



NEVADA STATE BANK

# FAMILY BUSINESS

## newsletter

## Built to Last: Sabey Corporation

*Sabey Corporation is a privately held real estate development and investment company specializing in mission critical and other technical space for the data center, medical and life sciences, education, government and military sectors. In a recent conversation, Founder, Chairman and President Dave Sabey and son and CEO John Sabey described how the company is “built to last.”*

**Family Business Newsletter:** What does Sabey do?

**Dave Sabey:** Over the past 40 years, we’ve designed, constructed, and operated more than 30 million square feet of space and count among our valued customers some of the nation’s iconic names. I think of us as a fully vertical company that is focused on next generation real estate. We’re long-term investors in technology-oriented real estate.

**John Sabey:** Our holdings are about 40 percent data centers, 40 percent health care and 20 percent other.

**FBN:** You’ve built the company on Built to Last (BTL) principles. How has BTL influenced your company’s culture?

**DS:** *Built to Last* is a book by Collins and Porras, a couple of Stanford professors. They wanted to understand why some companies thrive and why others don’t. Why some companies are good but others excel in every way. On a macro level, they found that the best companies focus on building the team around a set of core values, purpose and vision that keep everyone in alignment. Most people would say that we build buildings and rent space, but what is important to us is to be the architects of our business, continuously designing to our core principles. We spend an enormous amount of time educating our people, and we provide platforms for them to ask questions, learn more, do more from concept to production.

**JS:** The book also details how successful companies have a set of values that they incorporate into the organization and adhere to them. We’re always looking for ways to drive awareness of these values more deeply into the team—it’s an interesting challenge when there are several locations and with two as far away as New York City and Ashburn VA; but in BTL terms, we’re building a clock to build a homogeneous culture.

**FBN:** Dave, what steps are you taking to prepare for the transition for your retirement?

**DS:** The No. 1 job of the CEO is to provide the transition. Succession shouldn’t be an event, it should be a comfortable, logical, organic process.

**JS:** If you have a culture that resonates with the members of the team, that is authentic to the company’s purpose and its values, then much of the transition will take care of itself over time. We’re doing things to ensure that the foundation is solid. For instance, we recently launched the Sabey Leadership Institute to help inculcate in all our people, at every level, the principles of good leadership as it aligns with the core values. Succession doesn’t just happen at the very top but all the way through the organization.

**FBN:** Any thoughts of a third generation?

**JS:** I have a 15-year-old, and I am starting him out on the progressive cleanup crew. He is going to sweep, pick up after the construction guys, paint and get his hands dirty—just like I did! And we’ll see if he ultimately wants to get involved in the business.

**DS:** I like the idea that it’s performance and passion that define who should play.

**FBN:** What’s your advice for other family businesses?

**DS:** All my experience and study tell me that great businesses are created through intelligent and unwavering commitment to a vision and a purpose—yes, you have to make payroll on Friday! But no one builds a great company with money as the key driver. The generations that follow must discover for themselves the joy of continuing to develop and lead the team—I’m looking forward to seeing where my sons will take it.



*John Sabey and David Sabey pictured here with Joe Sabey, youngest son and Vice President of Development, Life Sciences and Technology.*