

THE POWER OF PEOPLE

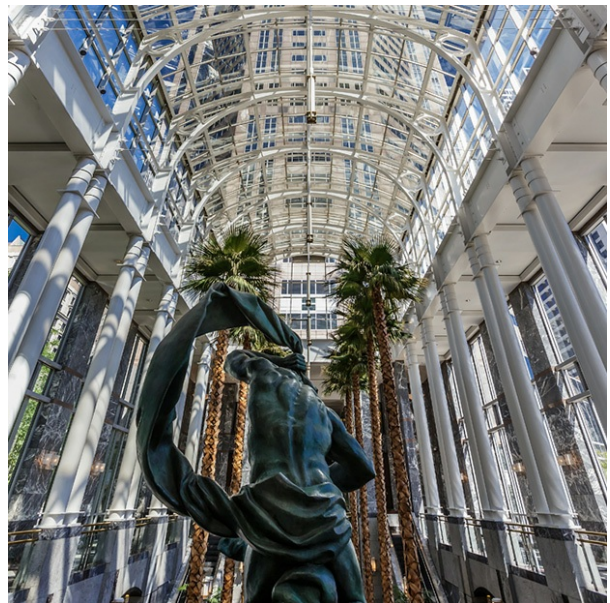


November, 2016

A More Contemporary Outlook

Change and transition are not only our business but what we live every day. We are focused on ensuring that our services and offices are contemporary and relevant to the changing way that people work. In keeping with this, our new Chicago office at 311 S. Wacker will be an open office environment that matches the manner in which people use career transition services in today's mobile world.

We will be in the the new offices starting December 19, 2016.





Every company can benefit from Leadership Assessments - especially Private Equity

Executives and staff at a newly acquired organization inevitably undergo stress in the course of a transition in ownership. Unfortunately, private equity firms do not have the time to wait through an extended adjustment period for management to find its footing. Rather, they need to know as soon as possible if the right leadership is in place to deliver investors the annual return and ongoing growth they anticipate.

Assessing the existing management structure and making adjustments as necessary are essential steps to turn around underperforming businesses or push successful ones to new heights. Objective analysis through data-driven assessment offers the best starting point, bringing the PE firm actionable intelligence on the leadership team's capabilities, attitudes and relationships.

Who's in charge here?

Building a strong PE portfolio is all about glimpsing the potential in businesses and turning those possibilities into profitable outcomes. As Harvard Business Review pointed out, successful firms can identify situations where strong existing leadership just needs greater independence and rewards to push the organization forward. They can also discern other cases where growth requires bringing in someone fresh who has the necessary vision and skills. New ownership leads to changing priorities, so even managers who did excellent work in the past may find themselves at sea under shifting circumstances.

Assessment is an integral tool for learning early on in the venture how existing leadership will handle the changes to come. The European Financial Review outlined the myriad ways assessment provides a clearer picture of how leaders measure up to the demands of their positions. Objective testing and analysis demonstrate how managers think about complex problems, suggest whether they will be able to grow and adapt with a changing organization and reveal what incentives motivate their greatest efforts.

Putting managers through assessment in the course of an acquisition or immediately afterward can add to the trepidation and strain of an already difficult time. However, PE firms need to know whether the CEO has the necessary support to fulfill the business's goals.

Finding the right management team

Following this initial round of assessment, it may be necessary to replace one or several members of the existing management team. Even if that structure is left intact at first, the time will come to seek out a new leader. Objective analysis can have a major impact on this search process, narrowing options and improving the results.

Different assessment tools may be best suited to particular industries and challenges, but each assists PE firms in grasping how a new manager may contribute to the organization's productivity and culture. For instance, Kensington International's research partner, the Management Research Group, has developed the Leadership Effectiveness Analysis and bases its criteria on six categories which are in turn associated with 22 behaviors. The categories include:

- Creating the vision
- Developing followership
- Implementing the vision
- Following through
- Achieving results
- Team playing

While each area may be weighted differently depending on the demands of a particular role and business situation, all have an important part in how leaders will usher the business forward under new ownership. Finding managers who show strong ability in these areas brings renewed focus and empowers the business culture, yielding improved outcomes for all stakeholders.

