

Home > Departments > Features > Entrepreneurial Odyssey

Entrepreneurial Odyssey



Local entrepreneur Joe Hollingsworth has accomplished a lot in his varied and impressive career, but his adventurous nature expands beyond taking risks with start-ups, stocks and investments. Between hang gliding in Rio de Janeiro, racing Formula 1™ cars and deep sea fishing off the Great Barrier Reef, it's amazing he even has time for his next big venture—one that's truly out of this world.

After separation the second stage fires. The sensations of G-forces and vibrations abate, and blue sky fades to black. The Earth looks strangely small, as all the world's complications and conflagrations diminish, and what remains is a sensation of sublime serenity. It is a rarefied view of our earthly home, and one that few individuals have ever seen with their own eyes. It's a perspective that most are aware of on an intellectual level, yet to a person, nearly always elicits a profound spiritual response. To float effortlessly, as if in some amniotic induced repose, and to view all that humanity is without so much as having to turn one's head, must

count among the greatest heights of the heart. This is a view that's in store for local entrepreneur Joe Hollingsworth.

Hollingsworth is one of 300+ people signed up for a flight of Virgin Galactic's VSS Voyager in early 2011. The 2 ½ hour flight that traverses the outer curvature of the earth and allows participants to experience the feeling of weightlessness is by no means cheap, but Hollingsworth says the \$200,000 price tag (which includes all the training and equipment) is worth it. "It's about the pure excitement of knowing that you're one of the few individuals that have been to outer space and to be able to see the world from that high up," he says. "To me, it's quite a thrill."

Of course, this Clinton Tennessee native didn't always have that kind of capital to invest in extracurricular activities. Hollingsworth has truly worked hard for his money, starting at a very young age. Along with the typical yard-mowing services and paper routes young boys do to make some pocket change, Hollingsworth also started investing in stocks at age 14.

"I know it sounds a little ridiculous now, but I didn't have a lot of money," says Hollingsworth. "I'd saved a little bit of money and dad wanted me to chart stocks, so I put a little bit of money into them and it became a hobby for us, where we would do it together."

This moment was perhaps when Hollingsworth began to learn the importance of mentorship. Joe has spent a lifetime seeking the input and guidance of those with more or different experiences, including that of his father. Hollingsworth advises others to allow themselves to be mentored, and Joe heeds his own advice. Currently, one of his greatest mentors is owner of Virgin Galactic and billionaire Sir Richard Branson.

Recently, Hollingsworth joined Branson at his home on Necker Island for a week with a group of other entrepreneurs to talk business and to begin to prepare for the commercial space flight. "We were very fortunate to spend a lot of time with Sir Richard," he says. "He was so open and welcome and I found him very engaging and fun to be around."

As far as mentors go, Hollingsworth could do worse than Branson. He's a man of vision, starting with Virgin Atlantic and Virgin Mobile and now his latest quest: Virgin Galactic, where he created a spaceship that mimics an airplane rather than a rocket for commercial space travel.

As Branson and Hollingsworth can attest, innovative aerospace designs mimic innovative business models. Not merely in the fact that any crash you can walk away from is actually a learning landing, but in the fact that vision coupled with risk has unlimited upward potential. For every design that ever left the drawing board and came to fruition, there were legions strewn about the floor. With each success having been built from the lessons of the previous learning landing, new information is assimilated and the design improved. Joe Hollingsworth has had a few business models that could definitely be characterized as learning landings, though they probably felt closer to

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catastrophic at the time. However, as with aerospace, the lessons learned are a residual payday.

Freshly out of college, Joe tried his hand at developing an entire subdivision, including spec building all of the homes. One would be forgiven for thinking this venture to be a push-over. After all, Joe built his first home at age 15. However, for Joe, this was to be a continuation of his higher education. Words like cash flow and payroll were no longer academic abstractions, but dire realities. "At one point I got down to absolutely zero money," he recalls. "Luckily, credit cards were becoming prevalent, so I got three and made my payroll for two months. Then I barely closed a home with just enough cash in it to keep me going, but we were right on the brink [of bankruptcy] for six months or so." Similarly, Joe's foray into earth moving or the Chinese Internet both concluded with similar results. But for all of these so-called "failures," information was assimilated. All this grist for a mental mill; all these lessons to be gleaned and then measured against that which is already known; that was Joe's reaction.

All these lessons in life and business were like test flights of experimental craft, and Joe's were not all learning landings. Some, as in the case of Court South, were an unqualified success. Joe Hollingsworth purchased the Court South chain of health clubs out of receivership. Though the health clubs were not among his greatest financial triumphs, nevertheless Joe considers the reversal of fortune of the Court South chain to be among his most satisfying accomplishments.

"I'd say the single overall biggest success is quantified by customer satisfaction, and our feeling that we did a good job. It is being able to buy Court South out of bankruptcy, literally with no systems in place and no financial systems, no check and balance systems, and not even a way to track memberships." Hollingsworth says.

