

Steps to Success

Successful managers leverage training, education, and empowerment—matched with accountability—to unlock the leadership potential within their staffs.

By Chris Wood
Illustration: Richard Borge

Christy Freeland never wants to stop learning. The CEO of Dallas-based Riverstone Residential Group just recently took over the accounting and financial services function of her company as she and co-founder Terry Danner redefine and streamline their core leadership responsibilities. "It's not my area of expertise by any stretch of the imagination," Freeland says. "I can help set departmental goals, but I have always been a field person, and I've liked the challenge of mastering a more internal company discipline." Riverstone senior and executive vice presidents and regional managers take note: Freeland isn't aiming to purely inspire, and if you think you can become an effective leader at Riverstone without some schooling of your own, think again.

"As people get to the senior and executive vice presidential level, they constantly think, 'Well, I'm done learning,'" explains Freeland, who says that the industry has done a great job of providing training, education, and other career-building opportunities to property-level professionals but has ignored mid-level and senior-level executives for far too long. "In some ways it is rather odd that we provide learning opportunities to entry-level job classes that are turning over at 40 percent rather than the people who tend to stay for a long period of time—district managers, regional managers, directors, and vice presidents. We are almost letting them figure things out by themselves."

That's no longer the case at Riverstone. The company adopted a senior leadership program last year for all district and regional managers requiring participation in quarterly skills development Web conferences as well as biannual two-and-a-half-day training retreats with 100 to 150 of their corporate peers. Topics for lectures and breakout sessions range from how to use Microsoft Excel to learning the components of corporate culture change. "Everyone is working really hard," Freeland says. "But we need to focus the discussion on what is getting done and confront the fact that results are more important than effort."

Sound harsh? Not really, say a host of multifamily leaders weighing in on how to best apply leadership concepts to effective corporate management. Long lauded as great recruitment and retention tools, employee training, education, and mentoring efforts are now being required of executives as well as the rank and file. More importantly, career-enhancing training is being paired with follow-up assignments that help identify marquee players who successfully apply their learning to new challenges. Today's executives are finding that their No. 1 responsibility is creating the leaders of tomorrow and daring them to achieve.

HIGH EXPECTATIONS

As part of that process, multifamily executives are beginning to eschew big ideas and charisma in favor of guts and tenacity. "Look, the key to genius is drive," says Chicago-based Fifield Cos. president and CEO Steven Fifield. "Especially as organizations go beyond a handful of people, this business becomes about execution, and I'd rather have a B-student with a ton of drive than an A-student who is laid back. Great ideas are worthless if you never execute them. This is real estate. The A-student, great-idea guy should go home and write a novel."



Indeed, gone are the days when a Wharton MBA and the same last name as the company founder would lock in the executive VP office. Now, multifamily firms are asking employees to prove their skill sets, especially the ones developed in-house as part of formal education and training programs. To be successful in those efforts, it is incumbent upon the established corporate leadership to be unified and consistent in their recognition of the good and not-so-good tendencies among their staffs.

"If you are doing a great job, I will find you. If you are doing a bad job, I will find you," says Roy Stillman, CEO of New York City-based Stillman Development Corp. "What more can you ask for than a fair chance to be known for the person that you are and have a nurturing environment to find the strength within you?"

At Philadelphia-based Campus Apartments, employee empowerment is vital as the company has grown in five years from 40 employees working student properties in two states to 450 employees working properties in 16 states. **Campus Apartments CEO David Adelman says that empowerment can be as simple as core values and concepts matched with corporate administrative and resource support. "We focus on a culture that empowers people to do the right thing, be honest, be ethical, and provide quality," Adelman says. "From there, everyone needs to be their own CEO. The leadership needs to make jobs easier and more**

efficient on-site from entry-level leasing agents to the boardroom."

Surprisingly, employees seem to like the "just do it" empowerment and accountability tack. In particular, providing additional responsibilities backed with training and measured for success seems to cut to the corporate core a lot quicker than motivational quips. "For way too long, people have talked about empowerment generically," says Jeff Brodsky, president of Related Management and executive vice president of Related Affordable, two divisions of New York City-based Related Cos. "Specifically, it is just giving people responsibility and holding them accountable. Most people enjoy that. Most people don't want to work at a company where the leaders let things slide. If Joe is only doing 10 percent of the work, they want someone to take him outside and tell him to shape up or ship out."

EVERYONE'S A STAR

While the jury is still out on whether every employee has an innate capability to succeed, prevailing wisdom seems to indicate that great industry leaders are increasingly made, not found. And as tough as multifamily execs are beginning to get on their staffs, most maintain a modicum of tolerance when measuring performance. In addition to recognizing that mistakes are a part of accountability efforts, extending a second and, at times, third chance also allows for the development of the late

bloomers in the bunch.

"Everyone has their personal ups and downs, and no one is going to be on 100 percent of the time," says Chicago-based RMK Management president Tony Rossi, who delegated leadership responsibilities to his greater staff this year while undergoing treatment for cancer. "Illnesses and divorces are a fact of life. If you stick with people or provide them with some change of scenery, rather than just moving on after a mistake or a misstep, I think you end up better in the long run for it."

In the end, creating a corporate culture that breeds success and asking (or even requiring) employees to challenge themselves in that environment is preferable to being the company cheerleader. "I don't provide motivation for people anymore," Brodsky says. "I provide them an environment that allows them to initiate."

At Riverstone, funneling middle and upper management through core leadership and executive training is having a profound effect. In particular, there's been a rush of volunteers to sit on internal advisory committees covering everything from affordable compliance to ancillary services. "It has allowed everyone to start thinking more strategically," Freeland says. "Everyone is beginning to ask how we should be looking to the future and how this business can be done differently? Asking more of our team has taken all of our senior leadership up to the next notch, and it's been very exciting to see." **[IM]**

Kindred Spirits

Starting at the bottom can provide a better perspective from the top.

ROY STILLMAN is founder and president of New York City-based Stillman Development Corp., a real estate firm that has developed, renovated, and sold about \$600 million in luxury apartments, commercial space, and hotels since 2000, including the Trump International Hotel & Tower Fort Lauderdale, set for delivery next year. "When you work with great people, you get great results," Stillman says.

"The people I have the most respect for are the people picking up garbage and pushing

wheelbarrows," he adds. "They earn it more than guys like me. They don't get a lot for their effort. They come home at night; their bodies are tired; and the next day, they do it again."

Stillman can relate: His first job in his family's real estate company was picking up garbage. Eventually, he worked every job on a high-rise development project from laborer to crane operator to foreman. The experience gives Stillman a pathos that he says is vital to leadership. "There is an important aspect there. It is not

you against me; it is just us," he says. "I take that seriously in my concept of team building."

Philadelphia-based Campus Apartments CEO David Adelman couldn't agree more. At age 13, Adelman took his bar mitzvah money and did a student housing deal with Campus founder Alan Horowitz. He officially joined the company after college and worked construction, did data entry, accounting, leasing, and property management.

"I've done everything in the company, and it provides a special appreciation for the team I have," Adelman says. "I understand how an employee wants to be treated."

Granted, not every exec works their way up from the trenches, and many VPs have greater experience in their job function—human resources, for one—than multifamily real estate, per se. Stillman and Adelman believe that's overcome by rolling up one's sleeves for a little cross-training.

"Get comfortable with being out of the office," says Adelman, who visits employees without their supervisor present to get insight into challenges and hear innovative ideas that have yet to boil to the surface. "All leadership efforts begin there," he adds. "With a humble acceptance that no matter how smart you think you are, you'll never be smart enough to do it all by yourself." —C. W. **[IM]**