If you would like to learn more about using Leadership Assessments for Private Equity, please contact John Myers, Managing Partner of Kensington International. John is a founder of Kensington International and has been using assessments to diagnose organizational culture and executive management teams for nearly 30 years.

John Myers - jmyers@kionline.com

Spotlight on One of Our Own:

My Encore Career

by Ken Deegan, Kensington International Executive Coach



I was driving into work this week listening to a local Chicago radio station and they were reporting that Forbes magazine just announced Calvin Harris (one of the top DJs in the US) made \$66 million dollars over the past 12 months. I almost ran off the road. I spent my college years studying courses like statics and dynamics, staying up till 3 AM cramming for exams while managing to squeeze in practice and games with a starting position on both the football and baseball teams. AND I graduated in four years. As it turns out, all I really needed to do was save up enough money to buy some cutting-edge techno equipment and start laying down some sick tracks! If necessity is the mother of invention then certainly right now we have a bigger need in the United States for cutting-edge DJs versus engineering students. After I got the car back on the road, I thought how innovative to understand the needs of the marketplace and be able to master your craft, learn about the electronic capabilities that technology provides us with in this day and age, and make one hell of a living. When I was asked to write this article about my **Encore Career** it seemed as though I should be speaking about moving from the PGA Tour to the Senior Tour. Then it dawned on me how amazing it would be to have played your entire career traveling throughout the world playing a game you love, making amazing friendships, and earning top income levels well into your 70s. Unfortunately, for most of us, the transition to our "senior tour" isn't quite so seamless.

When I think about my own career path and where I am today, working as an Executive Coach with Kensington International, I realize how fortunate I am to be able to share my 40 years of practical business knowledge with those who are coming behind me. When examining and contemplating the dynamics of the baby boomer generation who are living longer, experiencing better health, planning for do-it-yourself retirement, absorbing more debt, and bearing the responsibility of caring for both aging parents and children who have difficulty finding employment in this economy, it's no wonder that this generation is looking to have a first or even second encore career!

I spent the first 11 years of my career in a very stable environment with a billion-dollar corporation working as a young mechanical design engineer for Federal Signal Corporation, the leading manufacturer of audible and visual signals. As I reflect on those years and think about the amazing learning opportunity provided a 21-year-old - traveling around the world meeting with governments developing elaborate siren systems that protect lives during impending disaster - I can't help but be thankful to those who gave me my first opportunity. During those 11 years, I was able to not only design these amazing systems but also work with governments to understand their local customs and regulations for their implementation and operation. I escalated through the Corporation and was provided opportunities to grow in my career in the areas of applications engineering, operations, production, and was also part of an acquisition team that purchased a company in the Denver area and moved it back to Chicago. Not a bad learning platform for a young man! I think the important part of that experience did not reside in the particular roles but rather in the continuous learning opportunities the organization provided me. Having roles in engineering, sales applications and operations allowed me to build the base of value that would support me the rest of my career.

