



SURVIVING TOUGH TIMES: HOW LINTHICUM WEATHERED THE RECESSION

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The impact of the recession on the luxury custom home and high-end commercial construction markets has been significant.

While there has been a recent recovery, it has done little to improve conditions and as a result, our markets remain soft. As a builder in this market niche, the past few years have presented unprecedented challenges.

To overcome these, Linthicum had to make several key strategic moves. While some of the actions we have taken are best practice type responses to any economic downturn, some are far less conventional. The reality of this economic cycle, however, requires more out-of-the-box thinking in order to survive it.

First, we streamlined our organization to remove any unnecessary expense while also capitalizing on and maximizing the talent of our people. Ultimately, this results in fewer doing more. It also creates unique opportunities for those who are willing to work for them.

Second, we expanded geographically into other luxury markets to create a bigger pie to draw from. As a result, our reach outside Arizona now includes Tahoe/Truckee, Kauai, Hawaii (above photo) and the Coachella Valley of California.

While this type of move can be risky, having the right plan in place to be executed by the right type of employee can significantly reduce the exposure. When there simply isn't a sufficient volume of opportunities in your own backyard, we believe, you need to go find another. This has proven successful for us.

Next, we have made entry into other related product market segments that still allow us to execute at the high standards of quality we are employed for. The high-end tenant improvement market has provided an opportunity for us to keep our team members employed and our backlog active. This change also required a shift in pricing and staffing approach, which has created an even more streamlined solution to our clients needs.

And lastly, we remain light on our feet, always looking for ways to reduce cost and maximize every dollar of revenue. With some segments of the market showing signs of measurable improvement, we remain optimistic that we will once again see healthy levels of demand and be a stronger and more resourceful company when that occurs.



Eric Linthicum is CEO of Linthicum Corp. In 1984, while still in high school, he joined the family construction business, then Linthicum Constructions Inc. In 1997, his focus shifted to the company's rapidly growing custom home division and, in 2001, he assumed its leadership. Linthicum is a builder of high-quality commercial, golf/resort amenity, and custom residential projects associated with high design, fine finish and complex detail.