

## REAL ESTATE CATEGORY

# Dennis Doyle

## Welsh Companies

BY Dave Zielinski

PHOTOGRAPH John Mowers



As a teenager, Dennis Doyle worked summers for his neighbor George Welsh's construction company. Thirty years later, Doyle is that company's CEO. He's considered an innovator in his field and has successfully weathered the cyclical storms that routinely batter the commercial real estate industry.

In 1980 Doyle began transforming Bloomington-based Welsh Companies from an organization focused on build-to-suit and speculative development into one of the Twin Cities' first full-service commercial real estate firms. As institutional buyers began replacing individual real estate owners, Doyle spotted an opportunity. He developed a property for his first institutional client, Prudential Insurance, on the condition that Welsh could also manage the building after the sale.

Doyle believed property management would give him a competitive leg up, keeping him connected to owners and tenants when other developers who sold properties lost touch with those groups after the sale. He also added a brokerage component to Welsh's services, providing a touchpoint for customers at every

major stage of the real estate cycle. "People considered it silly for us to add property management and leasing to our construction business," Doyle says.

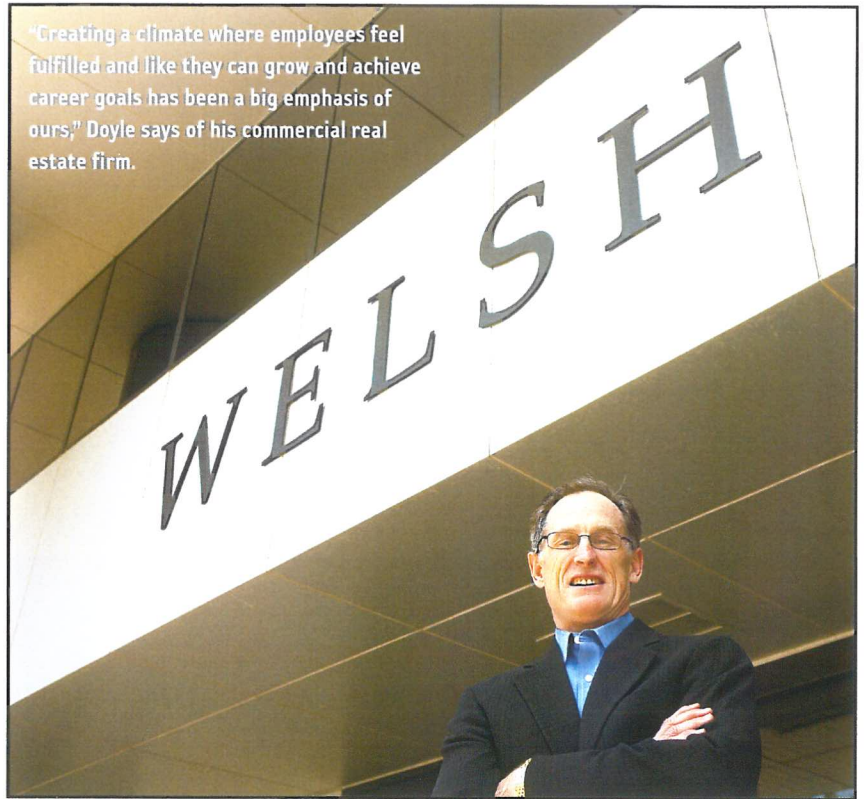
Today, that business model is a standard for much of the industry. And thanks to Doyle's entrepreneurial spirit, Welsh has grown into a thriving business with 300 employees, offices in Chicago, Detroit, and St. Louis, and a diverse roster of clients that includes some of the nation's largest institutional investors, as well as a number of individual entrepreneurs and limited partnerships.

"The most challenging aspect of my career has been making sure we transcend the cycles in this business," he says. A diversified business and some shrewd decisions helped Welsh survive a recession and fend off challenges from real estate investment trusts (REITs) in the 1990s. "You really have to cover your downside losses in this business," he says. "It's not so much the number of projects you win with, it's the one or two that you lose that can really cost you."

As Welsh prepares to move into half of a new 100,000-square-foot headquarters building in Minnetonka, Doyle thinks back on how his business has evolved. In the late 1970s, it was rare for anyone in the industry to have a college degree or rely on the plethora of research available today to make build or lease decisions. Real estate then was still considered an alternative investment—not, as now, an essential part of a big investor's diversified portfolio.

"Commercial real estate has become a sought-after career, and master's degrees are now commonplace," he says. "When we started out, we just used gut feel about whether it was time to put up a new building in a certain locale, not study the data. Through it all, we've taken some risks and gone outside the box. Sometimes we've lost, but we've won a lot, too."

"Creating a climate where employees feel fulfilled and like they can grow and achieve career goals has been a big emphasis of ours," Doyle says of his commercial real estate firm.



HEADQUARTERS: **Minnetonka**

FOUNDED: **1977**

REVENUES: **Undisclosed**

EMPLOYEES: **300**

TICKER: **Private**

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