



## Family Business in Transition

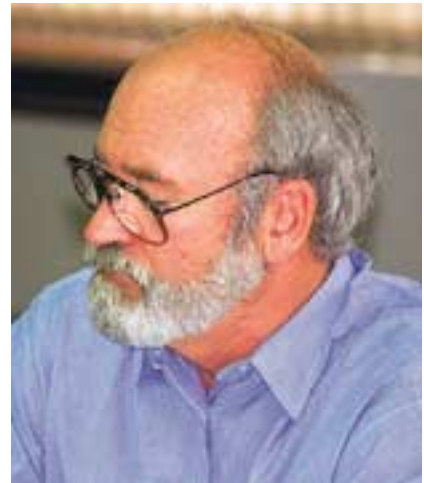
Walker Industries is a family business in transition. This Thorold Ontario based aggregates, construction, environmental services, manufacturing and land development company is on a growth path. It is also contemplating family succession as John and Norris Walker plan the passing of ownership to the fifth generation. Great grandsons of Quarryman John Walker who founded the business in 1887, the two brothers have grown and diversified the family company over three decades and are thinking ahead to retirement. Only one of John Walker's four and none of Norris' three children are in the business. Ranging in age from 25 to 35, the next generation are perhaps a decade away from being considered for a top job in this complex company. Interim professional management would be needed.

*define long term vision of Walker Industries, clarify company values, identify strategic issues; revise organizational structure to support vision, values and strategic opportunity; involve management and owners to ensure commitment and support to implement the change.*

The company, digesting the acquisition of Georgian Aggregates, another family enterprise spanning a vast territory north and west of Toronto, needed to reorganize and decentralize its management into business units that could drive ahead to capitalize on opportunities.

Both the family's and the businesses needs press at the same time. As is so often the case, it is not possible to put one set on the back burner while attending to the other. Accordingly, in 1996 the Walker brothers initiated fifteen month long program of reorganization to realign management and build a governing structure to bring the next generation into the enterprise.

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**John Walker**



**Norris Walker**

John and Norris Walker put the company in shape for profitable growth, paved the way for family succession.

## The Seven Cousins...



**Liz Casper**



**David and Ian Walker**



**Jennifer Robinson**



**Young Turks Mike Watt and Archie Reynolds appointed to Vice President**

Consultants Don Fowke, and Barbara Luedecke and auditor Dan Cornacchia led an Organization Review involving the seven “cousins” of the next generation, the “five amigos” (John, Norris and the three functional executives) who ran the business, and seventeen middle managers who made it all happen day to day. The change management process yielded the following results:

- A multi-operating company management structure was created to give each business a focus and a dedicated management team
- Vice-Presidents and General Managers were appointed to lead each of the operating companies. Two young Turks were promoted to lead two of these companies.

- A Walker Families Board of Governors was created to bring the two families of “cousins” together on a twice yearly basis to become fully informed about their business interests and to nominate four of their members to the Advisory Board of Directors.

- An executive search is underway to find a professional manager as President to lead the companies for the decade or so it will take for the next generation of Walkers to yield up a leader.

- An Advisory Board of Directors has been defined to integrate the interests of the Walkers with the expertise of outside directors in guiding the management of the businesses.

Interviews were conducted with senior and middle managers at Walker locations in the Niagara Peninsula, Collingwood, Burlington and Kingston. Family members are more scattered, and interviews were conducted

*...the most sophisticated change management methods available.*

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in the United States and the West Coast. Workshops were held separately in the Spring of 1996 for the “Seven Cousins”, for the “Five Amigos” and for Middle Managers. At these day and one-half long sessions, interview findings were reviewed and the priorities identified, consulting proposals on business strategy and organization were reviewed and refined. Recommendations were developed to be carried back to the Steering Committee and considered by John and Norris Walker as co-owners. This process allowed the key stakeholders in Walker Industries to participate in the evaluation and design of proposals for the future, and it brought all of them into the picture describing alternatives for that future.

During the summer, the “Seven Cousins” convened the first meeting of the Walker Families Board of Governors, spelling out how they would work together to participate in the governance of the Walker companies in the future.

Once these decisions on structure and appointments were announced, the new Senior Management team and the new Middle Management team came together in day and one-half workshops to agree on implementation priorities. These workshops ensured that everyone understood the new organizational arrangements and developed a common understanding of how they would be put in place. The Autumn workshop for Senior Management brought the two newly appointed “Young Turks” to the table. And fully one half of the Middle Managers at the Autumn workshop were new faces around the table.

Now, one year into the implementation, the Walker Families Board of Governors is firmly in place, meeting twice annually. Three of the four decentralized business unit organizations are vigorously pursuing profitable growth opportunities, and a search is underway for the leader of the fourth. An executive search for a President and COO is underway, and once he or she is in place, the Advisory Board of Directors will be created. All of which adds up to new vitality and new directions as well as family continuity for this venerable Canadian Family Enterprise.



**Barb Luedecke in Change Management Workshop**

## **...the fifth generation**



**Geordie Walker**



**Sheila Bonapace**



**Wendy Mitchell**

## The New Management Network

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### Donald Fowke, FCMC

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