

Executive Search 2014:

State of the Industry Report (U.S./Americas)



TAKING THE LEAP

Kaye/Bassman – Sanford Rose Associates

When it comes to hiring for top jobs, companies sometimes need to take a bold leap to free themselves of old ways of thinking that are holding them back. In the record-setting days before the Great Recession, an old-school mentality was just fine in the construction business. It was hard to argue for change back in the glory days of 2008, when the market for new projects was going great guns and contracting revenues topped \$338 billion. One economic collapse and five or six years later, however, and it's a different game. Business is gradually rebounding, for sure. But fee pressures and increasing costs have made it necessary for construction firms that want to stay profitable to develop new revenue streams. So it is that more companies have added consulting and design-related services, such as Building Information Modeling and Virtual Design and Construction, to what they offer clients. New ideas and fresh perspectives, smart leaders know, are the difference between a thriving business and one that is heading toward oblivion.

To find men and women who can effect such change at the highest level of a company is some of the most impactful work that a talent recruiter could hope for. In recent years, Kaye/Bassman has helped facilitate a number of such hires. Consider, for example, the search firm's assignment last year to help find a new president for the venerable Manhattan Construction Company in Tulsa, Oklahoma.

Manhattan Construction Company

Nearly 120 years old, Manhattan Construction has long been a lion of the industry. A subsidiary of Rooney Holdings, Inc., Manhattan Construction has a history of erecting important and impressive structures, starting with Oklahoma's first State Capitol in Guthrie, its latter incarnation in Oklahoma City, and the addition of a dome to the newer building many years later. Among its more notable

projects of recent vintage are Dallas Cowboys Stadium, Rangers Ballpark in Arlington, and presidential libraries for both George H.W. Bush and George W. Bush.

Yet the company was at a crossroads. Times had changed and Manhattan Construction had failed to keep pace. The business had always hired its presidents from within, and was proud of it. But what was now required was an infusion of new blood. Improvements were needed in the company's internal technological capabilities. Its marketing, branding, and how it was perceived in the marketplace all had to be revamped. With offices around the Southwest, Southeast, and Washington, D.C., the organization had become decentralized and someone had to unify it. The very culture of the place needed shock therapy as well.

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Last June, Kaye/Bassman was called in for the assignment. Manhattan Construction was the search firm's oldest construction client. Jeff Wittenberg, managing director, and Luke Peters, search consultant, handled the search. Basically, Mr. Wittenberg oversaw the client side of matters while Mr. Peters handled candidate recruitment.

To start, Mr. Wittenberg met with Francis Rooney, CEO of Rooney Holdings; Kevin Moore, president of the holding company; and Steve Cannon, senior vice president of human resources. (Over the course of the assignment, Mr. Wittenberg would consult with all three men, though Mr. Cannon was his most-frequent contact.)

"What do you want Manhattan Construction to look like a year from now," he asked the men. "How about

in three years? And in 10? How different do you expect it to be than today? What kind of qualities do you want in this new president? What kind of individual should this person be? What experience?” And so the questions went.

Given the nature of the business, it went without saying that the search would be confined to the commercial construction industry. Geographically, the stakeholders wanted someone who knew Manhattan Construction’s turf, which essentially confined the search to the East Coast and Midwest. (The president’s job would be in Atlanta.) Beyond that, they wanted somebody young and full of energy, who’d run an operation with projects similar to Manhattan’s. Candidates should also have been working for one of more innovative organizations. The search would be completely external.

“It’s hard work to turn a company around,” says Mr. Wittenberg. “You’ve got to work with every facet of the company. There are senior-level candidates who just don’t have the fire in the belly for that. They would love the opportunity to take over a company and just stay the course. And then there’s another situation like Manhattan’s, which was, ‘We want to set a very different course and it’s going to take a lot of work because we’ve got to retool.’ You can’t just turn the steering wheel. So that was one of the criteria we used: How receptive to change are you? And if they didn’t have an appetite for change then they probably were not going to be a viable candidate.”

Once the needs assessment was complete, the recruiters developed a list of companies and potential candidates within each. Given that Manhattan Construction had never ventured outside its own ranks for a president, Kaye/Bassman was determined to conduct the most comprehensive of searches. To begin, the recruiters had a list of several dozen potential candidates, which they would evaluate and steadily pare back. Ultimately, they presented eight

individuals for consideration. Five were interviewed. Two of those were short-listed.

The final choice was John Reyhan, who had been working as executive vice president at Skanska USA Building Inc., a much-respected, consistently top-ranked Scandinavian company. Mr. Reyhan was in charge of the Atlanta regional office.

“I’d describe Skanska as a company built for the modern-day market,” says Mr. Wittenberg. “Very forward thinking and very collaborative in its culture. Very interactive. Very technologically advanced. And their approach to market is pretty top-notch.”

