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“Executive Profile: Steve Curnutte, Tortola Partners”

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Steve Curnutte heads up Tortola Partners, a Nashville restructuring advisory firm. He helps struggling companies diagnose their problems and face the tough choices involved in a turnaround — sometimes as an adviser and other times as an investor bringing money into the deal.

What is the most outside-of-the-box idea you have ever had in your professional career? I like growing sales by getting rid of customers who are unprofitable or cantankerous. It is counterintuitive, but when you can pull it off, it allows you to focus on earnings, build cash and retire debt. Once you have a war chest, you can grow sales by buying competitors who are over leveraged. Like most ideas, not original, but probably a step or two outside of the box.

What was the result? The first time I tried to move a company in that direction, I was scared to death. Shrinking first in order to grow later feels vulnerable and can shake your resolve, but the result paid off for everyone involved. The most recent case was a great company called Allen Printing. Two years into the process, they made one of the Inc. lists for the fastest-growing printing companies in America. I was thrilled for the management team and the employees.

What single thing makes your organization stand out? There are very few crisis management and restructuring companies in Tennessee. Partners at Tortola have had experience running companies as large as \$2.5 billion in revenue and as small as \$1 million. Most of our competitors have either heavy finance backgrounds or heavy accounting backgrounds. Very few of them have the operational experience of Tortola.

What does your organization have in the works for 2012? More work from creditors and more national work. Usually, our engagements are on the debtor side — advising or running the actual business. In 2012, we are starting to hear more from creditors who would like to inject Tortola into the situation. We still technically represent the debtor, but the source of our work is starting to come more and more from banks, private equity funds or other stakeholders.

How did you wind up in your current position? Tortola was a way to formalize what I have always loved to do: help businesses make money by facing tough choices. I have always loved the small-business space (less than \$100 million in revenue). I am fascinated by entrepreneurs and find great satisfaction in helping them with complicated

problems. Most of the time, a crisis or a distressed circumstance only seems intractable from the inside. Solutions might be hard to find, but without fail, they are always there.

What makes an effective business leader? Not sure there are common elements of an effective business leader. What makes a technology company tick is different than what makes a service business tick. What makes a manufacturing business tick is different than what makes an investment company tick. But I do think there are common elements in ineffective business leaders. The anatomy of failure is more similar than the anatomy of success. Wanting to make money without enriching the lives of those around you, an inability to back up and admit when you are wrong or an inability to be humbled by mistakes — all are perfect recipes for problems.

What word best describes your leadership style? Earnest.

Goal yet to be achieved? I would love to raise a large fund to invest in the arbitrage that exists in distressed circumstances. Lots of money tries to chase distressed deals, but the traditional private equity model moves too slowly and lacks the expertise to do it well.

Professional pet peeve? Not a big fan of arrogance, probably even less of a fan of entitlement. A pedigree seems to embolden some into thinking they are where they are because they deserve to be there. I don't get to write the social rules, but I prefer a meritocracy.

What keeps you up at night? Most everything. Need to figure that one out a little better.

What do you do to relieve stress? I work out with Jeff Bergholtz at a great place in Nashville called Takes2 Fitness. Gives me a break from phones and email. Makes me feel like I am accomplishing something. Probably the single most important thing I do each week.

Favorite hobbies? Now, what are hobbies again?

Pets? Always been a dog lover. Have two labs that are my favorites.

What's the best gift you've ever received? In 1986, my parents brought a guitar to parents weekend of my freshman year in college. Its gravitational pull bent the course of my life, and I had a good journey because of it.

Person outside of your family you would most like to spend time with on an island? If the island had a tennis court, it would have to be Bar Refaeli.

You've just been given \$100,000 to donate to charity. Where would you give it, and why? I would give it to Rick Schwartz at The Nashville Zoo, a very talented guy who has been quietly building one of the best zoos in the country for years. The city already loves the zoo, but it won't be long until we are all enormously proud of what he has accomplished.

When faced with two equally qualified candidates, how do you determine whom to hire? I would hire the one who has the greater capacity for humility and kindness every time. The whole organization is made better.

What would you like to cross off your "bucket list" next? I would love to take my three boys sailing and scuba diving in the Virgin Islands one day. They are a little young right now, but I am already dreaming and planning.

What line of work would you pursue if you couldn't work in your present one? I'd like to write songs and score music for movies.

Organization or company other than your own that you most admire? Over the past 10 years, I have watched Arnie Malham build CJ Advertising here in Nashville. Probably the largest agency you never heard of. They have a great model with complementary business lines and a fantastic business culture.

Can you name a person who has had a tremendous impact on you as a leader? My grandfather always seemed to have the gift of clarity. He saw simple solutions in complicated problems. He also had the habit of always giving credit to people around him. He was a welder and generally a very tough man, but he was also one of the most humble guys I have ever known.

What would people be surprised to learn about you? I really am not a big fan of crowds. I don't gain energy from being around people. I seem to use mine up in a crowd and need to recharge.

What skill would you most like to improve? I love being around people who think faster or think differently. It energizes me to be around folks with the gift of insight or wisdom. I guess more than anything, I would like to work more on being a great listener to those people.

What is the one behavior or trait that most often derails leaders' careers? A leader should never believe that a great achievement in one thing makes them great, or is solely because of their efforts. Luck plays a role, timing plays a role, and mostly, the efforts and talents of those around you play a role. Success does not confer upon someone the capacity to repeat it.

They're making a movie of your life. Is it a drama or comedy and who plays you? First, whichever movie studio made the decision to make a movie out of my life

will be a future restructuring client for Tortola. Not the brightest decision. But if it happened, it would be along the lines of “Nacho Libre,” and I’d be played by Jack Black.

About Curnutte

Age: 44

Title: Founder/principal

Company: Tortola Partners LLC

Address: 1600 Division St., Suite 675, Nashville 37203

Web: www.tortolapartners.com

Employees: 200-plus across various businesses

Most recently read book: “The Immortal Life of Henrietta Lacks”

Favorite music artist: Coldplay, Nick Drake, John Prine

Education: Wake Forest University, BA

Community involvement: Past member, Nashville Zoo Board of Directors