

In my last three “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) and a Trainer (*see* Archives, December __, 2008). I vowed to write a bit about each type, so I’m on to Partner. Here goes –

From my perspective, the Partner is the most interesting type of leaders, at least in a corporate setting. Typically, a Partner is one who, though a hierarchical superior, acts both personally and professionally as a colleague, perhaps with a slight disregard of the hierarchical structure. She seeks – and, perhaps more importantly, wants – the opinions of others, particularly in a circumstance or on a topic where the other person may have a greater knowledge or experience base.

The Partner is prepared to synthesize the input from others to make any decision the optimal one and, once made, to reach consensus (if possible). Even where the Partner’s ultimate decision on a given matter is different from the consensus of his colleagues, he takes the decision in such a way as to give credit to all and not concern himself with individual glory. And, the Partner is prepared to delegate to his subordinates.

A Partner is not concerned about personal style; a subordinate’s approach to a matter may differ considerably from her own, but, if the desired result is achieved or anticipated to be achieved, then the subordinate’s style will prevail. The Partner is the epitome of teamwork, personifying the three “C’s” necessary to achieve long-term success in a business setting – collegiality, communication and collaboration.

Being a Partner comes closest to the description of President Lincoln in Doris Kearns Goodwin’s masterpiece, *Team of Rivals*. In my experience, this description best fits my friends, Lou Plasencia (who was my “boss” at The Plasencia Group), Ed Mace (with whom I worked at Vail Resorts) and Rick Riess (my former colleague at Hyatt and my first client when he was CEO of PlumpJack).

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As this OMO is posted, the hotel industry is in the midst of its worst downturn (I am not sugar-coating, I just don’t feel like repeating the term “recession” *ad nauseum*) in my 32+ year professional life. We cannot ascertain asset value, there are no loans to be had, the public hotel REITs are at their lowest share prices in history and substantially in

covenant default on their debt, the next hotel start in 2009 may well be the first, and predictions of recovery are now fighting to determine who can foresee it farthest away (2010, 2011, 2012). I have been searching for the silver lining in this dark cloud, and, at the moment, I cannot find it, unless one considers the slowdown in new supply (the effect of which will be felt beginning in mid-year 2010 and likely will continue for some time thereafter). Ironically, this is a direct correlative of the recovery; as it is likely that hotel construction starts will not begin anew until there is statistical evidence of the upswing in the economy (presuming that lenders start lending on construction projects again), there will be a period of 12 to 24 months where there is no or limited new supply when the economy is in resurgence. That can only be good.

What we should see as the economy begins to recover, whenever that is, should be terrific work for the project consultants (project managers, architects, interior designers, purchasing agents, and construction firms) who will provide services to hotel owners prepared to undertake the renovation and refurbishment work that has been or will have been delayed during the recession. Those hotel owners who time their renovations properly will benefit from having the freshest hotel asset in their marketplace, and this benefit could have a long-lasting effect, perhaps until the next new build cycle is really in gear.

In the meantime, we should expect, through 2010, an uptick – perhaps a quite substantial one – in hotel bankruptcies, loan defaults, workouts, and restructurings, across all asset classes in the hotel space and, not surprisingly given the RevPar declines in the luxury and upper upscale sectors, particularly in that space. Furthermore, I would expect that one or two or more of the public Hotel REIT's will, effectively, disappear during this time.

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And, lastly, here is a shout out to my esteemed colleague, Mike Leven, who may have just (as this is written) taken one of the most thankless jobs in the hospitality arena. Mike, may the wind at your back be favorable and the skies ahead, clear. Given the circumstances in which you embark on this journey, one could not hope for any more.

Four Corners Notes

Coach Smith commented in his book that Michael Jordan was extremely gifted and quite competitive, but that “the great lesson to be learned from him” was his “unstinting work

ethic” and his “determin[ation] to get better.” No matter what skills one brings to the table, there is no substitute for hard work.