

A/E Ownership & Leadership Transition in the Age of Remote Work

PRESENTED BY:

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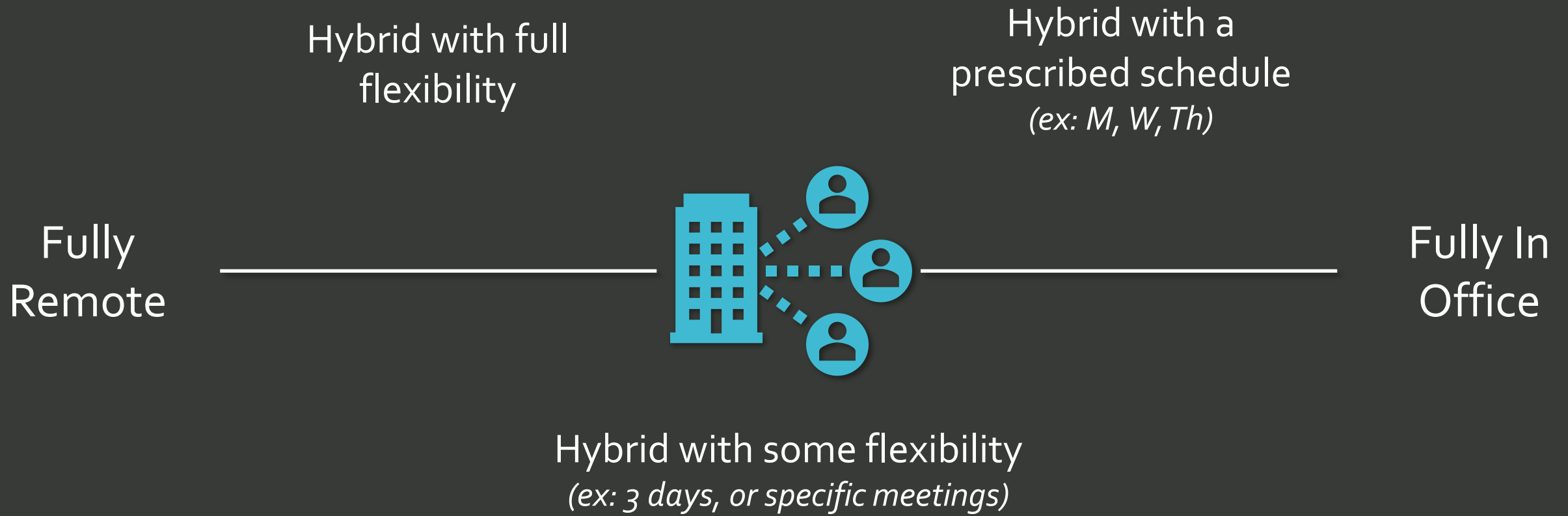
Agenda

- Remote Work & Employee Engagement
- Three A/E Case Studies in Remote Work
 - Employee Experience
 - Leadership Development
 - Ownership Transition
- Strategies for Success

