

IF I KNEW THEN...

In this ongoing series, we ask executives, entrepreneurs and business leaders about mistakes that have shaped their business philosophy.

Arnaud Karsenti

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[13th Floor Investments](#) is a Miami-based investment firm managing more than \$1 billion in commercial and residential real estate projects.

The Mistake:

There's a pretty long list of deals we didn't do that I wish we would have done, and I think that's because early on in your career you're still learning how to build confidence in your intuition. One mistake I can think of is not having the confidence to buy as many assets as I could have during the recession, instead choosing to be safe and not really follow my convictions.

We started buying distressed land in South Florida [in 2008-2011], and we did a fair amount of it. But if I look back, it really was a once-in-a-lifetime opportunity. I kind of knew it was, and I remember saying that it was, and I even made presentations that said that it was, and I was right. But I didn't have the real confidence in myself or the resources to buy as much as I would have liked to or as much as I should have pushed for. I bought \$100 million worth of property, but I should have bought a billion dollars worth of property.

The problem with the real estate business is that a lot of people walk into it for the first time, and when you're doing something for the first time, you're much more hesitant. I had never bought hundreds of millions of dollars worth of property, so I didn't know what I was doing. I was driven by the fear of failure, assuming that if I was wrong, I was out of the game altogether. When there's a good opportunity in front of you, use a sledgehammer, not a scalpel.

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The Lesson:

It doesn't really matter whether you're right about every detail. What matters is whether your view is right. But when you do take a view, you should have the flexibility to perform along that view and achieve your objective, and not be so concerned with the minutiae.

Being driven by the possibility of failing is something that really only happens when you're too green. As you do more, you start to play the odds game a little more. You tell yourself you can afford to lose on this one because you're playing the longer ball. But as you gain more experience I think the opposite happens, you start to narrow down and know what a good deal is quicker. When you're a novice, you're more hesitant.

After a while, your gut tells you if you have a good one. I have a lot more resources today than I did before, but I'm also not afraid to take a view and charge ahead with that view, regardless of what others may think. I would say that when you believe in something, you should go for it, especially if you've already started to prove to yourself that you're right.

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Pictured: Arnaud Karsenti. / Photo courtesy of Arnaud Karsenti.
