

## MOST-ADMIRED CEOs

# Moghadam keeps his balance in rocky times

### Energetic founder 'eats, drinks and sleeps AMB'

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**A**MB Property Corp. CEO Hamid Moghadam has a small corner office at the company's industrial-chic space at Pier 1, but most days you won't find him there.

Instead, the founder and top executive of the real estate investment trust works from a cubicle no different from those occupied by the rest of AMB's 600 employees. Any employee wanting to ask Moghadam a question simply stops by his desk or shoots him a quick email.

#### HAMID MOGHADAM AMB PROPERTY CORP.

**Category:** Public company  
over \$500 million.

**HQ:** San Francisco.

**2007 assets:**  
\$17.7 billion.

**Employees:** 602 in 29  
offices.

**Career highlights:** Founded AMB in 1983 with \$50,000 loan, steered the company's IPO in 1997; launched AMB's international expansion program in 2002.

of the world's leading industrial REITs. The company has \$17.7 billion in assets and operates in 15 countries. It employs 602 workers in 29 offices.

AMB has been able to grow by capitalizing on the explosion of global trade. The company has amassed a 137 million-square-foot portfolio of warehouses and logistics facilities clustered around the world's busiest seaports, airports and highway systems. AMB has followed customers to Canada, China, France, Germany, Japan, Mexico, the Netherlands, Singapore and Spain.

But the current economic downturn has been particularly difficult on real estate firms, including AMB. REIT stocks have been getting hammered, and in mid-October AMB's share price dropped to a low of \$15 from a year high of \$65. It has since rebounded to \$24. Moghadam has kept all the equity he ever had in AMB. Even when he has exercised options, he has bought stock with the proceeds. The company went public in 1997.

#### 'Ducks and bunnies'

Rather than keeping a low profile during the tough times, Moghadam says it's even more important to be accessible and visible. Since the credit crisis started a year ago, he has been doing bimonthly videos that allow employees in all 29 offices from Shanghai to Mexico City to Boston to know exactly how AMB is dealing with the financial crisis.

"I think people find it helpful to hear from leadership in times of turmoil," said Moghadam. "I would say 80 percent of our people have not gone through a downturn. They are a little jarred by what is going on in the world."

Hemmenway said Moghadam uses the videos to reinforce the company's priorities and values. She said he has an ability to take extremely complex business concepts and "describe it in ducks and bunnies."

"He is very transparent," said Hemmenway. "He doesn't try to make things better than they are. He is very matter of fact and tells the truth: it's going to get worse before it gets better. He doesn't try to sugarcoat it. He says don't watch the stock price every day, because there is nothing we can do about it. He tells people to remember that the sun is going to rise tomorrow because it always does."

As a CEO, Moghadam describes his leadership style as accessible, open and analytical. "I like to ask a lot of questions. I like consensus. I really like my team to come up with options but I am not shy about putting options on the table if I am not getting enough options," he said.

Moghadam said he is intimately involved in hiring managers and often draws from the network of people he has worked with over the years. He looks for people who are open about past failures and have learned from mistakes.

"I'm batting maybe 70 percent on hiring. I don't think anyone can bat 100 percent on hiring. It's really tough."

Hemmenway said Moghadam is a "master of accessing talent." On one particularly difficult and vital hiring decision, he "went into his office and got on the phone and stayed there for three days" before making the decision to go with an internal candidate. "He spends a lot of his time looking for talent. He does that himself. He doesn't hire an executive recruiter."

#### Tough negotiator

AMB tends to partner with local developers and owners in markets it enters. One of those firms is the Codina Group in Miami. Armando Codina, CEO of the Codina Group, said Moghadam is the



**Keeping a high profile:** "People find it helpful to hear from leadership in times of turmoil," Moghadam says.

sort of leader who inspires confidence in rocky markets.

"In this day and age, where we have such a tremendous distress in the marketplace, Hamid is the guy you want at the wheel," said Codina. "He is steady and knowledgeable, ethical and very experienced. He is the guy I would want in charge."

At the same time, Codina prefers to be negotiating with Moghadam rather than against him. "I hate to negotiate with Hamid because he is tough and smart. By the same token you have a comfort level because with Hamid everything is always on the table."

While workers are focused on the nuts and bolts of global trade and real estate deals, Moghadam makes his team feel part of something larger and more meaningful.

"He is the only person I know who can make industrial real estate and world trade seem exciting," said Hemmenway. "We all feel that we are part of something much bigger than AMB. We feel we are part of world trade."

For now, Moghadam said he is braced for more uncertainty. "We're really hunkering down in our operations and we're cutting back our development starts," he said. "We're really protecting our balance sheet, which is really important to get us through this environment."

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