

# Legacy of Construction

Through thick and thin, family-owned firms stand strong in Hawaii

BY MARY VORSINO

Seven in 10 family-owned businesses won't survive long enough to be handed down to a second generation. And just 12 percent of family firms are still operating by the time the third generation comes around, according to the Michigan-based Family Business Alliance.

Those are the stark realities Hawaii's family-owned construction businesses live with every day.

Coupled with the realities of the industry, including market volatility, family ownership brings significant challenges, from a lack of deep pockets to the necessity to make do with less. There's also the issue of succession: Who to hand the business down to, and how to make sure its solvent and thriving for years to come?

Plus, business owners say, operating a family company

is draining: Employees wear multiple hats, they always have to be on the lookout for innovative ways to compete with bigger firms, and at least while things are starting up, there's no such thing as a weekend or a holiday.

But family businesses say they also have the unique opportunity to pursue a passion, reshape and re-imagine communities, and have a personal impact on their neighbors' lives.

"Every day we make a difference in the lives of low-income elderly residents and families," says Craig Watase, president of Mark Development, Inc., a family-owned and -operated housing development and management company, in describing why he works for the family business. "It was our father's mission, and my brother and I are proud to carry it on."

The Watases: Paul, Mark and Craig  
PHOTO BY GREG YAMAMOTO



## Mark Development, Inc.

When brothers Craig and Paul Watase disagree at work, they settle it like only brothers would—with a friendly judo or wrestling match in the lobby.

Craig Watase is president of Mark Development, Inc., which was founded in 1976 by Craig's father, Mark, "with the sole intent of building affordable housing in Hawaii." And that's what the company still does today, in addition to managing properties for low-income families and seniors.

Watase's brother Paul is the company's vice president and his sister-in-law, Nola, is corporate secretary.

Craig Watase says there are big benefits to working in the family business. For one, there's more flexibility. Kids, for example, are welcome at the office. "It's something we let all of our



Paul Watase



Mark Watase



Craig Watase

staff do," he says.

But there are also some unique—and tough—situations only family businesses deal with, like how to handle succession when some children aren't involved in the company, or how to remember to argue like colleagues instead of like relatives.

Watase, though, says he wouldn't work anywhere else.

He believes strongly in the company's mission—to develop and manage subsidized housing—and enjoys working alongside his brother. "He complements my areas of weakness, so we usually get along just fine," he says.

## Isemoto Contracting, Co., Ltd.

Leslie Isemoto doesn't want to sugarcoat it: The building industry is cutthroat. And keeping a family business afloat through the construction highs and lows of one generation is tough enough.

Isemoto Contracting has been going strong for three generations.

Hisato Isemoto founded the firm on Hawaii Island in 1926. Leslie, his grandson, leads the business today. Leslie Isemoto's uncle, Larry, serves as chairman.

And this year, Leslie Isemoto was named outstanding union builder by the Hawaii Regional Council of Carpenters. In announcing the award, council executive secretary-treasurer Ron Taketa said, "Isemoto Contracting was built on family values and a commitment to quality craftsmanship, workplace safety and innovation. Les continues to build on his family's legacy, leading a company that is regarded as a leader in civil construction, commercial and retail development and the construction of advanced scientific research installations."

Isemoto Contracting is credited with building a host of Hawaii island's landmarks, from facilities at

the University of Hawaii at Hilo to Hilo International Airport to the Edith Kanakaole Multi-Purpose Stadium. The business has also had a hand in resort and residential projects, and is one of a few local builders qualified to construct scientific research installations atop Mauna Kea.



Leslie Isemoto

Isemoto says while running a family business is stressful (to put it mildly), it's also a source of pride.

"It's an honor to carry on the legacy my grandfather started," he says. "When I drive around the island, there are many roads and buildings Isemoto Contracting Co., Ltd. has constructed over the past 88 years."

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