

THE TENNESSEAN

January 5, 2014

25 Nashville business leaders to watch in 2014

*By Lance Williams
The Tennessean*

It should be no surprise by now that Nashville has been showing up on a lot of lists lately: smartest cities, or fastest-growing, or best new restaurants. You name the list, and there's a good chance that Nashville will find its way on there.

So as we looked ahead to 2014, we decided it was time that we created our own list devoted strictly to Nashville business. In this week's section, we wanted to introduce you to 25 business leaders expected to make headlines in the coming year.

Some of the names will be easy to recognize, but others may be new to you. Some are on the list because we are expecting some good news in 2014; others are facing a potentially make-or-break year in the next 12 months. We don't know what all the outcomes will be, but we think all these people will be worth watching.

With nearly five years of challenging economic conditions behind us, 2014 is projected to be a year for creating positive momentum. But you also can expect there to be a surprise or two in the year ahead.

As we start gearing up for business coverage in 2014, I'd love to hear from you about names that we should add to our list or companies that we should be keeping an eye on as business unfolds in 2014.

Ray Hensler

president, Hensler Development Group

By tweaking the design for his new 12th and Laurel project to create more two-bedroom units and add penthouses, Ray Hensler recently signaled that he was leaning toward converting the new residential high-rise going up in the Gulch to condos instead of apartments. Given Hensler's success as developer of the Adelia condos in Midtown, local condo brokers are anxiously awaiting his decision that could mean new supply for a tight condo market. But for the conversion to happen, Hensler needs enough condo buyers to pay down the loan to a level deemed acceptable to lenders that financed the project as apartments. He, however, finds himself in an enviable position with the 288-unit high-rise building on track for completion this summer.

Terry Turner

CEO of Pinnacle Financial Partners

In a conference call to shareholders in October, Terry Turner announced Pinnacle's new quarterly dividend would not interfere with the bank's plans for mergers and acquisitions. Turner said there is a "likelihood" that Pinnacle, Nashville's largest locally based bank, finds an acquisition, and that he is looking in Nashville and Knoxville for potential expansion. Pinnacle has a history of growing through acquisitions and the bankroll — and an improving banking sector — that makes a new deal a real possibility.

Jason Moore

co-founder and CEO of Stratasan

Stratasan, a health care analytics company, is often pointed to as one of the leading startups in Nashville. The company builds software for hospitals and three years after launching, Stratasan is generating profits and works with six major hospital systems and more than 300 hospitals. CEO Jason Moore says the company is building tools to improve efficiency and he expects more growth this year.

Jeff Haynes and Phil Fawcett

principals, Boyle Nashville LLC

With hospital chain HCA's decision to buy nearly 11 acres at the mixed-use Capitol View project in the Gulch that Boyle is helping property owner Northwestern Mutual to develop, the business partners of 20 years are looking forward to finalizing a master plan for the 32-acre site. The prospect of HCA bringing more than 2,000 workers to headquarters of its Parallon Business Solutions and Sarah Cannon Research Institute subsidiaries planned there should help to generate interest from retailers and apartment and hotel developers in the rest of the site. Jeff Haynes will handle the office component including leasing and development, while Phil Fawcett will oversee the retail portion.

Sarah Trahern

CMA president

Sarah Trahern takes the reins of the Country Music Association during a period of growth for the organization. Last year, CMA set records for the annual festival's attendance and recent television ratings for its awards show. However, the CMA is on its third president in seven years and it will be up to Trahern, whose background is as a television executive, to maintain continued growth and help provide some stability in the leadership ranks.

Pat Emery

president, Spectrum|Emery Development LLC

and Buck Haltiwanger

principal, Cushman & Wakefield|Cornerstone

Pat Emery and Buck Haltiwanger led the team formed by Cushman & Wakefield Cornerstone that was picked to negotiate a contract with Metro for a master-planned redevelopment of the city's old Nashville Convention Center. Now the parties are holding talks that could lead to Metro transferring prime downtown real estate with a \$230 million proposed project, including an office tower, the National Museum of African American Music, space for retail, entertainment, dining and activities and a parking structure. If an agreement is finalized, Haltiwanger and Cushman & Wakefield would begin pursuing leases with potential office, retail and entertainment tenants. As the master developer, Emery would oversee efforts including to secure financing for the project. Whether the city sells the land the building sits on to the team or enters into a ground lease will be key to what type of financing the team pursues. Separately, Emery also should have a busy year completing and trying to lease the first office building and an apartment community at his company's Franklin Park development in Cool Springs. That project will feature a park, outdoor amphitheater and walking trails.

Kevin M. Fee

New York-based investor

Until now, New York-based investor Kevin M. Fee has been the mystery man behind the scenes while entities he controls are snapping up prime Nashville real estate. Expect Fee to become more visible as his Nashville Hospitality Capital LLC pursues the Westin Hotel planned across from the Music City Center convention hall and another partnership he leads works on plans to convert the Wells Fargo

Plaza building at 230 Fourth Ave. N. into either a hotel or luxury condos with ground-level retail space. Fee has looked at other Nashville area properties, so don't be surprised to see him do more deals here.