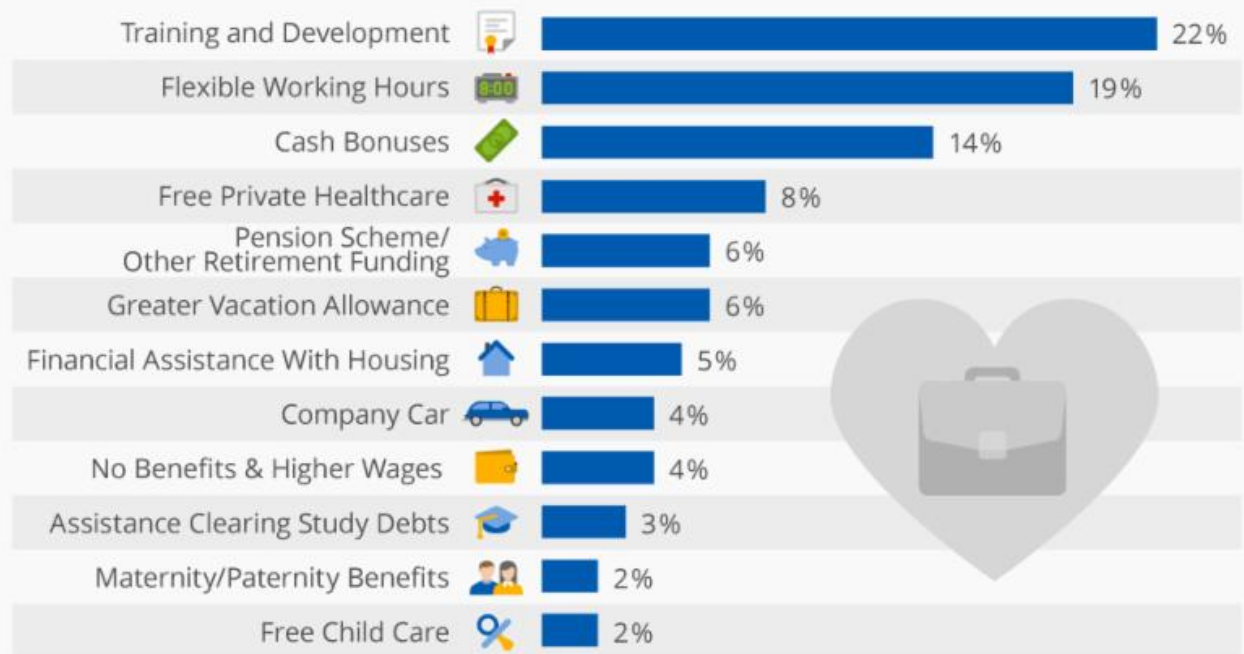
As an executive coach, I often ask my clients to tell me their story. I get to work with some amazing and accomplished individuals who, each in their own right, have all altered the course of history in many areas of our country's progression. The most interesting part of my job, to me, is probing to understand their path and the connections they have made along the way to navigate in today's competitive marketplace. I made a phone call to a friend who was living in Carmel, Indiana checking to see if he was going to be in town so I could stop by for a visit. We had spent a lot of time together during our years of working together at Federal Signal and gotten to be great friends. He said during that phone conversation that it was a bad weekend to visit as he was packing up and moving to Connecticut. In his next sentence, he asked me a question that changed the course of my life forever. He said that he had accepted a role as a market manager in the transportation industry, and that he needed someone to backfill his position and manage thirteen states in the Midwest for this entrepreneurial company called Reflexite Corporation. Would I be interested in possibly filling that role? At this point, I'm sure many of you are saying "Who?" When I'm coaching my candidates I often discuss my background with them so they are comfortable understanding that I bring a broad perspective of what kinds of things can be possible in a transition. When I get to the part of introducing my experience at Reflexite, they all look at me with the same kind of blank stare, thinking, "So what?" I go on to tell them I led a Sales Organization for the Americas Division and competed head-on with 3M Corporation for 18 years. Now they think, "Wow!" They raise their eyebrows a little higher, and finally when I say we were Inc. Magazine's "Entrepreneurs of the Year in 1993", and named one of the top small businesses by the Wall Street Journal in 2007, they might even say, "That's pretty cool!!" Finally, when I mention when I started with Reflexite Corporation in 1993 with revenues of \$14 million, and the Corporation was sold in 2011 to a German corporation called Orafol for \$250 million, they ask me if I know of any other companies that have opportunities like this. I remember thinking at the time, "Boy, this is a risky proposition for someone who has a wife and four children to support." But the intriguing part of this for me was that Reflexite Corporation was one of the top ESOP companies in the country and for the first time in my career I had the ability to achieve significant personal wealth for my family, and for my fellow owners.

