

Investment in Growth

Determination and commitment to the industry guide a Colorado management company's growth.



Hammersmith's start-up company to manage its financials, John Hammersmith, CMCA, AMS, PCAM, saw an opportunity in a new industry—association management. “I always wanted to have a professional, robust and healthy company,” says Hammersmith. “Until then, I just didn’t know what that looked like.”

To evolve from a financial services firm to an association management company, Hammersmith learned everything possible about managing common-interest communities and borrowed \$12,000 from a family member. Although luck and timing helped—the housing boom coincided with the relatively new idea of homeowners associations—determination also played a role. “The loan meant we could afford to pay ourselves each \$1,000 a month for four months,” Hammersmith says. “But it also

meant we had to find new clients in a short period of time.”

INVESTING IN GROWTH

A year after its launch, Hammersmith Management hired another manager. “Since my mom, brother and I were each managing more than six properties, we really didn’t have the capacity to take on more communities and still oversee the accounting and client relationships,” Hammersmith says. “The risky part was ... adding to the payroll before we had the work.” In 1985, they pur-

A lot has changed in the 33-year history of Hammersmith Management, Inc., AAMC. What started in 1981 as a small family business—a mother and two sons providing computerized accounting services—has expanded into a company that now comprises more than 200 employees in four offices and manages more than 160 community associations that include 40,000 single-family, condominium and townhouse residences.

RECOGNIZING OPPORTUNITY

When a homeowners association hired the

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chased a small management company, which added more managers as well as support staff.

Hammersmith made what he calls “the most difficult business decision I ever had to make” when he decided to focus his attention on increasing the business rather than managing associations. It meant releasing the company’s largest account—nearly 20 percent of its revenue—from its contract because the association’s directors refused to have anyone but Hammersmith personally manage it.

But, like previous risks, the move paid off, and Hammersmith Management continued to grow. In the early 90s, Hammersmith’s mother retired and he bought out his brother’s interest in the company. He added services to its portfolio—like website design, community newsletters, and planning and hosting community events—that promoted social interaction and communication within communities.

“I’ve always believed that community management means much more than just covenant enforcement and accurate

financials,” Hammersmith says. “Often times, the only interaction between a homeowner and the managing agent is a result of a late fee or violation. [Additional positive] communication is essential for neighborhoods to thrive.”

Hammersmith also established a construction services department, which provides oversight and licensed contractors and represents association clients on large and complex reserve projects and insurance claims. “Our managers are talented, educated and smart, but ... they aren’t construction experts, so we wanted to help both managers and clients get the best value for their construction dollars.”

SHARING SUCCESS

Hammersmith’s original practice of putting resources back into the company remains his philosophy today. “We need to change to grow,” he says. “If we don’t grow, we’d stagnate, and stagnation is death to a vibrant enterprise.”

Not surprisingly, along the way, Hammersmith Management has played

a leading role in the community management industry at the state and national levels.

Currently a member of CAI’s Board of Trustees, Hammersmith has served on the Board of Commissioners of the Community Association Managers International Certification Board (CAMICB) and several positions on the board of CAI’s Rocky Mountain chapter.

Some of Hammersmith Management’s current initiatives include a philanthropic outreach agenda through its CommUNITY Care program, which funds regional nonprofits, and an annual golf tournament that raises money for numerous charities. The company also provides employees with paid time off so they can donate their time to charities of their choice.

Hammersmith expects continued company growth. “I feel like we have the infrastructure in place, a strong standardization within each department, a great corporate culture and—right now—we have the strongest management team we’ve ever had for the type of expansion we need.”

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