Remote Work & Employee Engagement

The Spectrum of Remote Work

Varying flexibility and autonomy around when and where employees work



The Spectrum of Remote Work

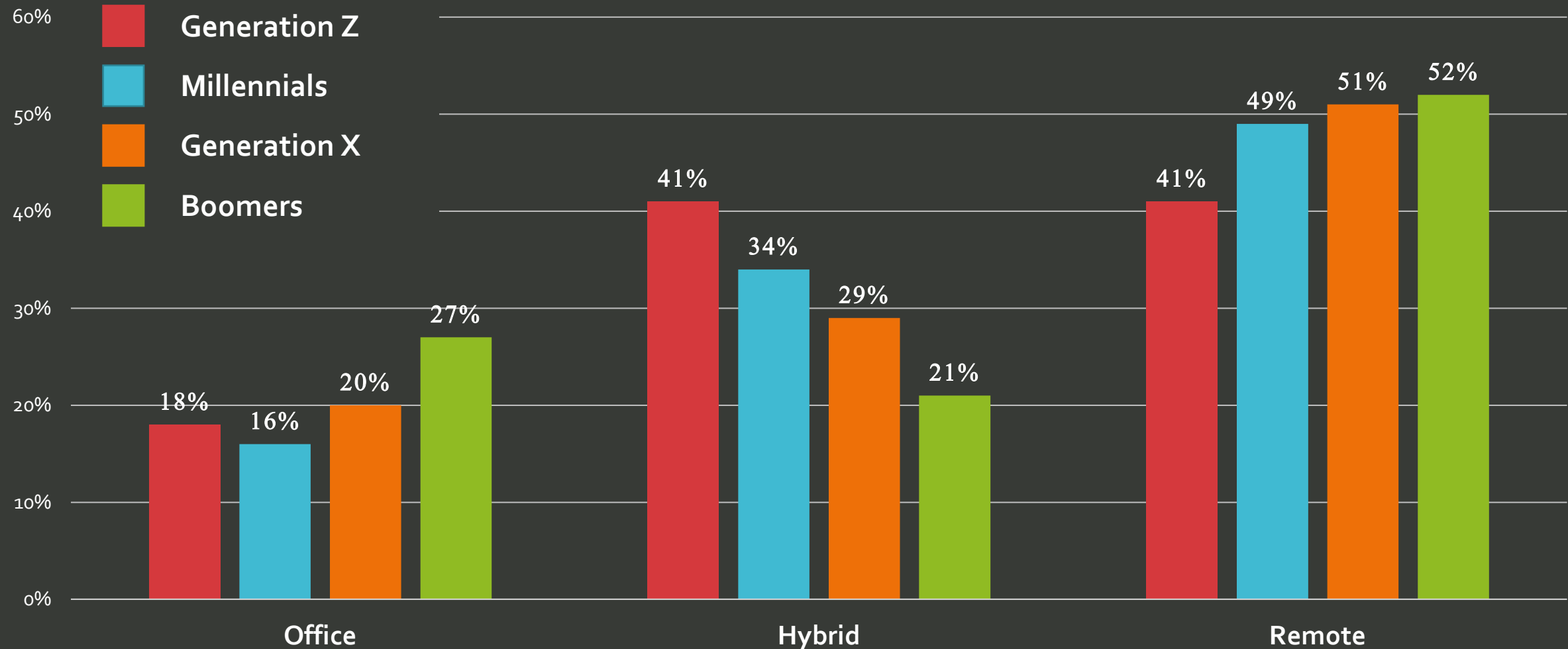
Varying flexibility and autonomy around when and where employees work

Considerations:



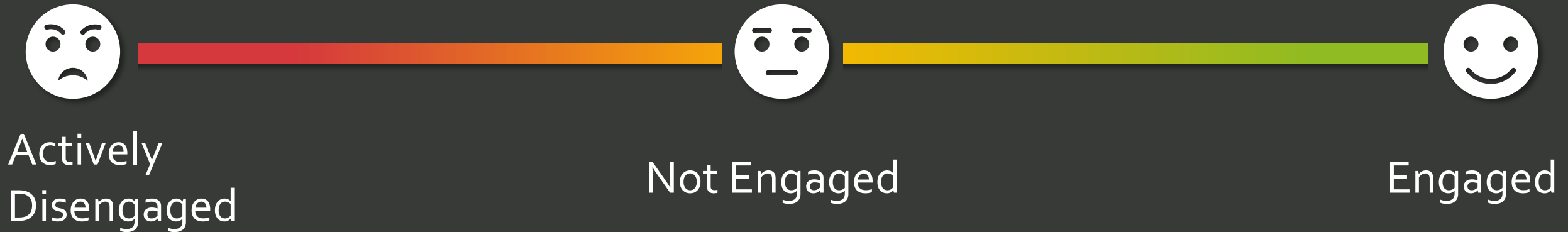
- What is your base model (policy) ?
- What flexibility do you provide beyond the base?
- Do your offices & client work span multiple time zones?

