

The Art of Being Donald Trump

An Interview with Donald J. Trump, President and Chief Executive Officer, The Trump Organization, New York



EDITORS' NOTE A graduate of the Wharton School of Finance at the University of Pennsylvania, Trump is the author of three best-selling autobiographies – *The Art of the Deal*, *Surviving at the Top*, and *The Art of the Comeback* – as well as *The America We Deserve*. He serves on the board of the Police Athletic League; on the advisory boards of Lenox Hill Hospital, and United Cerebral Palsy; as chairman of the Donald J. Trump Foundation; and as co-chairman of the New York Vietnam Veterans' Memorial Fund.



Donald J. Trump

COMPANY BRIEF The New York-based Trump Organization is the largest real estate developer in New York, with holdings that include the Trump Building at 40 Wall Street, the Trump World Tower across from the United Nations, Trump Tower on Fifth Avenue, the 100-acre Trump Place along the Hudson River, the Trump International Hotel & Tower at Columbus Circle, 50 percent of the General Motors Building at Trump International Plaza, the land beneath the Empire State Building, and the luxury residences Trump Palace, Trump Parc, Trump Plaza, and Trump Park Avenue. In addition, it owns the Mar-a-Lago Club and Trump International Golf Club in Palm Beach, Florida; Trump National Golf Club in Briarcliff Manor, New York; a majority percentage of the publicly traded Trump Hotels & Casino Resorts in Atlantic City, New Jersey, which includes Trump Taj Mahal Casino Resort, Trump Marina Hotel Casino, Trump Plaza Hotel & Casino, and the Trump Casino Riverboat in Indiana; and with NBC, 50 percent of the Miss Universe, Miss U.S.A., and Miss Teen U.S.A. pageants. In 2001 the company reported revenues of \$8.5 billion.

The tragic events of September 11, 2001, and the ensuing economic slowdown have impacted virtually every company in every industry. How much of an effect have you seen

in the real-estate business?

At the moment, the New York office market is average at best, and the hotel market is downright terrible. But the condominium market is the best it has ever been, in large part because many people who got killed in the stock market are now seeking the security of apartments and houses. Plus, this trend reflects the current interest rates, which are just about at

an all-time low.

You mentioned the challenges facing the hotel industry in New York. Is that market simply too crowded today? In the old days, it was often said that you could never have too many hotel rooms.

Well, the market wasn't too crowded before 9/11, but now people are afraid to fly, and I don't blame them. That's one of the reasons my Atlantic City, New Jersey, properties are doing so well. Of course, the number-one reason for their success is good management, but Atlantic City is also an area that many New Yorkers and others can drive, as opposed to fly, to. In general, areas that are accessible by car are doing well right now, while areas that aren't accessible by car aren't doing well; it's as simple as that.

No matter what the economic climate or challenges, you always seem to have an optimistic outlook for the future – an underlying belief that things are going to work out. Is this just a part of your nature?

I actually don't think that I have a very optimistic personality, but I do believe that you can make things work out. I always try to make them work out. Ultimately, a lot of it boils down to the talents and abilities of your people. For instance, we're all familiar with the saying, "location, location, location," but I'd rather have a very talented developer working on a lesser location than an idiot working on a great location, because I've seen foolish people lose a lot of money on good locations over the years. At the same

time, I've also seen some very smart people make a lot of money on bad locations. So while location, location, location is certainly a wonderful axiom, it also can be rendered meaningless if people don't know what they're doing.

Along those lines – and since you're known for providing the best of everything at your buildings – how have you been able to find the best people? Have you been pleased with your ability to attract and retain talented employees?

Part of the advantage of being me is that everyone wants to work for me. As a result, it's not too hard to find talented people.

If that's one of the advantages of being Donald Trump, there must also be a downside. Although you surely have a wonderful life, everywhere you go you're besieged by cameras, publicity, and people looking for stories. Does the constant media attention ever bother you?

Well, that is the downside – that nothing you do can ever be private – and it's a pretty crazy way to live. It's both good and bad, I suppose, and my life is certainly exciting. I'm sure I could have more privacy if I guarded my life more carefully, although it never seems to work out that way, and I'm not exactly sure why. But the fact is, I do very important projects; the business has been extremely successful; and I guess these things have made me a celebrity.

Although everyone knows you by name and by face, only a select few know what it's like to work closely with you. What would the people who have worked closely with you over the years say about what it's like to work for you?

If people know what they're doing and they do a good job, it's great to work for me, but if they don't, it's probably not the most pleasant experience. Fortunately, I have many incredibly talented people, so I just let them go with their talent and do their thing, while I basically

Trump National Golf Club/Briarcliff Manor

stand back and watch them. Again, one of the advantages of the success and celebrity I've achieved is that I'm able to get the best people from the best schools and firms, which, of course, goes a long way in helping me to become even more successful.

