

At Walker Parking Consultants, Succession Planning Breeds Success

By Risé Landeros, SPHR, Vice President of Human Resources, Walker Parking Consultants

In April 2002, I arrived at Walker Parking Consultants' Annual Shareholder Meeting and joined the spirited conversation and good humor of my friends and colleagues. Some of us had not seen each other in months, while others were meeting for the first time. All of us were excited to hear the latest news about our company's progress. As the start of the meeting drew near, the Chairman of the Board, Frank Transue, took me aside and gave me some shocking news: One of our Senior Vice Presidents had unexpectedly passed away just hours earlier.

The Chairman opened the meeting with the sad and painful announcement that permeated the rest of the day's activities. The sudden loss of the man who oversaw Walker's design standards and project management, and whose tenure spanned more than 30 years, highlighted the managerial vulnerability all companies face with the loss of key personnel through death, resignation, and retirement. What could have signaled a period of uncertainty turned out to be a period of successful transition and increased support for organizational planning and development.

Walker Parking Consultants is a parking, design, and restoration consulting firm. We were established in 1965, and have grown to include 13 offices in 11 states. As Vice President of Human Resources, I am responsible for areas such as compensation, benefits, recruiting, relocation, and organi-



Participants analyze a case study at a recent Walker College.

zational development, an area that continues to occupy a greater amount of my time.

As we celebrate our 40th anniversary, we continue to increase our focus on the human resource management policies and processes needed to ensure our healthy future. We want to make sure that we have everything in place to successfully guide us for the next 40 years.

To that end, we have established a number of initiatives, including the Walker Leadership College, an ongoing leadership program for the current and potential future leaders of the firm. During the program, we explore leadership principles and share our personal and professional stories. But more important, we leave the experience with a better appreciation of the chal-

lenges faced by our managers in each of the 13 offices scattered throughout the United States. From Tampa to San Francisco to Boston, we face challenges that somehow become less daunting when shared.

We also recognize that, as a privately-held firm, we face unique managerial challenges of succession that may be somewhat less critical in larger firms with deep managerial benches. While the death of our Senior Vice President was clearly tragic from both a personal and professional standpoint, it served as a reminder of the importance of continuing our management development and succession planning initiatives.

Strategic Succession Planning Initiatives

One such initiative is our stock offering and ownership transfer program. Because top management has long believed that decisions affecting the well-being of

the company should be made by those individuals who have a personal stake in the company, minimum shareholding goals have been developed for each level of management, from Director of Operations to Chairman. As an employee is promoted, he or she is given the opportunity to purchase company shares over a given time frame. By the time employees are promoted to leadership positions, many will have already made significant strides toward this ownership goal.

As a shareholder nears retirement, the company begins to buy back his or her shares and offer them to others. Thus, through our ownership transfer program, the stock successfully changes hands from generation to generation. We believe that stock ownership communicates a long-term commitment to the company by the employee-owner, which in turn contributes to the health of

the company.

Other succession planning initiatives were the outcomes of a bold strategic plan, initiated in October 2003, which contains two overarching goals: 1) improve profitability; and 2) accelerate leadership development. My staff and I are responsible for implementing a number of goals from that strategic initiative:

- Identify the type of future leaders needed and a pool of candidates
- Expand and improve our 360° feedback process to help our current and future leaders develop themselves
- Implement a sustainable mentoring program
- Implement the Annual Leadership College
- Improve the recruitment and hiring processes

Top management at the firm believes that the development of future leaders through a succession planning process offers numerous benefits to all stakeholders. First, the firm will continue to prosper by having trained and qualified personnel to take the place of current key managers, as retirements, resignations, or deaths occur. Second, the high potential individuals, who have been chosen to undergo accelerated development, benefit from skills training and information that fills in knowledge gaps. Third, employees, who sometimes fear the employment risks that can characterize privately-held firms, can feel confident that their futures will not be compromised by management change or attrition.

For the past several years, we have embarked on a succession planning process that involves the selection of high-potential candidates, a mentoring program, and an evaluation program. We are calling it a pilot program, because we know that we will make changes to the process, based upon feedback from participants, whom we call “proteges,” and senior officers, who serve as their “mentors.” I’d like to describe this process and share some of our learning.



Chairman of the Board, Frank Transue.



During a well-deserved break, participants catch up with old friends, and make new ones.

Selection Process

Walker Parking Consultants' success has always been its people, and "promote from within" has always been a guiding principle. In order to identify the people most likely to ensure the firm's future success, we utilized a comprehensive assessment process to help us develop a preliminary list of candidates. This in-depth assessment procedure was used to determine each candidate's managerial and leadership strengths and weaknesses, and each candidate was provided feedback about his or her leadership potential. From that process, we developed a list of qualified individuals and asked top managers to rank them in terms of executive capabilities. The initial process resulted in the selection of 13 high-potential candidates, a group that included design engineers as well as vice presidents. As we work through the program, other high potential candidates will be included.