But Joe was able to see the value, and he knew the numbers below the numbers. He was able to continue to deliver services to Court South's lifetime members, though they represented no revenue, or at least that was the initial analysis. However, this was one of those occasions where a challenge would become a wonderful success.

"The advantage turns out to be interesting in that those people that came free knew they were getting a free ride and they'd bring their friends and neighbors to sign up so they were our best source of referrals," he says.

A predictable response, since this was the application of lessons that he first learned buying those stocks with his father at age 14. Hollingsworth had long ago learned to refine his strategies and modify his models to accommodate new data and new ways of solving the old puzzle. All those years ago, his father had insisted that he chart the numbers and do the analysis. This was no game like picking ponies; this was business. And that love of analysis and attention to the numbers below the numbers are what helped Hollingsworth find and provide so much value to so many people.

Another example of Hollingsworth's business prowess is when shortly after Joe built his first apartment complexes in Clinton. He realized that renters would need steady employment to be steady tenants. This sounds painfully obvious when said aloud, but initially represented a significant departure from the dominant view. Developers of residential housing had largely seen themselves and their business as separate from commercial real estate interests. Perhaps that was true, but not for Clinton, Tenn. Communities the size of Clinton needed stable, local, bases of employment, and for Joe, that meant commercial real estate and the large tenants that would translate to stable jobs. He also understood that local businesses, like his convenience stores, were not only the beneficiary of a ripple effect from such a base of employment, but also a good indicator of its health. This has inexorably led Joe Hollingsworth to a vision of community development that lends itself to a stable, high quality community within the grasp of most.

Many innovative products and processes start out as small interests, and have a need for lease space in which to conduct business or manufacturing. Joe's keen eye for risk management and qualitative analysis of business plans afford him the opportunity to screen prospective partners. Joe evaluates the exposure to risk and the interest's profit potential to find the ones where equity agreements are appropriate and mutually advantageous. The benefit to the community is that an innovative commercial interest that has significant or even explosive potential, can receive support. Through equity agreements that offset large chunks of their overhead, small companies can pass through critical developmental stages that often claim start-ups. Rather, these ventures can receive assistance beyond what their balance sheet might warrant, simply based on the quality of their idea or the solidity of the business model. This model is win-win, as fledgling enterprises can get off the ground in a less than optimal business climate, and Hollingsworth Companies places itself in equity positions with vibrant young companies that typically have a greater potential upside when compared to their larger more established counterparts. Again, with an eye on risk, Hollingsworth Companies maintains roughly 50% Fortune 500 tenants, out of commercial inventory of 14 million square feet. Southern Business and Development Magazine recognized them as the largest industrial developer and investor in the Southeast outside of metro areas. This, along with Inc. Magazine's placement of them in the fifteen fastest growing companies in America in 2008 clearly puts this company on the fast track to a high orbit. All this has been done with a holistic view of what a stable and vibrant community should look like to function properly. This is Joe Hollingsworth's latest vision, and it too is out of this



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world.

So where will this journey end? Not with Joe, because it didn't start with him. Similar to the way Joe Hollingsworth's father partnered with him, Joe now partners with his son, and the business thrives. The pride that is only a father's, beams when Joe speaks of either of his now adult children. One can hear in his comments resolve that the traditions and lessons of several lifetimes still thrive, and will long live through the mentorship passed on by one who views himself as the most fortunate recipient of it.

And when it does come time for Hollingsworth to pass the torch, he'll undoubtedly have a long list of accomplishments, including the ventures and enterprises of his life. The homes, apartments, commercial property and capital investment, and the resuscitation of Court South will certainly be named among them. However, a life well lived is more than a resumé or a work history. There are treasures like family and friends, and adventures in love and life. It's clear that Hollingsworth takes that truism to heart, which is why he signed on for this once-in-a-lifetime space voyage. "Individuals that impact the world almost always have a unique perspective," he says. "Space travel will be yet another adventure that will add to my experiences that allow me to benefit others through my work."

Hollingsworth's check list for success

In aerospace there is mission control, and pre-flight check lists, and a thousand protocols for every possible contingency. Joe Hollingsworth has a system too. Some might consider it quaint, but most would objectively label it as effective. It is a system of personal discipline that he credits with his ability to get things done. Quite simply, he is one who makes lists. More than that, he prioritizes his list in terms of leverage. The most heavily leveraged items get done first. Lists are common tools for the organizationally challenged, and apparently the habitually effective as well. However, the notion of looking at items that are "leveraged" and prioritizing based on that status is a gem of an idea, and clearly a meaningful twist on a tool some might think droll.

Here, Hollingsworth's personal list of rules for success:

Allow yourself to be mentored. It will give you seasoning beyond your years and open doors that otherwise can not be opened.

Assess risk for yourself, don't take the other people's word on the down side of things. Drill down deep, and from multiple angles.

Don't quit. Too many people quit on the one yard line.



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