Jason Dinger

CEO, MissonPoint Health

Mission Point — Saint Thomas Hospital's take on an accountable care organization — is getting data back about how it performed since its 2012 launch, and the numbers look good. According to Jason Dinger, MissionPoint's CEO, the group has figured out how to manage patient care efficiently, cutting costs for its original 15,000 members by 15 percent during the first year. A 15 percent cost reduction could pique the interest of any hospital system. Saint Thomas' MisisonPoint has a specific setup — it rolled out as a pilot program for the Ascension health network, which includes Catholic not-for-profit hospitals across the nation. Nevertheless, health networks of all kinds will keep an eye on Dinger's work in 2014 as more facilities face potential government penalties for readmissions or low patient satisfaction scores. Also, in the coming year, MisisonPoint will enter new markets.

Richard Herrington

CEO and founder of Franklin Synergy Bank

Richard Herrington made news in 2013 when Franklin Synergy Bank's parent company, Franklin Financial Network, announced it was planning to merge with MidSouth Bank in Murfreesboro, the second Middle Tennessee bank merger since the Great Recession. Combining the banks will give Franklin Synergy close to \$920 million in assets and takes the Franklin-based bank closer to an initial public offering, according to Herrington. If Franklin Synergy goes public, it would be the first Middle Tennessee bank to do so since Pinnacle Financial Partners was added to the Nasdaq exchange in 2002 as a publicly traded bank.

Alex Palmer

president and managing partner, Alex S. Palmer & Co.

Losing two subsidiaries of hospital chain HCA as anchor tenants for the twin office towers planned at his West End Summit development dealt a huge blow to developer Alex Palmer's plans to finally fill the hole in the ground near where West End and Broadway split. Palmer now finds himself back at the drawing board in trying to find potential anchors for the project to complement the planned four-star InterContinental Hotel. It's no question he's sitting on prime real estate, especially with a tightening market for first-class office space and rising rents among signs of a favorable market. But tenants for a large chunk of space like what HCA would have taken up don't come through Nashville every day.

Kevin Lavender

board chairman, National Museum of African American Music

This is a make-or-break year for the long discussed National Museum of African American Music. After years of fundraising efforts, the project finally has momentum with a location selected in the old downtown convention center, which will be the subject of a major renovation project. The museum also got a boost late in 2013 when Mayor Karl Dean held a fundraiser for the project. Helping lead the effort is Kevin Lavender, a veteran banking executive who works as the managing director for national corporate banking for Fifth Third Bank. Lavender knows how to navigate the public sector too — he is a former board chairman for the Metro Sports Authority and served as the state commissioner for the Department of Financial Institutions a decade ago.

Claire Tucker

CEO of CapStar Bank

Claire Tucker bought American Security Bank & Trust in Hendersonville in 2012 and has not ruled out additional bank purchases, saying she was keeping alternatives open. With increased financial regulation, a low-interest rate environment and reduced loan demand, expectations for bank consolidation remain high and CapStar could be among those leading the wave this year. CapStar, now with \$1 billion in assets, was founded in 2008 and Tucker has said a return for investors will come from an initial public offering.

Megan Barry

Metro Councilwoman and 2015 mayoral candidate

Despite leading the charge to redevelop the fairgrounds and her support to finance Music City Center, Metro Councilwoman Megan Barry still has some convincing to do with the Nashville business community as she gears up her run for mayor in 2015. Nashville has long defined its leading politicians as either “pro-business” or “pro-neighborhood.” Barry, a leading progressive voice on social issues, seems to be angling for a new definition as she strives to be both.

Scott Borchetta

CEO Big Machine

Where can Big Machine go from here? That’s the question facing the company and its founder and CEO, Scott Borchetta, in 2014. Big Machine is the label home to country music’s premier artist, Taylor Swift, and last year’s breakout act Florida Georgia Line, through Republic Nashville, its label partnership with Universal. The company also made waves when it struck a breakthrough deal with Clear Channel to pay radio royalties to Big Machine artists.

Tony Giarratana

president, Giarratana Development LLC

With a flurry of developments including apartments, a hotel and potentially office buildings in the works or on the drawing boards, Tony Giarratana should have his hands full this year. But it remains to be seen how many of those projects actually take flight. Work is underway on a 105-unit apartment in Midtown, with another 146-unit complex expected a block away. In the area of downtown south of Broadway, Giarratana hopes to start work in the next 60 days on the 32-story, 313-units apartment project called SoBro. He, however, continues to work on securing equity partners for a 400-room Marriott Hotel planned near Music City Center in a difficult environment for financing such full-service hotels without significant public incentives. On the office front, Giarratana is close to completing assemblage of property and continues to seek an office tenant for his proposed mixed-use project in SoBro called Sheet Music. He’s leaning toward a residential-only development at 505 Church St., where he once planned the mixed-use 505 CST office tower.