Working Preferences by Generation



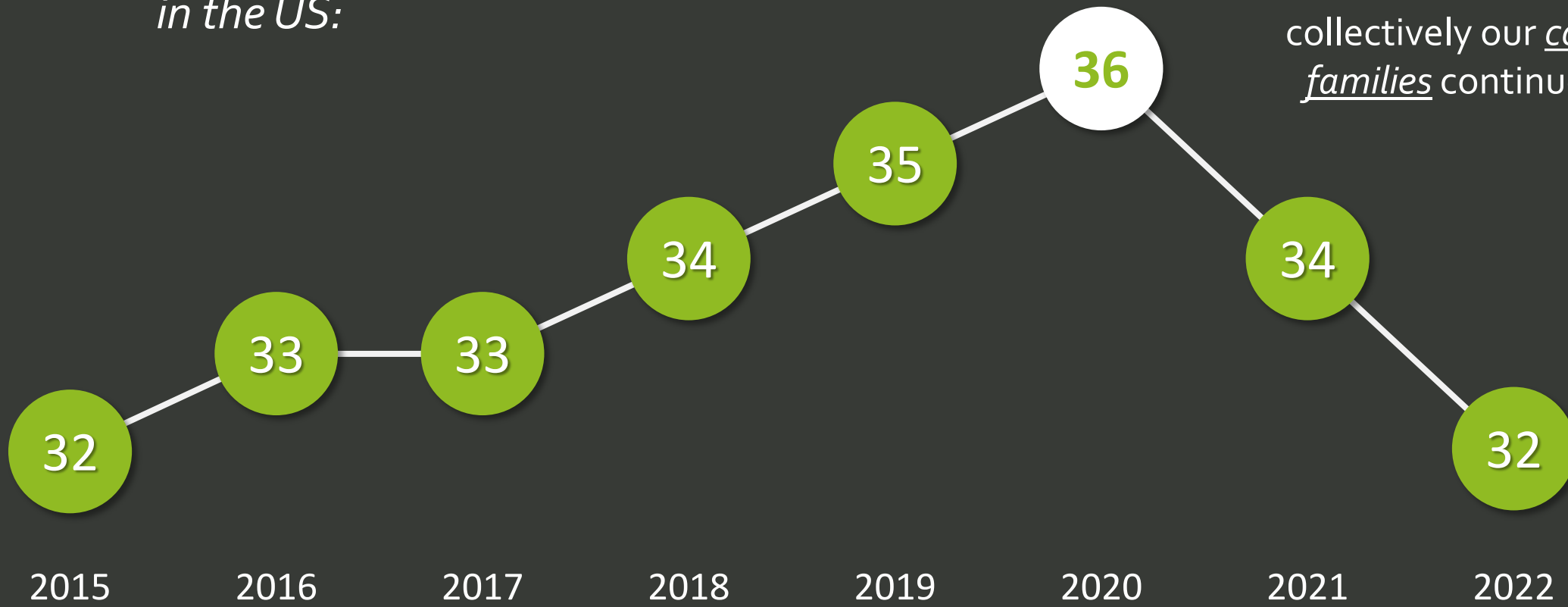
The Spectrum of Engagement

Engagement as defined by Gallup – *the **involvement and enthusiasm** of employees in both their work and workplace*



