

In 2005, Doris Kearns Goodwin published *Team of Rivals*, her masterpiece about President Lincoln's relationship with the senior members of his Cabinet, who were also his most serious rivals for the Republican party nomination for the Presidency. I mention this now for two reasons: first, in all my readings about the Presidency (more below), this is by far the best pure history book I have read; second, Ms. Goodwin is still getting asked to speak on this book, including (and the reason I am writing about it now) by the hospitality industry. She will be the keynote speaker at the *Hospitality Leadership Forum* of the International Hotel/Motel & Restaurant Show in New York in November. (I should also note that, after reading *Team of Rivals*, I actually emailed a "fan letter" to Ms. Goodwin. I commend it to everyone.)

My former colleague, Steve Yastrow, recently blogged about Ms. Goodwin's book (<http://yastrow.com/2008/mr-lincoln-master-of-encounter.html>), but Steve tied her work into his, writing about the relationships Lincoln formed with Messrs. Seward, Chase, and Bates. Steve's work notwithstanding, Ms. Goodwin's book resonates with me because of its connection to my reading quest and to its window into the genius of Lincoln's leadership style.

Many who know me know that I embarked upon a "quest" to read a biography of each President before I turn 60; I started this in 2001, just before my 50th birthday. My mother-in-law gave me as a gift David McCullough's Pulitzer Prize winning biography of John Adams. As I went to begin reading Adams, I realized that I had never actually read an adult biography of George Washington. I found one (a one-volume abridgement [it was over 1000 pages; some abridgement] of a seven-volume set) and was on my way. As of this writing, in July 2008, some three years before my 60th birthday, I have just finished a biography of President Carter. Interspersed in the readings of American Presidents (I read a biography of Jefferson Davis, who was, indeed, an American President), I have also fit in biographies of Benjamin Franklin, two U.S. Secretaries of State (Marshall and Kissinger), a Confederate States of America Secretary of State (Judah P. Benjamin), Ms. Goodwin's book, a couple of other U.S. history books and, so no one thinks I'm either too academic or high-minded, quite the number of mystery/intrigue/cop novels and a book about the Carolina-Duke basketball rivalry. But, I digress.

My readings began as a study of U.S. History and the interaction of the country's history and the men who lead the country, and it has diverged to a study of leadership. So, though I agree with Steve Yastrow that *Team of Rivals* touches on relationships, I support the IH/M&RS perspective that Ms. Goodwin can shed light on leadership.

The readings have also helped me formulate some ideas on corporate leadership, to the point that I have attempted to characterize the types of leaders I have encountered during my varied and no-longer-short career. Here is the list of leadership types:

- ✧ Mentor
- ✧ Trainer
- ✧ Partner
- ✧ Controller
- ✧ Dictator

I will touch upon the specific attributes of each type of corporate leader in upcoming “*One Man’s Opinions*” (so to preserve something to talk about in a couple of months and to allow my thought processes in this regard to evolve further). The “Mentor” category will be first to undergo scrutiny.

If anyone actually reads this “*One Man’s Opinion*”, I invite comment on the typology above, and I would be happy to engage in a dialogue on this topic.

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PKF Worldwide recently projected an actual dip in hotel occupancy in the United States beginning in November. I have not looked at any projections of GDP for the last quarter of 2008, but the historical correlation between GDP and US hotel occupancy might suggest that economists are predicting a negative growth in GDP for the period beginning now. That I have not read. However, this raises the question of the intensity of the transactions market relative to hotels in the remainder of this year and early 2009. I have said that I believe that the 2nd half of 2008 would be more active (transactionally) than the 1st half. Many of the public companies facing sell or improve (or fix up) decisions might move toward selling. This, of course, would require some rationalization of the targeted sale price and a narrowing of the bid-ask spread. How, though, can this occur without a robust (hell, any) financing marketplace?

I see two answers – patient equity and international money. These two might be the same, as the sinking value of the dollar might enable a foreign fund, sovereign or otherwise, to use discounted dollars to buy assets with little leverage. And, there may be some patient money lurking out there. The untraded REITs (full disclosure: I am a Director Nominee of Carey Watermark Investors Incorporated, currently in registration) may well be able to raise funds to acquire with even lower leverage than some of the historical REIT funding models (not more than 55% to 60% leverage), as they typically stress longer-term returns than the private equity funds. Surely, there is some leverage

in the marketplace, and there are certainly non-trophy assets that need to trade. Many of these will need significant capital (else, they would not be on the market now), and the patient money will be able to look far enough into the future to make sensible and profitable deals.

One also wonders if this is the time to look at pre-development activities. Given the long lead time between the start of work on a hotel, particularly, a resort hotel, and its opening, the developer who can tie up land in a good location and begin pre-development without need for financing may gain a “leg up” on the competition who can only scrape by when lending is easy. If I was a developer with some patience and risk capital at this time, this is what I’d be doing. But, if a frog had wings, he wouldn’t bump his ass when he jumps.

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Jeff Higley’s piece highlighted in the daily online newsletter from Smith Travel Research on July 25, 2008, quotes my former boss and colleague, Laurence Geller, during his keynote address at the recent Midwest Lodging Investors Summit, as follows:

Being a publicly-traded company is like going to a dentist and proctologist every day – at the same time.

Ouch!! I am not certain we needed such vivid color from anyone, but we do expect that degree of candor from Laurence. However, am I the first to ask: Laurence, were you dragged kicking and screaming to the SEC to register the IPO for Strategic those years ago? And, given your talent and energy and wealth of contacts in our industry, surely you would be as, if not more, successful if you resurrected Geller and Company yet again. I guess I’m asking, Laurence, if you don’t like the dentist and proctologist at the same time, why go?

FOUR CORNERS NOTES

I asked my intern to research for me the number of NBA Executives and Coaches and NCAA head coaches who were students (or team members) under Coach Smith at Carolina. Our best count is 15 NBA Executives or Coaches (both head coaches and assistants), four NCAA head coaches and one NCAA Conference (Big 10) President. Coach Smith epitomizes the category of Mentor to have launched so many basketball careers (and this does not count the many still-active NBA players who sport Carolina Blue letter jackets).