The Training Program

Our training philosophy is centered as much on the needs of the protege as the organization. For example, proteges and their mentors are not locked into specific training modules and can spend the greatest amount of time on the modules they

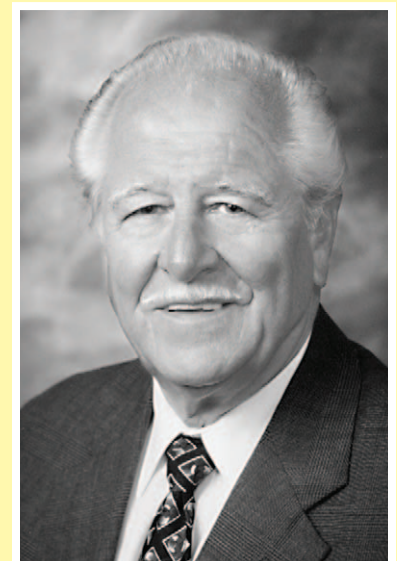
feel will benefit them the most. The 17 modules, developed by the firm's top managers, have been designed to include managerial issues and readings to stimulate discussion between protege and mentor. Some of the managerial issues modules are general and include topics such as "Time Management" and "Decision Making" that can be useful to just about anyone. Other modules have been custom created for the specific ways that we do business. The modules include topics that range

from a discussion of our core values, to modules about "Selling Our Services" and "Business Planning & Forecasting."

Simultaneously, we implemented a formal process of 360° feedback. The process was driven by senior officers, who were also the first ones to undergo 360° feedback. In 2003, all our vice presidents participated, and, in 2004, all directors of operations and proteges in the mentoring program participated in the process. An outside consultant was brought in during the Leadership College to analyze the results and help the participants create their own Individual Development Plans that would support our Strategic Plan.

Learning Take-Aways

As the proteges continue to learn more about managerial processes and procedures, those of us responsible for the program have also learned a great deal about the succession planning process and curriculum. For example, by listening to feedback from participants, we have learned that some of the modules were quite helpful to less-experienced indi-



Howard Linders, Chairman Emeritus.

viduals, but not as useful to proteges who entered the program with more experience. This feedback suggests that the more experienced proteges may not need to complete

and our strategic plan, as a result of being made aware of the thinking behind the plan.



John Bushman, Chief Executive Officer.

certain modules or that there may be two tracks in the future. The geographical distance between some proteges and mentors is also a challenge, but one that we are committed to overcoming. We can do this, through the use of electronic technology, email, telephone contact, face-to-face meetings, and project work.

The 360° feedback process also yielded positive feedback, but more important, positive results from the participants. An informal survey of mentors revealed that 360° feedback was not only a powerful management tool, but also a key ingredient for effective succession planning.

One mentor suggested that feedback from the process is hard to ignore:

The results of the 360° feedback are easier for the subject to accept as true, because they aren't one person's opinion, rather the candid feedback of a number of people, mostly given anonymously. Outliers are obvious and can be ignored, but the consensus among the reviewers is also obvious. Areas to work on are apparent. Areas where the subject's perceptions are very different from the reviewers' perception are most interesting.

Another mentor praised the process for its ability to uncover unconscious weaknesses:

Every 360° survey I've been involved with exposes some weakness I wasn't aware of, either in me or in one of my staff.... If we are willing to deal with that weakness, we're a better leader for it. The thing I have witnessed about the mentoring program is the increased commitment of the protege to the firm

John Bushman, Walker's CEO, has told the management team that no one should retire from his or her leadership position without having prepared a replacement. In fact, our succession plan dictates that we must help identify and groom our own replacements, so they can assume our position before, not after, we retire. His leadership succession philosophy, combined with our ongoing program, has helped us to stay focused on this important goal.

Building for the Future

Unfortunately, none of us has the luxury of being able to predict all resignations, early retirements, or other losses of key personnel. In 2003, we experienced the sudden death of another senior vice president who had been with the firm for nearly 20 years. Despite the second senior management loss in less than two years, we were able to carry on, because the individual assessment, skills development, and identification components of our succession planning program are working.

While we recognize that no single program or process will consistently deliver strong and competent leaders, we believe that approaching succession planning in a variety of ways, such as an ownership transfer plan, 360° feedback, mentoring programs, and in-depth training, will help expedite the inevitable transitions we face in the future. We believe that a well-organized, ongoing succession planning process is dynamic and we will make changes as they become necessary.

Succession planning is important for most companies, but it is critical to the success of medium-sized, privately-held firms such as ours. We will continue to be diligent about keeping our focus on what we need to do today to prepare for the unexpected and to ensure a successful transition of leadership in the future. **P**