Trends in US Engagement

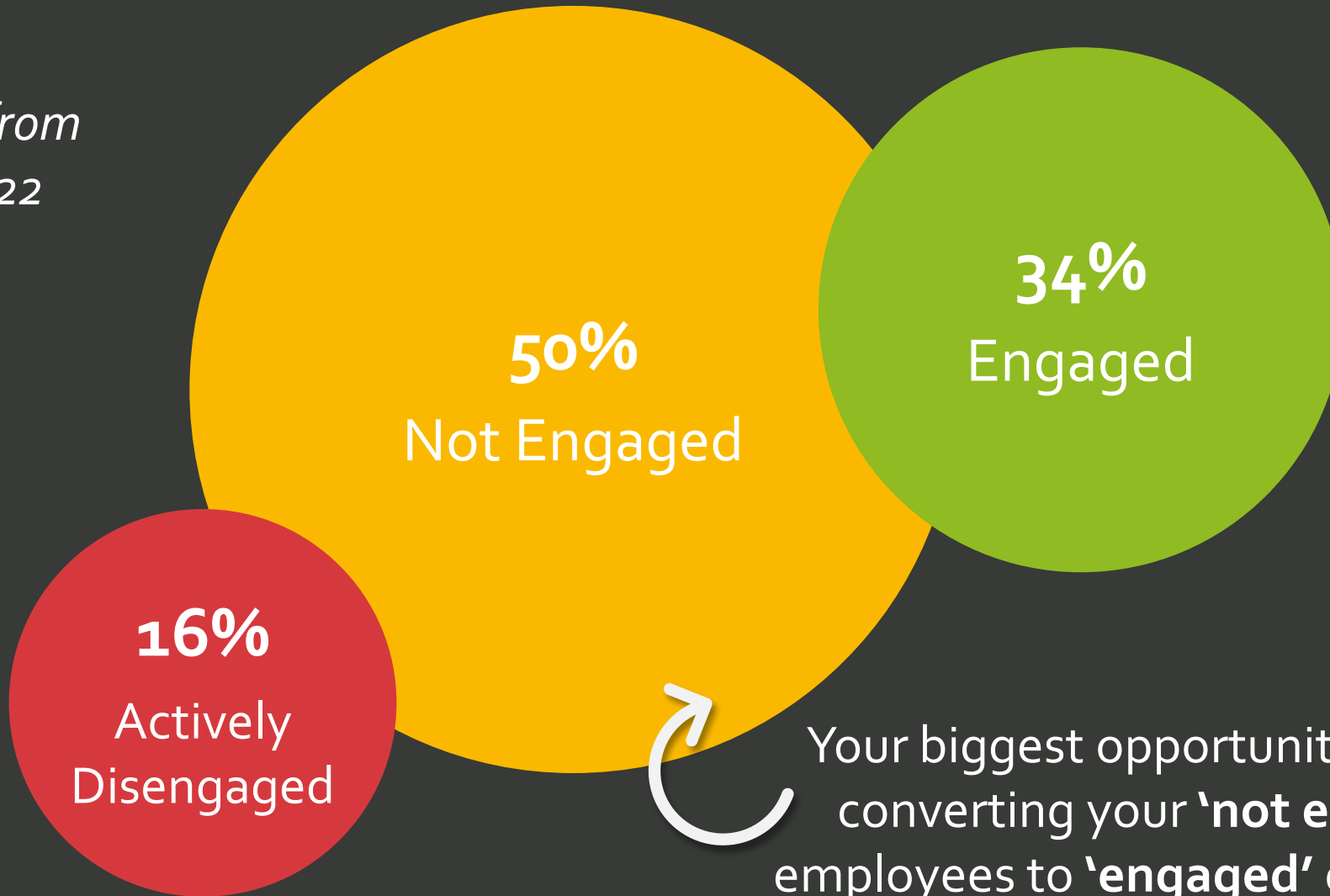
*% of Engaged Employees
in the US:*



In 2020 we were forced remote -
We rallied around each other in
uncertain times to ensure
collectively our companies and
families continued to thrive.

Trends in US Engagement

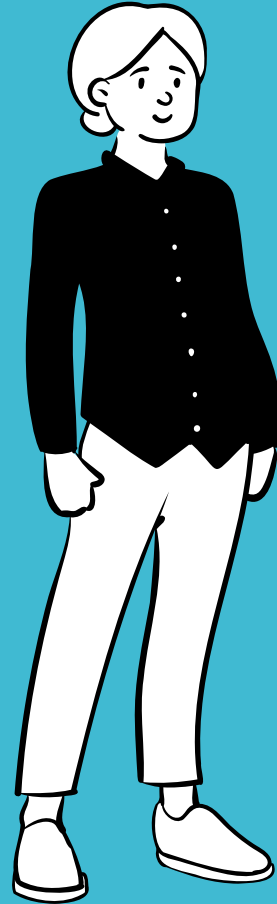
*Aggregated data from
2020 through 2022*



Your biggest opportunity exists in converting your **'not engaged'** employees to **'engaged'** employees!