2011 was the culmination of 18 years of leadership, hard work, dedication, and sacrifice, and that allowed me the opportunity to take on a role of executive coach with an amazing organization and to give back to those who are in need of direction, and of opening up a world of possibilities. During my day-to-day coaching practice I stress the importance of reinventing ourselves to adapt to an ever-changing world and to never stop learning what our marketplace needs to move forward. Encore careers are not given - they are earned through vision, a willingness to learn and adapt, dedication to understanding your value proposition, and being able to eloquently communicate it when opportunity arises. Now, at nearly 59 years of age, I am in the fourth year of my third **Encore Career** and loving every minute of it. My son asked me what I want to do when I finally retire and I said, "I don't know. Maybe learn the guitar and form a family band". As a fourth Encore Career, that doesn't sound like a bad way to go out. Maybe Calvin Harris will even pick up on some of my jams.

We certainly spend a lot of time talking about millennials. Even if you have found a way to attract millennials into your workforce, do you have a strategy for keeping them? This chart does a great job of simplifying what's important to this new group of workers.

Which Working Benefits Do Millennials Value Most?

% of global millennials ranking each of the following benefits first



n= 4,364 graduates across 75 countries
Source: KPCB

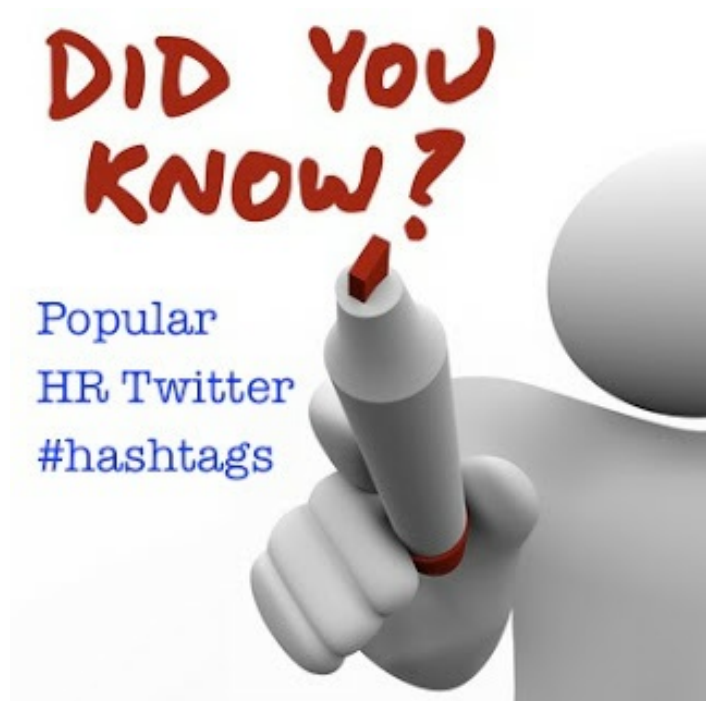
Forbes statista

THE BUZZ

What are top hashtags in the human resources marketplace?
TOP 25 (Last 3-Months)

1. #HR

2. #TChat
3. #leadership
4. #hrtechconf
5. #df12
6. #oow
7. #socialmedia
8. #quote
9. #job
10. #dthr
11. #HFchat
12. #bigdata
13. #socabiz
14. #hrevolution
15. #leadfromwithin
16. #Cloud
17. #business
18. #marketing
19. #quotes
20. #SHRM
21. #Sales
22. #HRTechChat
23. #Career
24. #management
25. #hrtech



Source: HRmarketer Insight

New Beginnings!

Vice President, Human Resources Cushman & Wakefield

Michelle Hay joins Cushman & Wakefield, a global leader in commercial real estate services, as its Vice President, Human Resources for the Americas. In this role, Michelle will lead all elements of HR and talent strategies across the Americas in support of the company's business plans. Michelle has been in Human Resources leadership roles since 2007 and was most recently serving as the CHRO for A.T. Kearney. Michelle holds an MBA from the University of Illinois.

