

# Busting out at \$2B

*Williams, Williams & McKissick targets new frontier as it remakes the old one*

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TULSA – Two years ago the emerging Tulsa real estate auction company Williams & Williams hit the \$1 billion revenue barrier.

Now under the banner Williams, Williams & McKissick, the diversified company that auctioned off the Silverdome hopes to reach \$2 billion this year – toppling 2009 marks by 25 percent or more.

“We may fall a little bit shy of that,” said President and Chief Executive Pamela L. McKissick. “But we will be significantly better than 2009.”

Common sense might suggest any firm experiencing that kind of growth would be quite content to ride out today’s sluggish economy, maximizing its existing opportunities.

Not so with Williams, Williams & McKissick.

Although much of the commercial real estate world remains mired in a sloppy recovery, this 138-employee company intends to remake everything with a new, transactional platform debut in 2011.

“We are going to build out a trading floor that will, we believe, change the way real estate is bought, sold and traded around the world – certainly across the United States,” said McKissick. “We will be able to risk-manage for you any kind of real estate anywhere through this platform.”

The founder of the Auction Network kept details of this initiative close to her vest. The prototype remains just that, a work in progress that McKissick said may not become “fully robust” until 2012. But it represents the centerpiece focus for one of Tulsa’s quietly emerging corporate giants.

“We’re not talking about a piece of technology,” she said. “We’re not talking about a physical thing.

“We’re talking about strategies to have 50,000 people contact us any given month,” McKissick said. “We would be able to handle their business, take care of that asset and either be able to buy it from them or sell it at auction immediately for them.”

Whatever form that takes, the trading floor vision promises massive escalation for a company that auctioned just under 40,000 properties over the past five years. By comparison, this year’s revenue surge came as its average auction listings rose to 2,000 a month.

But McKissick’s description would fit and extend paths Williams, Williams



Pamela McKissick, president and chief executive of Williams, Williams & McKissick in her Tulsa office. PHOTO BY RIP STELL

& McKissick charted beyond its real-estate-owned residential roots to reach this year’s \$2 billion plateau.

With many property markets operating this year still mired in misery, McKissick said the Tulsa company focused on expanding its commercial division, taking or buying whole portfolios to auction for divesting firms.

“The commercial division is huge and we’re currently hiring more salespeople,” said McKissick. “Large corporations contact us and tell us that they want to move away from their investments in certain types of commercial properties and we take those to auction.”

This parallels movement among large ranch owners to downsize or leave behind their holdings – a challenging growth area for WW&McK, since it can involve more remote landscapes.

McKissick said the firm also enjoyed strong growth this year with its new trust division, helping court-appointed trustees resolve their growing cases.

“The trust division, I think, is going to be very important to use because we understand how to work with attorneys and the judicial system,” said McKissick. “We understand their fiduciary responsibilities.”

The Auction Network, which became a Williams, Williams & McKissick division under the September merger, played a different role in the company’s

overall growth. With its expansion into home auctions, McKissick said the online network demonstrated an active buying public for all residences, large and small. But the spillover effect proved even more vital to the parent’s other core businesses.

“It raised the high bid across all of our assets, on average 9 to 11 percent,” she said. “I’m creating more competition and more interest, and that competitive interest and competitive bidding gives us a competitive edge, drives business.”

That opens the door for Williams Merchant Group, the parent company’s global risk-management arm. Its website now touts listings of more than \$6 billion in nonperforming residential mortgage loans, with more bulk packages sought.

With the company’s long history of handling or buying such portfolios for later auction, McKissick sees further growth in these areas as economic recovery accompanies further shake-out.

“The marketplace is volatile,” she said, looking toward 2012. “It will continue to be volatile for a while.”

Amidst thriving consumer uncertainty McKissick expects the REO market to remain present “another 10 years minimum.”

“To what degree, that’s debatable, but it will be around,” she said.

On the other side of the coin, McKissick said more cash-holding

investors have emerged from the 2008-’09 sidelines, and they expect more real estate deals.

“We know this because our complaints come from buyers complaining we’re not showing them enough inventory,” she said.

Weaving all those patterns together – merging electronic and live selling platforms, growing seller listings mixed with growing global portfolios, and cash-ready buyers demanding to see more product – could fill in some of the vision McKissick shared on their new trading floor.

While she wouldn’t comment on that, McKissick said achieving success would require making business faster while honing client services, even as they served many, many more people.

To accomplish this, she pinned great importance on their property database.

“The analytics are going to give us dynamic, real-time data that is so instantaneous, so deep and so broad that we’ll be able to make instant decisions about assets, their value, the bank’s relationship to the asset and the best way to market and handle that asset,” she said.

McKissick also praised WW&McK’s I2I Division, a self-developed lean-systems diviner.

“We’re doing 20 percent more work with about 15 percent fewer staff,” she said, adding that the company has 18 positions open. “We’re looking to hire people as rapidly as we can.”