Remote Work Considerations - The Employee

Flexibility & Autonomy
Dependent/Other Care
Mental Health



Individual Strengths
Learning & Development
Mentorship/Career Pathing

Remote Work Considerations - The Firm

Employee Experience

Recruitment & Retention

Space Costs

Productivity

Leadership & Ownership Transition

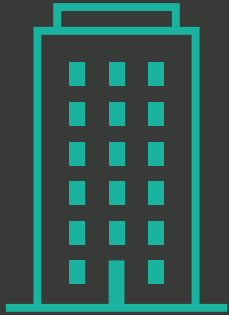
Company Culture



Three A/E Case Studies in Remote Work

Three Case Studies

Firm A



400 EE

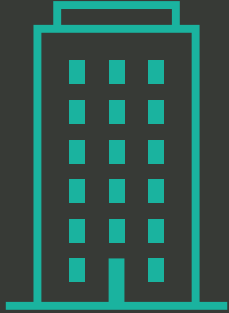
A/E Firm – Midwest

Back to office quickly

Remote work only in
special cases

Three Case Studies

Firm A



400 EE

A/E Firm – Midwest

Back to office quickly

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Firm B



150 EE

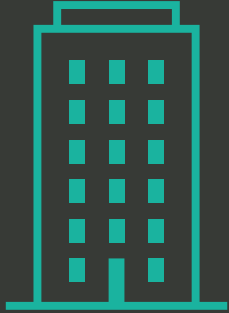
Arch. Firm – National

3 days/week in office on a
prescribed schedule

(60-70% of EEs choose to come in
every day)

Three Case Studies

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Firm B



150 EE

Arch. Firm – National

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Firm C



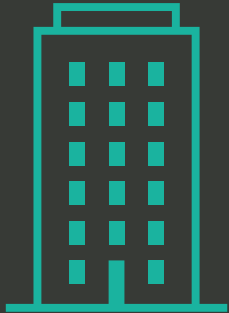
50 EE

MEP Engr. – Mid-Atlantic

Newly Hybrid
with full flexibility

Firm "A" - Interview

Firm A



400 EE

A/E Firm – Midwest

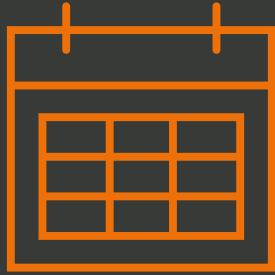
Back to office quickly

Remote work only in
special cases

- Worked hard to limit the cultural changes caused by WFH
- Experienced some turn-over – poached by other firms with WFH
- Very little financial impact
- “An unengaged employee is worse than no employee at all”
- Fourth generation leadership group intact and “bought-in” to the model

Firm “B” - Interview

Firm B



150 EE

Arch. Firm – National

3 days/week in office on a
prescribed schedule

(60-70% of EEs choose to come in
every day)

- Had some WFH before the pandemic for recruitment and retention
- Trying to limit the downside of WFH on leadership development – intentional training and interactions in the office
- Experiencing industry average staff growth and turnover – 12 open positions
- Senior leadership transition (3rd gen) looking doubtful – will need to separate ownership from leadership
- “Future leaders are rarely working from home.”

Firm “C” - Interview

Firm C



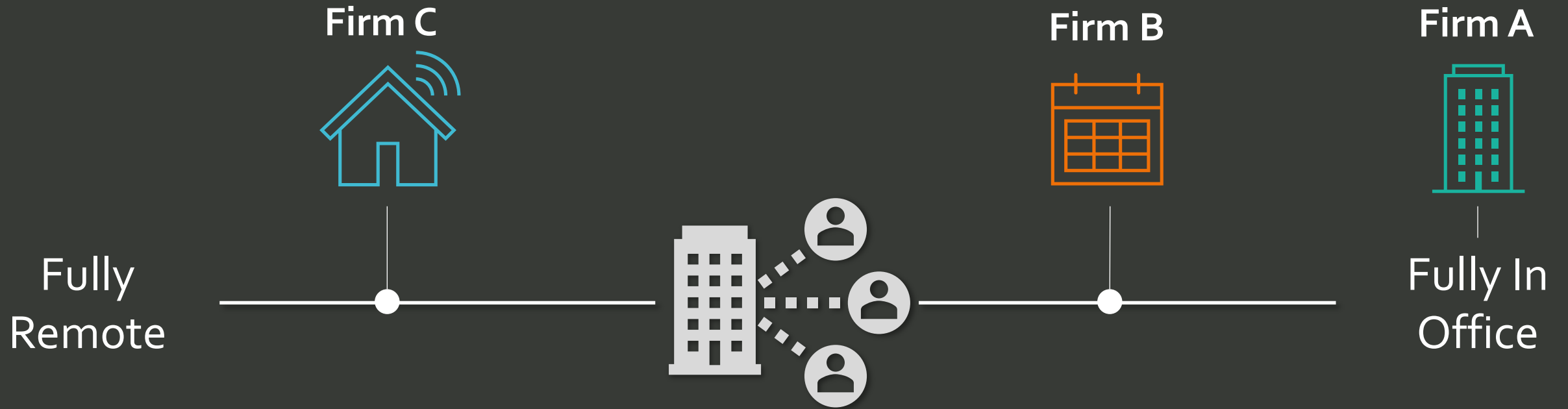
50 EE

MEP Engr. – Mid-Atlantic

Newly Hybrid
with full flexibility

- Sees their ability to manage WFH as a competitive advantage
- WFH has allowed more growth but lower margins
- 15-20 employees regularly come to the office – set-up for hoteling
- Second generation leadership committed to this model.
- “Has been able to recruit several key employees from larger firms”

