
Leadership Priorities in 2020

As we head into uncharted waters for the balance of 2020, we outline strategies below for well-capitalized firms to address challenges posed by the global pandemic and pursue opportunities that arise in the post-crisis environment.

Executive Recruitment

- We anticipate that certain sectors will remain vibrant through the downturn, including self-storage; manufactured housing; data centers and cell towers (as well as infrastructure generally); and e-commerce/logistics/industrial. Executives who can raise and deploy capital will be in high demand.
- Opportunistic/value-add investors will start to deploy their “cash-rich war chests” in troubled sectors such as debt; hospitality/restaurants/gaming; seniors housing; homebuilding; retail; and office. Functional demand will transition to executives experienced in driving value and cash flow, with expertise in finance, technology, asset management, property management/leasing, and/or restructuring.
- C-Suite succession (Chief Executive Officer, President, Chief Operating Officer, Chief Investment Officer, Chief Financial Officer, etc.) must be addressed, irrespective of an organization’s property sector focus.
- Chief Technology Officers and Chief Human Resources Officers will be in high demand.

Governance Advisory/Recruitment

- Board recruitment driven by diversity, activism, refreshment, and spins will continue through the downturn.
- More sitting executives will be recruited to Boards as clients continue to seek Directors who are addressing the pace of change, disintermediation, crisis management and technology.
- Board onboarding will become commonplace as more Boards appoint first-time Directors and strive to retain them, especially diversity candidates. Out of seven independent Directors, more companies are appointing at least two diverse (gender and ethnicity) Directors to their Boards.
- Board and Director assessments will become a priority as stakeholders expect Boards to become more influential in reviewing business strategy and establishing other companywide standards as the crisis continues.

Executive Compensation

- Executive compensation counsel and real-time insights are critical when industries enter periods of peril, as much (if not more so) than in robust growth.
- Companies are revisiting G&A expenses, including an examination of compensation costs at the executive/Board level and throughout the organization, as well as downsizing/furloughing to maintain an optimal cost structure for the business.
- Other key considerations include: what performance metrics support navigating through the pandemic? How do we effectively retain top talent when equity values may have significantly declined? How do we balance that with investor/shareholder expectations?

Management Consulting

- Troubled sectors are addressing costs by rethinking their organizational structures, staffing models, outsourcing options and the skillsets of their executives.
- Firms are actively evaluating revenue-generating strategies designed to capitalize on anticipated dislocation in the market; the debt space in particular has garnered attention.
- More mergers/acquisitions will occur where firms cannot survive as independent entities. Well-capitalized merger partners provide access to capital and can represent complementary business lines/geographical footprints.
- Firms will continue to launch new and innovative technology initiatives to enhance business efficiency and performance.

Leadership Consulting

- The development of leader and employee wellness programs aimed at keeping employees engaged, supported and high-performing will be a critical component of organizational success in the years to come.
- Despite the economic downturn, succession will remain a key priority in 2020 as generational change continues across C-Suites.
- The onboarding of newly appointed executives will be even more critical as the ongoing turmoil increases risk of failure.
- Driving cultural change will become increasingly important as firms look to survive and thrive in a time of crisis.
- Executive assessment and coaching will become even more paramount as leaders seek guidance through the economic dislocation. Failure comes at a greater cost, and more inexperienced executives will be required to step up and contribute in this environment.

About Ferguson Partners

Specializing in executive recruitment and business advisory services, Ferguson Partners delivers premiere strategic solutions to the real estate, infrastructure, hospitality, and healthcare services sectors. Unmatched among our competitors and one of the largest global sector specialists, our firm represents a holistic talent management solution, integrating strategy and organizational effectiveness, Board/leadership advisory and recruitment, executive compensation, as well as culture and succession. Our partners commit to understanding your business's unique needs and advancing its success. Based in nine offices around the globe, our boutique firm is dedicated to offering personalized client service.