

# NASHVILLE BUSINESS JOURNAL

## *Building contractor passes torch from father to sons* J.E. CRAIN & SON'S LEWIS RANKIN STILL SERVES AS CEO



Michael Rankin

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Lewis Rankin used to worry about what would happen to his business if he didn't wake up one morning.

"It would have been a void," the 68-year-old CEO of J.E. Crain & Son Inc. said. "I had to fix it so there wouldn't be a void if something happened."

Sitting in the comfortable office of his financial adviser recently, Rankin was – well, comfortable. His path toward gaining that peace of mind is a case study for company owners considering succession planning as the poor economy makes it a more attractive exit.

Rankin joined the Nashville construction company, originally owned and founded by J.E. Crain, 36 years ago. Eventually gaining a majority stake, Rankin was a major force in the company, generating an estimated 80 percent of the company's business as his career neared its end.

It wasn't always clear his two sons, Michael and Mark, would one day want to take over. But as they became involved and worked their way up, he said, they gradually emerged as successors.



From left, Lewis Rankin, CEO of J.E. Crain & Son Inc., works with James Adcox and Jerry Engelman, both of electrical engineering firm C.O. Christian and Sons Co., on the construction of the James D. Hughes Center at Lipscomb University.

Rankin originally wanted to retire by now, and much of the formal planning took place four years ago in 2006. In addition to transferring control of the 60-employee company to his sons, Rankin said he was concerned about how to fairly treat his daughter, who was not going to be involved in the company.

Bob Sinclair, Rankin's adviser and a principal at TrustCore of Brentwood, said the plan had to incorporate an analysis of the business, its ownership structure and policies, along with the needs of the individuals involved. In the end, Sinclair and the Rankins devised a plan to transfer majority ownership to their sons and provide an "equitable" transfer of wealth to their daughter through other assets.

Rankin is remaining as CEO to help make a final push in the poor economy – but it's not for lack of faith in the plan. He said he's confident with Michael as president and Mark as vice president because they worked their way through the company. They've also gradually taken on leadership roles and built relationships with employees, customers and other associates.

"They earned every bit of it," he said.

Michael Rankin, 43, is similarly confident in the plan, and said his main concern was "that

dad got what he needed to out of the transaction," not only financially but also through peace of mind. He didn't always think he'd want to be part of the company but joined after college and gradually grew into his current role.

Of course, family-owned businesses don't always run smoothly. Indeed, some can become fractured or promote leaders who aren't qualified – lending credence to companies that are more formal, with policies and leadership developed regardless of relation.

But the Rankins believe they did it right. Michael Rankin said he and his brother complement one another's skills and take pride in continuing their father's legacy. And in the case of J.E. Crain, he said, family leadership preserves the culture and intimate feel for the company's employees.

It also lets his dad rest easy about the future.

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