The Spectrum of Remote Work



Employee Experience

% Time Spent in a Typical Work Week:

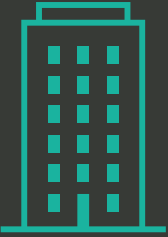


'Effective workplaces successfully support individual and virtual work alongside collaborative work.'

What type of Employee Experience is your workplace creating?

- Be intentional about the employee experience you want to create
- Identify what work happens best in the office vs. at home
- Provide diverse spaces/ways to support this work remotely and in person

Employee Experience



- The offices are great places to work
- Weekly events are planned, and employees 'don't want to miss out'



- The office has been rearranged for hoteling, but some employees want a dedicated desk
- Coordinating events for employees to connect outside the office, but attendance is light



- Flexibility and autonomy is a big part of our employee experience
- The 'you do you' culture seems attractive

Leadership Development

Top Reasons
Employees Come
to the Office



#6

Professional development/coaching

#9

Access to senior leaders

#10

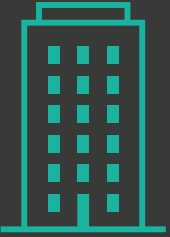
To be visible for opportunities

Source: Gensler 2022 US Workplace Survey

Basic Tenants of Leadership Transition

- The firm must stay strong throughout the LT & OT process
- Leaders should be identified by the way they interact with and lead peers and clients
- Leaders should be recognized with ownership opportunities (*this does not guarantee ownership transition*)
- Current owners must clearly communicate the future strategy of the firm and the benefits of ownership

Leadership Development



- Too crucial to leave it to chance
- Leaders are selected in part based on their commitment to our business model



- Looking for those that are adaptable and can lead in a hybrid setting
- Individuals that take charge get attention



- Our next-gen leaders are learning and teaching through a hybrid method (remote & in-person)
- In-person attendance for key meetings isn't required, and the same folks are the ones that always seem to be in the office

Ownership Transition

LT & OT of the Past:

1. Technical superstars with rainmaker capabilities – firm offered you ownership
2. Not much education was provided on the business or authority to make decisions
3. You bought in anyway, out of gratitude – often it was the first real recognition you received...
4. Required a second mortgage on your house



Establishing Trust

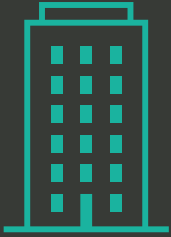
Current and future leaders must trust each other for ownership transition to occur



- Educate future leaders on the financial health of the firm
- Discuss and align future strategy, keeping in mind economic uncertainty and external factors
- Share authority and responsibility in navigating the firm's future

Ensure your workplace policies and company culture support the need for Leadership and Ownership Transition

Ownership Transition



- We feel trust is built best face-to-face
- Trust isn't something that happens just in meetings, but in all interactions
- Current Owners & Future Owners are learning about each other all the time



- Key employees know we trust them to work independently with autonomy
- The firm of the future will not be led or managed like the firm of the past



- The firm is small enough that Current Owners are almost always connected with Future Owners
- It is a time-consuming process for Current Owners, but the next generation will be better at it

Strategies for Success

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- Do not create your WFH policies in a vacuum – support overall strategy
- Invest in training for current and future leaders
- Mentoring and coaching opportunities often are more successful when we are face-to-face



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- Do not create your WFH policies in a vacuum – support overall strategy
- Invest in training for current and future leaders
- Mentoring and coaching opportunities often are more successful when we are face-to-face
- Trust within relationships & teams is created through interactions, be intentional
- Reward people who build and support teams
- Ownership transition occurs between intergenerational teams – be conscious of and celebrate your diverse strengths

