

In my last two “issues” of One Man’s Opinion, I have posited five different types of leader (Mentor, Trainer, Partner, Controller, Dictator; *see* Archives, July 26, 2008) and written about a Mentor (*see* Archives, October 14, 2008). I vowed to write a bit about each type, so I’m onto Trainer. Here goes –

In my perspective, a Trainer is someone who takes an interest in his/her Trainee’s professional development. The Trainer may not be so concerned about the individual’s personal or holistic perspectives or, even, where the Trainee may end up in the organization; rather the Trainer attempts to provide guidance and direction in the substantive aspects of the role the individual has taken on. A Trainer should be an excellent teacher or tutor, and (s)he should be available at all times to answer professional questions and address substantive matters. Though ‘style’ is always important in any professional advancement, the Trainer focuses more on substantive matters, leaving the individual to develop a personal style on his own, unless that style somehow interferes with the corporate mission.

A Trainer may not necessarily be concerned about a subordinate’s place in the organization nor, even, the individual’s short-, intermediate-, and long-term goals for herself; rather, the Trainer takes responsibility for assuring that the trainee knows what the job entails and learns as quickly as possible how to do it. If the Trainee does not utilize personal or political skills to advance in an organization, but substantively delivers the goods, the Trainer has been successful.

Though a Trainer does not, in my view, have so significant a role as a Mentor, the Trainer is, nevertheless, an important person in any organization; in fact, it is plausible that the Trainer is better at **teaching the work** than the Mentor, who **guides the person**.

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Last year, at year’s end, I prognosticated. For the most part, I was wrong, so this year, I am making no predictions (okay, a couple, below). However, I do have some views about where we are going, so I am going to talk about workouts. (Though I do try to get to the gym with some regularity, sometimes I am more regular than other times. But, I’m talking about the workouts between borrowers and lenders, but you knew that.)

Though we haven’t seen an enormous upsurge in problem loans/defaults/foreclosures – yet, I believe they are coming. Lenders who hold hotel loans on their books still may no

longer have on their staffs the right personnel (having, in all likelihood, laid them off for making the loans in the first place) and might need third-party assistance in reviewing their asset-specific portfolios. In other words, it's time again for the hotel-knowledgeable workout specialist. Though we had a downturn in 2001-2002, it was not so severe that workouts were prevalent (not to say that there weren't any), but I believe we need to go back to the early 1990's for the last run of the workout specialist.

Even good hotel loans will mature, possibly during a timeframe in which replacement debt will be difficult, if not impossible, to locate. Banks, in particular, being heavily regulated entities, but all lenders really, will be faced with determining how to deal with the maturities occurring in a no-refinancing marketplace. I see three possibilities generally:

- a hotel loan is good, with a solid asset, but, for market reasons, the sponsor/borrower is simply unable to refinance,
- a hotel loan is OK, secured by a reasonably good asset, which, if there was a 10% or 15% paydown, could be categorized in the prior category, or
- a hotel loan is poor, with limited chances of recovery, and no refinancing possible.

In the case of the first category, the lender might be advised to roll the loan, take a half-point or a point, and extend maturity for a year, or two, or three. In the second, absent the paydown, the lender and the borrower need to go to workout mode. In the third, the lender should either foreclose or work with the borrower on a sale scenario to take whatever proceeds there may be and run; ironically, that lender may need to make a loan to the potential buyer at appropriate (*i.e.*, current) LTV and DSCR metrics.

I firmly believe that there remains a relatively small group of us left in the hotel industry who went through this phenomenon in the early 1990's and who understand what it means to get through these problems. Without wishing ill on anyone, I hope we are all busy; if we're not, then 2009 could be dismal for just about everyone (and that's the only prediction I'll make).

Of course, this is just "one man's opinion."

Four Corners Notes

Coach Smith had a custom of scheduling a game in the hometown of any recruit who was (or was likely to be) a four-year player at Carolina. There was something about honoring the commitment of someone who had gone away from home to attend UNC

and wear the basketball uniform, and, apparently, the players love the idea of performing as a junior or senior before a friendly “away” crowd. I see it as a reciprocal commitment; you come here and work for four years (at your degree and at basketball), and we’ll give you a chance to show your stuff to your friends and family. A nice tradition in a program full of traditions.