‘Art of the deal’ by Donald Trump

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The book “Art of the Deal” talks about Trump's childhood in [Jamaica Estates, Queens](https://en.wikipedia.org/wiki/Jamaica_Estates,_Queens). It then describes his early work in [Brooklyn](https://en.wikipedia.org/wiki/Brooklyn) prior to moving to [Manhattan](https://en.wikipedia.org/wiki/Manhattan) and building [The Trump Organization](https://en.wikipedia.org/wiki/The_Trump_Organization), his actions and thoughts in developing the [Grand Hyatt Hotel](https://en.wikipedia.org/wiki/Grand_Hyatt_Hotel) and [Trump Tower](https://en.wikipedia.org/wiki/Trump_International_Hotel_and_Tower_(New_York_City)), in renovating [Wollman Rink](https://en.wikipedia.org/wiki/Wollman_Rink), and regarding various other projects. The book also contains an 11-step formula for business success.

1. Think Big

The idea is simple: **if you're going to be thinking anyway, you might as well think big. Most people think small, because most people are afraid of success, afraid of making decisions, afraid of winning.**

**Don't be too complacent as it hampers growth in the long run.** From the start of his career, Trump remembers his father built low-income and middle-income buildings in Brooklyn and Queens, but even then, he gravitated to the best location. When he was working in Queens, he wanted Forest Hills. When he grew older, and perhaps wiser, he realized Forest Hills was great, but Forest Hills wasn't Fifth Avenue, so he began looking towards Manhattan.

He wasn't satisfied earning a good living, he was looked at making a statement. He was out to build something monumental - something worth a big effort. Plenty of other people could buy and sell little brownstones, or build cookie-cutter red-brick buildings. What attracted him was the challenge of building a spectacular development on almost one hundred acres by the river on the West Side of Manhattan, or creating a huge new hotel next to Grand Central Station at Park Avenue and 42nd Street.

The same sort of challenge is what attracted him to Atlantic City. It’s nice to build a successful hotel. It’s a lot better to build a hotel attached to a huge casino that can earn fifty times what you’d ever earn renting hotel rooms. You’re talking a whole different order of magnitude.

**One of the keys to thinking big is total focus. It is almost as a controlled neurosis, which is a quality found in many highly successful entrepreneurs. They’re obsessive, they’re driven, they’re single-minded and sometimes they’re almost maniacal, but it’s all channeled into their work. Where other people are paralyzed by neurosis, these are the people who are actually helped by it.**

**Not that this trait leads to a happier life, or a better life, but it’s great when it comes to getting what you want.** This is particularly true in New York real estate, where you are dealing with some of the sharpest, toughest, and most vicious people in the world. Trump loved to go up against these guys, and loved to beat them.

2. Protect the Downside and the Upside Will Take Care of Itself

**In a way, Trump believed in the power of negative thinking.** He happened to be very conservative in business. He always goes into the deal anticipating the worst. If you plan for the worst—if you can live with the worst—the good will always take care of itself. The only time in his life he didn’t follow that rule was with the USFL. He bought a losing team in a losing league on a long shot. It almost worked, through their antitrust suit, but when it didn’t, he had no fallback. The point is that you can’t be too greedy.

**If you go for a home run on every pitch, you’re also going to strike out a lot. He tries to never leave himself too exposed, even if it means sometimes settling for a triple, a double, or even, on rare occasions, a single.**

As an example, in 1980s, he managed to piece together an incredible site on the Boardwalk (Atlantic City). The individual deals he made for parcels were contingent on him being able to put together the whole site. Until he achieved that, he didn’t have to put up very much money at all. Once he assembled the site, he didn’t rush to start construction. That meant he had to pay the carrying charges for a longer period, but before he spent hundreds of millions of dollars and several years on construction, he wanted to make sure he got his gaming license. He lost time, but he also kept his exposure much lower.

When he got his licensing on the Boardwalk site, Holiday Inns came along and offered to be his partner. Some people said, “You don’t need them. Why give up fifty percent of your profits?” But Holiday Inns also offered to pay back the money he already had in the deal, to finance all the construction, and to guarantee him against losses for five years. His choice was whether to keep all the risk himself, and own 100 percent of the casino, or settle for a 50 percent stake without putting up a dime. It was an easy decision.

Barron Hilton, by contrast, took a bolder approach when he built his casino in Atlantic City. In order to get opened as quickly as possible, he filed for a license and began construction on a $400 million facility at the same time. But then, two months before the hotel was scheduled to open, Hilton was denied a license. He ended up selling to Trump at the last minute, under a lot of pressure, and without a lot of other options. Trump renamed the facility Trump’s Castle and it is now one of the most successful hotel-casinos anywhere in the world.