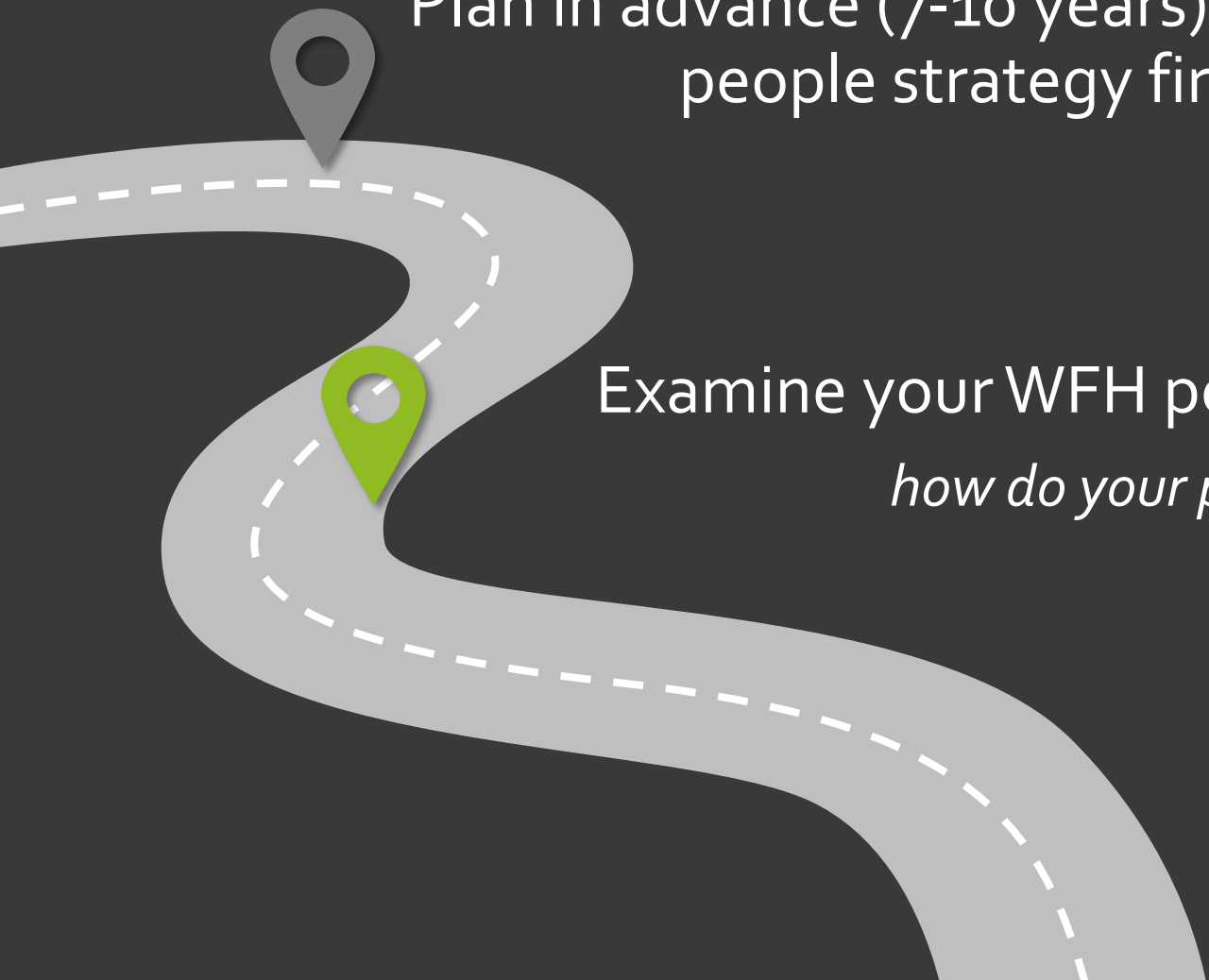


The Path Ahead

Plan in advance (7-10 years) for ownership transition – it's a people strategy first, and money second




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Examine your WFH policies considering your strategic needs
how do your policies support or prohibit LT & OT?

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Examine your WFH policies considering your strategic needs
how do your policies support or prohibit LT & OT?

Develop people skills, business skills,
& technical skills in future leaders



Thank you!

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Stambaugh Ness

www.stambaughness.com