President and Chief Executive Officer Cornerstone Fund

Maria Coyne joins Cornerstone Fund as their new President and Chief Executive Officer. The Cornerstone Fund is the financial services arm of the United Church of Christ (UCC) and provides investment opportunities (selling fixed-rate notes to UCC members) and lending services to established UCC churches and other related bodies for site acquisition, construction, renovation, and refinancing. Maria most recently served as an Executive Vice President with KeyBank in Cleveland, Ohio. She graduated from the University of Notre Dame and brings over 25 years of experience to the Cornerstone Fund.

Vice President, Main Street Vaccines 5139 NDC, Inc.

Bill Smith becomes the head of Main Street Vaccines, subsidiary of NDC Inc., a leading provider of healthcare supply chain solutions. Bill has enjoyed a long history of success with Sanofi Pasteur and with that wealth of experience, will lead this national Physician Buying Group.

Congratulations all around!

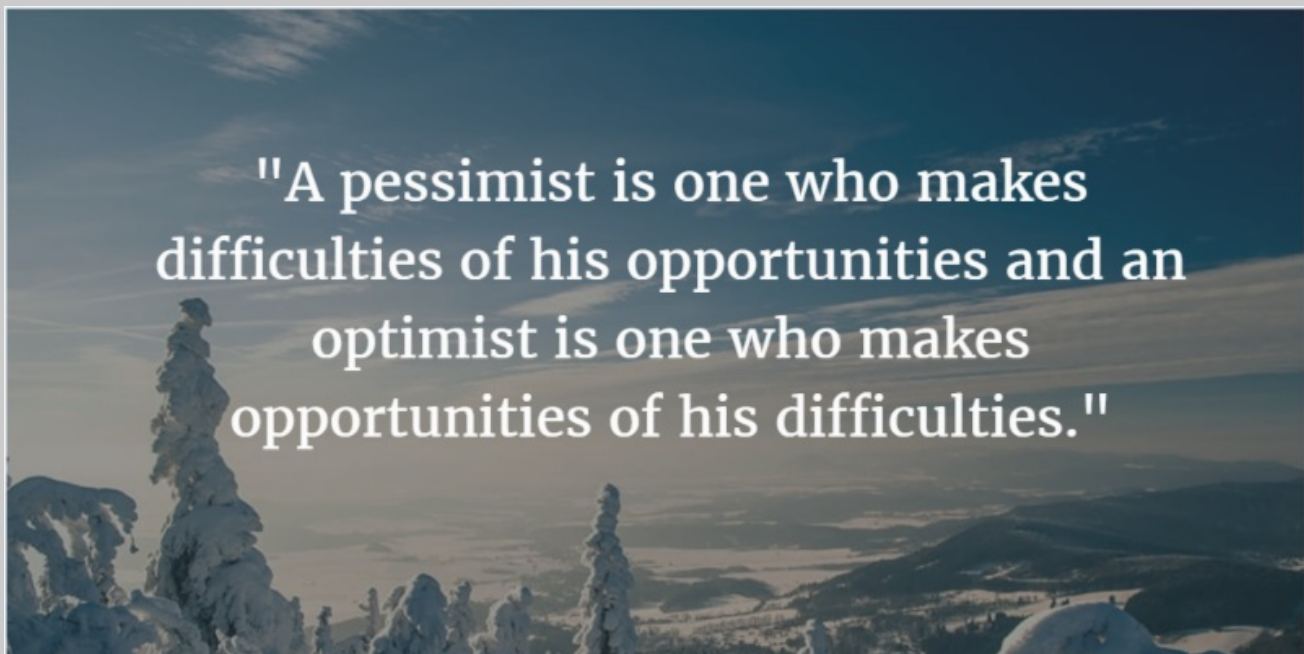
Kensington at the HRMAC Summit



Thanks to everyone who stopped by our booth at the HRMAC Summit in Rosemont, IL on November 1st. It was great to see familiar faces and make new connections too. We debuted our new look - coming soon. Stay tuned!

Until Next Time

We leave you with this Presidential Quote . . .



- Harry Truman, 33rd President of the United States

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