

**Birtcher Development & Investments
Legacy of Leadership, a video series**

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Leading with Integrity

Integrity is something that is so hard to define; it is something that is so hard to be able to interview for. Integrity is learned within the environment in which you work. So if the leadership has integrity and if you express that integrity demand on your employees, you are going to be able to rely upon the fact that when they are out representing you that they must realize that it is “only the facts lady, it's only facts.” And it is extremely important that we learn the various aspects of integrity, we hire for integrity, we train for integrity, and again, it is a very difficult thing to define. So you as a leader must be that symbol of integrity.

Make the Most of Downtime

In the times of cycles, and there are cycles within the real estate industry, obviously when they are down they are down and when they are up they are up. And one of the things you have to guard against is to lose your enthusiasm or your optimism in those down periods. So in my case, it is very simple. I look to the sea because I like to fish, I like to horseback ride and I like to travel. None of those are very productive, but they are very soothing in the reality of giving you time to look away in the difficult times and being able to look forward and say “okay, how about tomorrow?” And you cannot talk about tomorrow until you have your mind clear. During these downtimes is one of the most wonderful times to be able to rebuild that business plan, to relook at that vision. So you do not look at it simply as a time to get away but as a time to approach it in an entirely different way.

Raising the Standard

Part of the problem that we had in 2008 is what? It was caused by an over-supply of capital, with an over-supply of energy to create profits and then the greed came in that said we have enough money to be able to lower the standards. So as difficult as it is for a developer to say “let's raise those standards to make it tougher for me to make a loan,” by the same token, the more difficult that loan becomes for me, the more it makes me look at the financial aspects of it as far as profitability. It also gives me the comfort to know that I'm not out there competing with a lot of people who should not be in that marketplace with a lot of lenders that are causing the over-supply of office building, or the over-supply of apartments, and we have seen this over the last two, three or four decades in practically every city.

Quality Will Always Survive

There are some definite upsides in the fact that generally the companies that are left over after the recession are the real professionals, which makes competition much easier. You are not starting out with new people who at random will take any type of path in order to make a project work. At the end of the recession, most of the startups, most of the weak companies have fallen by the wayside. So, it is a time then to re-look at the industry recognizing that you have less frivolous competition, but the competition that you do have you can rely on as providing the same type of quality or attention to the marketplace that you do, because they are quality people that survived.

When to Take Action

Talk to your lender. Your lender is probably the most pessimistic of the individuals you are going to be talking to relative to when are we going get out and how are we going to emerge. So you can tell when you are dealing with that lender on a regular basis when he becomes a little bit enthusiastic, that is when you want to begin to say, "I think now we can start to talk about new projects and new paradigms." So, to be able to judge yourself when to come out of that is not a science, but there are some very practical things that you can do, and that you must watch in order to determine whether or not it is time to reinvest capital.

Relationships Reign Supreme

In any negotiation that you have that relates to the financing of a project, the first aspect that your lender looks at is - who are you. And if you spent the time to develop the relationship prior to the time that you need the loan, you are two, three or four steps ahead. When it comes right down across the table, to ask for the loan, the lender looks at you and says "I have the confidence. I have seen your numbers but I have the confidence that you're going to be able to fulfill it." And that is that final vote that really enables you to get that project started.

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