, then slow down and work on whatever needs improvement. Under “Control,” he stresses

that because things can unravel quickly in the property management business, Echo Summit must make sure it has 100 percent control of a situation — and if not, slow down and examine why, then fix it.

It’s led to Echo Summit realizing a net income much higher than the 21 percent national average for property managers, Lukes said. Revenue grew from \$20,562 in 2007 to \$312,130 in 2008 and to \$636,176 last year.

Another reason Lukes decided to start his business was because he was unable to find a reliable property management company for his own properties. “Any investor would like their property to be maintained so that you have a viable property to sell. ... So that’s why he began Echo Summit,” said Deb Kirschbaum, general manager of Echo Summit.

Echo Summit has 11 employees. The Lukeses invested \$50,000 of their own savings into starting the company — and Lukes has had to give himself a fundamental education in how to run a small business.

“There’s no tool kit for us guys and gals starting these companies up ...,” he said. “I’ve run and



FLIGHT V — NO. 1

Echo Summit Property Management

Top exec: Scott Lukes, president

Location: Greenwood Village

Industry: Property management company that focuses on single-family and multifamily residential real estate

Website: www.echo-summit.com

Phone: 303-768-8255

No. of employees: 11

Revenue growth:
From \$20,562 to \$636,176; 2,994%

sold many midsized companies, but never anything like this, where you’re 100 percent responsible for everything.”

The company has three offices, with headquarters in Greenwood Village and locations in Fort Collins and Colorado Springs.

Echo Summit gives renters an incentive, crediting 5 percent to 10 percent of rent paid if it’s paid on time, and they keep the property in good condition.

“There’s no such thing as a rental. There’s **only tenant-occupied**. ... our philosophy is once you start treating a property like a rental, it eventually will become one.”

Scott Lukes
PRESIDENT, ECHO SUMMIT PROPERTY MANAGEMENT

Lukes wants to grow the company, and recently added a division to handle apartment complexes, it already has 150 units it services. Echo Summit also plans to look for companies to purchase.

The company also has plans to expand into California, Lukes’ former home. “He helped start companies out there and lived out there for some time, and he’s very familiar with the area,” Kirschbaum said. “Where else better to go than the place that you’re already familiar with? So that’s certainly why he chose California.”

She said Echo Summit has been successful because of its ability to adapt.

“I think that we’ve been so successful because we’re ever-changing,” she said. “The little changes that we make help make us a better company. I think that’s one of the biggest reasons that we have grown so well is that we can move quickly to the needs of the market.”