

INTERVIEW WITH JIM REITZNER

This month's interview is with Mr. James Reitzner, President for Asset Development Group, Inc. of Milwaukee. Something that you should know about Jim is that his group owns 55 MHPs/MHCs. What's so unique about that you think? They range in sizes from 22 sites to 425! And they are spread out over the states of Wisconsin, Minnesota and upper Michigan—one big piece of geography! Yet somehow Jim and his organization manage these properties very effectively. (FYI: Very effective management is high occupancy, expenses in check, and a profitable bottom line.)

Jim shared his basic philosophy on investing in and managing parks and communities and its food for thought for all of us.

Everyday he tries! Every day he tries to be better than he and the organization were the day before. He's on the alert for new and better ways of operating. What is so apparent when you call his office is the feeling of customer service and organization. It feels like someone is there to respond to me if I am a resident. (Here's the phone number, call and see for yourself: 414-351-8000.)

His secret to success? String a lot of days together where you try to improve and Abra Cadabra (!)—You've got a winning corporation. As for customer service and resident relations, Jim has been doing home sales since 1970 and investing in MHPs/MHCs since 1980. He understands the connection between profitability, growth for the company, and a resident focused, resident based MHPs/MHCs.

Also take notice of the 2005 Company Goals for Asset Development Group, Inc. in the side headings of this month's newsletter.

What are the three biggest differences in the community business between 1980, when you started investing, and the present?

1. The pressures and stress on the family today are much more intense and complicated than they were in 1980.
2. Twenty-five years ago, the land-lease community owner could count on the "mobile home dealer" distribution channel to fill vacant sites and arrange financing for consumers.
3. Apartment rental rates have not risen as fast as the total, all-in costs to provide new manufactured homes in the land-lease community setting.

What incentives are you implementing to fill vacant sites?

We offer cash incentives to site managers, sales personnel, Area Managers. We also offer incentives to the residents with site rent initiatives and other rewards for referrals. In other words, all who benefit from filling a site receive something in the process.

What are three key things to training managers and staff to deliver customer service and at the same time pay attention to the owners/investors profit?

As Lou Holtz, the great Notre Dame Football coach put it:

- a. Work hard and do your best.
- b. Do what's right.
- c. Treat people the way you would like to be treated.

Does this mean giving in to every expenses request and resident or management whim?

Absolutely not. In fact, it is the basis for doing the opposite.

You have said that there is a fine line between customer service and resident relations and what is fair to the owner. Can you elaborate?

Yes. The “fine line” I was referring to is the constant, on-going, evaluation we must make as conscientious managers between making decisions that only benefit the residents or only benefit the owners. If the outcome of a decision is for the sole benefit of one or the other, it is probably the wrong decision. All actions by employees and owners must benefit the residents and the owners.

What are the benefits of community living that you communicate to prospective and exiting residents? How do you communicate the benefits?

The benefits of community living can be summed up in one word—“neighborhood”. We try to promote an environment that is safe, sociable, and enhances real and perceived value. To better help understand this, I have included two pages from our company “Community Manager’s Handbook”. Sadly we have not accomplished all of the 2005 goals, but we are well on our way with several of them.

Is there something about you, maybe a hobby or something outside of work that you do that most people wouldn't know about you?

Actually, I paint. Contemporary and modern art for personal use and enjoyment. I was recently asked to provide a piece for local charity even.