



Entrepreneur: Hans Sternberg

By Emma James (Contact)
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Position: Chairman/CEO

Company: Starmount Life Insurance/AlwaysCare Benefits

What it does: Life, accident and health insurance

Revenue: \$53,326,258

Next Goal: To keep growing the business

For Hans Sternberg, selling Goudchaux's/Maison Blanche in 1992 was strictly a business decision caused by an uncertain economy, failing banks and a realization that retail was changing in a way that made high-end department stores obsolete.

The most difficult part was telling his mother he was ending a 200-year-old family tradition and turning his attention to his life insurance company, which was based on 640,000 charge account customers in Louisiana and Florida.

Sternberg, the CEO of Starmount Life Insurance and its affiliate AlwaysCare Benefits, now applies the lessons learned from a long career in retail to growing his company while adapting to current economic conditions that are all too reminiscent of the 1990s.

For example, unlike Goudchaux's, the first rule at Starmount is to never borrow more than 60% of your equity. The 26-year-old company, which writes life, health and accident insurance in 47 states, has projected \$70 million in revenue for 2009—a 15% increase from 2008.

"We spend a lot of time speaking about the operations of a business," Sternberg says. "We should understand that underlying that is the nurturing of capital. Your debt-to-equity ratio should stay at a level you are comfortable with."

Sternberg tempers that careful calculation with the personal warmth that kept Goudchaux's/Maison Blanche a family destination for decades. Those tenets not only included the best customer service possible, but also recruiting and training the right people.



That philosophy is evident in Starmount's hiring process, in which nine people interview for each opening and the successful candidate receives comprehensive training. The acceptance rate is 90%.

"If there is a problem where a customer is 20% right and 80% wrong, an adjustment can be made on the spot, even if the employee has been on the job for one day," Sternberg says. "The owners and managers are available whenever there is a problem, and we make decisions quickly."