In November 2001 you bought the landmark Hotel Delmonico, a 31-story structure at Park Avenue and 59th Street in Manhattan. What are your plans for that property?

We've already started construction on the Trump Park Avenue, the former Hotel Delmonico, which was built in 1927 and is a truly magnificent building. In fact, it's the tallest residential building in that area – a glorious tower with a spectacular exterior façade – and when our construction is complete, I think it will be the most luxurious residential building ever built in New York City. We've fully gutted the interiors, and we're in the process of building brand-new apartments, some of which comprise entire floors, private elevators, and up to 9,000 square feet, which is huge, particularly in Manhattan. We're actually patterning the layouts after 740 Park Avenue, one of the city's greatest buildings, which has long been known for its spacious rooms.

There has been a huge buzz surrounding Trump Place – your brand-new luxury waterfront residences on Manhattan's west side. Has that project progressed in the way that you'd hoped?

Oh, yes; Trump Place is a smashing success. In fact, we've already built four buildings, and we're now starting on two more. On the opposite side of Manhattan, the Trump World Tower, which overlooks the East River and the United Nations, has also been unbelievably successful.

Golf courses are a relatively new business area for the Trump Organization. Have you been pleased with your progress in this arena, and what's your outlook for growth?

Golf is still a small business for me. In fact, I call it my weekend business, because I like playing golf, and now I don't feel guilty when I play on one of my courses. We've just finished building the Trump National Golf Club in Briarcliff Manor, New York, which was hailed as the best new U.S. course of 2002. In fact, many people are saying that it's among the best in New York State, which, of course, covers a lot of territory.

In addition, I've built a very successful golf course in Palm Beach, Florida, which has been equally recognized, and I have recently purchased two others. The

first, which is on the former John DeLorean estate in Bedminster, New Jersey, is being designed by Tom Fazio and will be a spectacular course in a spectacular setting. The second will be the truly amazing, 300-acre Trump National Golf Club Los Angeles in Rancho Palos Verdes, California, which was formerly the Ocean Trails Golf Club.

You've also been a member of the Winged Foot Country Club in Mamaroneck, New York, for many years. Do you still play there?

I love playing golf at Winged Foot, which is one of my favorite courses in the



world. But I don't get up there as much as I used to because I have my own incredible course now, and there's a great feeling of pride in ownership.

And what about your gaming business? Are you pleased with your progress in that area?

Absolutely. It has been terrific, and particularly over the past year and a half, it has been amazing. Ever since 9/11, we've been getting more and more customers because of the growing drive-in market.

Recent scandals concerning corporate accounting and governance seem to have created a perception that there's a widespread lack of integrity in business today. Are you concerned that all companies are now being painted with the same broad brush?

Unfortunately, what we've seen lately, and what gets written about in the press, are the few bad apples. The fact is, most businesses are very honorably run, and most of the people who run them are very honorable. Of course, the sad part is that those people are rarely written about, while every time the media catches somebody doing something wrong, it ends up being a front-page story.

Trump is obviously one of the best-known brand names in the world. Do you see opportunities for expansion in other countries, and

how much of a focus do you place on emerging markets?

I'm currently doing some buildings outside of the United States, including the Trump Tower Korea and a few others that have just gone up or are in various stages of development. These properties have been very successful, and the Trump name is recognized all over the world. In New York City we have a 42-percent premium for the name, which is very big, but ultimately we'd like these buildings to be known for their quality rather than for the name.

The fact is, I've always had a way of getting the best locations; after all, a lot of people would buy these properties if they knew how, but they don't. So, first and foremost, I like to think that the Trump name is synonymous with the best buildings in the best locations. One of the things about our reputation for quality is that I'm able to sell out or almost sell out buildings before they're even built. Usually, a company will build a building, and once it's complete, people will then start looking at the apartments and buying them. But with me, people know they're going to get the best location, the highest-quality fixtures, the largest windows, and the best of everything. For that reason, they literally buy from a blueprint before I even start the construction.

And with everything that's going on in the world today politically, economically, and corporately, has the role of a leader or the definition of leadership itself changed?

I don't think the role or definition of a leader will ever change. In fact, that's why LEADERS magazine is so aptly named, because ultimately a leader is always a leader; it's the same today as it was a thousand years ago. Perhaps there's a somewhat greater focus on proper leadership now, but the definition itself is unchanging.

And even with all of your success, you never show any signs of slowing down. Do you think there will come a day when you're satisfied with what you've achieved and you'll decide to slow down a bit?

Well, my father had an expression that "to retire is to expire," and I've always thought it was a very good one. Of course, I'm not at that age yet, but when I am at that age, I just don't see myself retiring. I've known many great, vibrant people who have retired at 65, and a year later, it's as if they had become old people. But my father remained active virtually until his death at 93, and I want to remain active, too. ●

Trump International Golf Club in Palm Beach, Florida