

# Student of business

COLIN POPE

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Five years ago Mike Peter quit his job, took out a second mortgage on his house, put his head down and started the long and unnerving process of bootstrapping a business with two of his buddies.

As any entrepreneur can attest, it's a gut-wrenching experience. Now imagine taking that leap of faith and discovering just a few months into the process that your wife is pregnant with twins.

"Believe me, there were many sleepless nights during those first six months, but we knew we had the right business plan," Peter recalls.

The plan: Do the work that no one else in the industry wanted to be bothered with. Peter and his partners had been property managers of college student housing for years, and when Peter's employer decided to focus on the more lucrative and seemingly rewarding aspect of building such properties rather than simply managing them, he saw an opportunity.

Campus Advantage was born. Today Peter, the company's CEO, has himself moved beyond just managing private student housing complexes and has come full circle to even get in on the development of projects. But his bread and butter still sits atop property management.

To say his business has taken off would be an understatement. After five years of running Campus Advantage, Peter oversees a small student housing empire that spans 18 states, rakes in more than \$10 million annually and includes more than 850 employees. The company has a habit of taking on the management of about two new properties each month.

Peter says his biggest regret was not pouring enough money into corporate accounting in the beginning.

"That's one area, I learned, that you can't over-invest in," he says.

One thing he's proud of: For a long time he and his partners took only what they needed to get by, personally, and spent what should have been their paychecks in the beginning to build a team that, in the long term, could allow him to live comfortably.

"When you're bootstrapping a company, the most important thing you can do is spend the money to attract and retain talent," he says. "It was hard. There were times when we debated getting investors or financing, but in the end we didn't want to give up any control and allow someone else's vision to influence what we did."

Peter, who earned a living while in college as a resident assistant and then a resident director for the complex in which he lived, is proud to say that after five years of business his company has spent only about \$50,000 on marketing.

"The overwhelming majority of our business comes from word of mouth," he says.

Peter puts a lot of stock in business relationships.

"It's incredibly important in business to look at relationships as teams," he says. "Your partners and employees are teammates, but also vendors and customers. They all have pointed out better ways we can run our business and we value that input."

## Mike Peter

CEO

Campus Advantage



### THE Q&A

**Q: How did you earn your first dollar?**

**A:** Mowing lawns and shoveling snow in Rochester, Minn.

**Q: What's one of the biggest challenges you face in your personal life?**

**A:** Finding a balance between family, my career and being a good citizen.

**Q: Do you have any hobbies?**

**A:** My children and I raise heritage breed chickens and turkeys. It all started with Don Wood [managing partner of Vinson and Elkins LLP's Austin office]. He brought over some eggs one day and asked my son if he wanted to hatch them. We got a chicken house built and all of what we raise are from a breed that was

around as early as the 18th and 19th centuries. They're no longer commercially viable but we eat the eggs and have a lot of fun raising them.

**Q: I understand you were in the Peace Corps?**

**A:** True. I served in the Peace Corps from 1992 to 1994 in the West Indies on the island of Dominica. While there, I became fluent in French Creole and undertook a fundraising walk around the island to raise money for my school. I learned firsthand the old adage that 'people don't care how much you know until they know how much you care.' I did a lot and put in a lot of hard work, but it's one of those experiences where I can truly say that you get

### WHAT OTHERS SAY

Mike Peter is a great guy and a skilled student housing executive. I met with Mike shortly after we opened our student housing project. He could immediately articulate several steps that would make a big difference in our operations ... his assessments have always turned out to be correct. I would do business over and over with Mike and Campus Advantage.



**Terry Mitchell**  
Principal  
Momark Development

While Mike has been extremely committed to growing his company, and to the partners and employees that help him do that, his dedication to his work pales in comparison to his dedication to our family. For that I am very thankful, and think my children and I are tremendously lucky.



**Tracey Davies**  
Peter's wife  
Partner, Vinson & Elkins LLP

### IN DETAIL

AGE: 43

**EDUCATION:** Bachelor's degree in cultural anthropology and political science, J.D. from the University of Minnesota

**FAMILY:** Wife, Tracey Davies, partner at Vinson and Elkins LLP; three children

more out of it than what you contributed.

**Q: Who would you say you've learned the most from in life?**

**A:** My parents taught me the meaning of hard work, discipline and integrity. My father was a county health inspector and my mother ran a day care.

**Q: What's the hardest thing about running a business such as Campus Advantage?**

**A:** We are a service provider and must understand the needs of several different groups, including our student tenants, their parents, the host institution which the students attend, our employees and the property owners — and we must deliver more [than just what all those diverse groups need].

**Q: What's the best thing about running a business such as yours?**

**A:** Being in a position to assemble a team of professionals who possess intelligence, integrity and passion.

**Q: Was there a particular event that got your business humming?**

**A:** We've been growing fast since after the first six months, virtually doubling our revenue every year. But when we were selected by the California State Teachers' Retirement System early on to be their chief property manager, that was a watershed event. We started playing in a whole new league and we were able to more easily attract other institutional clients.

**Q: Who helped you get Campus Advantage off the ground?**

**A:** There were two other partners, Gary Gibson and Michael Hanley. Gary and I had known each other and worked together since 1989, and I got to know Michael in 1997. They're both still shareholders. Before we started Campus Advantage, the three of us were working for a small student housing company here, basically running the Austin office. We've been in this business since the early 80s, so we knew all along we could make this work.