Mr. Reyhan was top-of-the-line as well. He had 27 years behind him in construction and had led everything from the building of sports facilities to federal projects. “His history within Skanska had really been as a bit of a turnaround specialist,” says Mr. Wittenberg. “He’d go into a business unit or region that was struggling and whip it into shape. He was familiar with being a change agent and had a great deal of comfort in that role.”

Mr. Reyhan signed on with Manhattan in September, four months after the search began. And though the company spoke at length with the No. 2 candidate about another position within Manhattan Construction, those efforts ultimately fell short.

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Pepper Construction Company

Another of Kaye/Bassman’s longtime clients that had the vision and courage to evolve with changing times was the Pepper Construction Company, of Chicago. Last year, the firm decided to take an unusual step for the construction trade and bring in a chief marketing officer.

Like its brethren firms, Pepper, one of the biggest builders in the Midwest and the nation, was a business-to-business operation. Most of its new clients came through the bidding process or through networking. But in the wake of the recession, Pepper's management realized, the market was in flux. Client acquisition was changing. Customers were becoming more sophisticated. They expected more. And Pepper, though known by everybody in the Chicago construction industry, lacked a cohesive marketing strategy.

In an effort to elevate its approach and to reach those savvy new customers, management – specifically Scot Pepper, executive vice president in charge of business development and marketing, and one in a long line of Pepper family members to work for the firm – knew it was time to bring in an expert.

“We knew this person was not going to come from another general contractor because we knew all the contractors and we knew that position just didn't exist,” says Mr. Wittenberg. “We weren't sure if the candidate would come from another company within the construction industry, such as an architectural firm or an engineering firm or a consulting firm. But we knew that that was going to be a shallow pool regardless, so we were prepared to go outside of the industry. But for all the obvious reasons our primary target was to find someone within the construction industry.”

Because Pepper wanted someone with local market knowledge, the search was also restricted to Chicago.

After preliminary discussions, the search officially commenced in January 2013. Because of the senior level of the assignment, matters were handled exclusively by Lee Martin, one of Kaye/Bassman's managing partners. And though Scot Pepper stayed involved, the search firm mainly worked through Michelle Lieb, Pepper Construction's vice president

of human resources, touching base with her at least once or twice a week.

Once again, target companies and potential candidates within those firms were identified, evaluated, and contacted. A total of five candidates were presented to Pepper for consideration. Three of those were interviewed before the final selection last summer of Jacqueline Lavigne, a veteran marketing executive in Chicago.

Most recently, Ms. Lavigne had been chief marketing officer for Nelson, an international design and consulting business, in addition to nine years as group vice president and marketing director for Hok, a global design, architecture and engineering concern. “She was very connected in the industry,” says Mr. Wittenberg. “She knew it inside and out. And she knew the players.”

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Bringing Ms. Lavigne on board demanded some flexibility in areas beyond basic salary, but both the company and candidate were able to overcome the obstacles. And though the position continues to evolve – Ms. Lavigne is largely defining the job on the job – the hire is proving to be a happy one for all involved. “She's exceeded their expectations and I think she's really having fun,” says Mr. Wittenberg.

In addition to the successful cultural fit and inherent trust that Lavigne has built with the executive team, Pepper has seen significant success in the form of

substantial new business revenue and overall brand awareness as a result of her efforts.

It was a feather in the cap for Kaye/Bassman as well. Besides being a C-level search, it's rewarding to help carve a new direction for a company, and to help develop a new role.

"Companies don't create new positions just out of the blue every day," Mr. Wittenberg explains. "So for us to have a hand in helping them really visualize the position and to help create the job description and help them gain clarity around it was great. It was way cool."



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Jeff Wittenberg is a Managing Director at Kaye/Bassman and leads strategy, team and operations of the firm's Construction and Real Estate Practice. Over the course of 13 years at Kaye/Bassman, Mr. Wittenberg has had responsibilities for the firm's talent acquisition, training and development, culture, marketing communications and overall governance. He is based in the firm's Dallas, Texas office.



Lee Martin joined Kaye/Bassman in 2004 and has specialized in the Construction and Real Estate Development markets for a decade. Mr. Martin serves as the Director of the Midwest Commercial market, assisting his clients with key leadership hires for new divisions all the way to staffing entire construction projects.



Since joining Kaye/Bassman in 2007, **Luke Peters** works directly with key clients on full cycle recruitment efforts. He oversees the recruitment of construction professionals for the South Texas region, where he assists in new client development, strategic marketing efforts, recruiting, retention, compensation and other aspects of the business. Mr. Peters has successfully placed professionals at all levels in diverse disciplines including Presidents, Executives, Project Managers and Engineers, Superintendents, Real Estate and Commercial Development Managers in Construction, Business Development and Safety.