Butch Spyridon

president and CEO Convention and Visitors Corp.

The goal is simple for Butch Spyridon in 2014: Book as many large conventions as possible at Music City Center. The \$585 million building is officially open for business and critics are watching closely to see if the project lives up to its hype to bring new business tourism to Music City.

Ben Leedle

CEO, Healthways Inc.

Ben Leedle is part of the fabric of the Nashville health care community. In 2013, he served as chairman of the board for the Nashville Health Care Council. More important, he’s the CEO of health services company Healthways, headquartered in Franklin.

Leedle has seen Healthways through a rough patch. So rough, in fact, that after reporting a disappointing earnings drop in the third quarter of 2013, activist investor Conan Laughlin at North Tide Capital called for a leadership change.

So far, the Healthways board has stood by Leedle, who has been CEO since 2003. No matter what happens, the health care community — including investors, activist and otherwise — will be watching Leedle's moves in 2014.

Connie McGee

CEO, Evolve Women

In August, health care consultant Connie McGee took a post as CEO of Evolve Women — a group designed to connect qualified women in Nashville with the tools to start their own businesses. Evolve, which has partnered with Nashville's Entrepreneur Center (as well as The Tennessean) has already hosted workshops about how to write business plans and pitch to investors.

McGee is a health industry pro — she has previously worked as a vice president of strategic accounts for health care mobile technology company AirStrip, and before that, she was the director of the health care advisory practice at KPMG.

Because of McGee's expertise and the great health care entrepreneurial environment here, Nashville will be watching to see if Evolve Women's work can cultivate more female health care entrepreneurs. It's an area that, while hot, remains male-dominated.

Heather Rohan

CEO, TriStar Centennial

TriStar Centennial hospital — the flagship of Nashville's for-profit hospital company HCA — has grown this past year and will continue to expand in 2014. In 2013, the hospital bulked up its trauma treatment as well as its services for women and children.

For a long time, Nashvillians have had only one children's hospital, at Vanderbilt. That means that the city will follow how Centennial expands its offerings for children over the next few years.

A year ago, Heather Rohan took over as CEO of the hospital, and she will oversee Centennial's strategy as it grows and adapts to a changing health care environment. "We are never going to be finished getting better," Rohan told The Tennessean this fall, "and that's a wonderful thing."

Clay Richards

CEO, naviHealth

This December, Clay Richards became CEO of naviHealth, although he had been running operations as president of the company since it was founded two years ago. In those two years, naviHealth has grown from 25 employees to more than 200.

NaviHealth and similar young Nashville companies will try to usher in a new era of care — helping large hospital systems transition from a payment model that rewards based on the volume of patients treated to one that pays for value.

"Our pipeline is tremendous right now," Richards told The Tennessean after he got the CEO title in December, adding that in the coming year, the company will invest in technology and analytics.

Nicholas Holland

CEO, Populr.me

Nashville startup Populr.me is a part of 500 Startups, a nationally recognized accelerator program based

in Silicon Valley. The program provides early-stage companies with funding, workspace and access to mentors from around the world. Founded by entrepreneur and investor Dave McClure, the incubator has served as a launching pad for some of Silicon Valley's best and brightest new stars. Nicholas Holland, CEO of Populr.me, is in California with two other company leaders and will be able to pitch the company to potential investors in mid-February. One of the challenges for local technology startups has been making the connection to potential investors. If Populr.me is successful, it could potentially open doors for other Nashville-area startups.

Alan Valentine

CEO and president, Nashville Symphony

The Nashville Symphony dodged financial disaster in 2013 by reaching an agreement with lenders just days before Schermerhorn Symphony Center was headed for foreclosure. And while the deal gave the nonprofit some breathing room, there's little margin for error in 2014. In recent years, the Symphony has been a money-losing venture, and officials are trying to lure nontraditional acts to try and boost revenue. While the Symphony's players agreed to make a one-year sacrifice to help labor negotiations in 2013, there's no guarantee that they will be in as charitable a mood in 2014. CEO Alan Valentine will face a challenging year in his quest for more revenue, while also knowing that labor negotiations are still in the offing.

Sandra Cochran

CEO, Cracker Barrel Old Country Store

In CEO Sandra Cochran's time at the helm of the growing restaurant company, the stock has been on a tear and the company has been a strong performer in the restaurant sector. But with activist investor Sardar Biglari pushing for changes, there's little time to get comfortable. After his third unsuccessful attempt at gaining seats on the company's board, he's now aggressively pushing for the company to either sell to a new buyer or find a way to buy him out. The company offered him \$300 million in February, but he refused. In year two, Cochran will have to balance looking for ways to keep Cracker Barrel growing while also dealing with continued pressure from the company's top investor.
