



**CEO Recruitment Process: Organizational Assessment  
Port of Vancouver**

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## **I. Project Purpose**

The Port of Vancouver Commission (the Commission) is seeking to appoint a new Chief Executive Officer (CEO). This initiative is taking place during a period of rapid growth and commercial success as well as significant controversy surrounding a facility development proposal. Jones Strategic was engaged to perform an assessment of the organization in order to help the Commission better understand the challenges facing the next CEO, the skills and characteristics needed to meet them, and to recommend a recruitment approach that will provide highly qualified candidates. The intent was not to perform an audit or management consulting report. However, many of the opinions shared and included in this report are directed at these issues. They are included, as interviewee opinions, to better inform the Commission in its recruitment process.

## **II. Approach**

The project was designed to gather information from a broad group of key stakeholders as well as the Port's commissioners and staff. The approach included researching current Port plans and reports, organizational charts and related documents, including media reports. We then conducted 30 to 75 minute interviews with 49 individuals (the names and titles of the interview participants are found in Appendix A), including:

- Community Stakeholders, including group leaders and individual citizens
- Port Tenants and Customers
- Federal, State and Local Government Representatives
- Partner Organizations
- Port Commissioners
- Port Staff

The report is organized into the following sections:

- Current Organization
- Current Challenges
- Future Challenges
- Key Characteristics and Skills of Next CEO
- Recommendations

*Presentation Note:* Due to the wide variety of perspectives gathered during the interview process, and the sincerity, thoughtfulness and conviction with which they were shared, this report groups and paraphrases this input into subject categories. It would be a disservice to those who contributed, as well as to the Port of Vancouver Commissioners, to significantly reduce, edit or interpret the range of perspectives for brevity's sake. Consequently, the information is grouped and condensed to capture these perspectives while preserving what Jones Strategic interpreted to be opinions held by more than one interviewee. As a result, this report includes considerably more text than is typical, and consists largely of the opinions of the interviewees. Jones Strategic has summarized, drawn conclusions, and made recommendations in the final section.

### **III. Current Organization**

#### **A. Background and General Findings**

The Port of Vancouver is a strong and focused organization, aggressively and successfully pursuing its core mission of economic development for its community.

- Established by vote in 1912 - the third port district established in state.
- Third largest state port measured by revenue and employees, fourth in capital budget.
- The port district includes 300,000 residents.
- The Port has 125 employees.
- There has been steady and significant growth in revenues, capital investment and economic impact.
- Financial health is very good - a recent Standard and Poors Rating of “A”.
- Internal staff culture is positive and collaborative - good staff morale.
- Highly motivated employees - the team approach is deeply ingrained and supported.
- “Smart, caring” team of people, “Great place to work”, “Culture of togetherness” were frequent observations.
- High achieving, highly productive, efficient team.
- “Don’t let enthusiasm fade” observed one interviewee.

#### **B. Perspectives on Internal Organization**

These opinions and observations were collected and drawn from interviews with staff.

- Strong internal organization and systems.
- Current management focus is on better understanding of margins on operations, improving methods for assessing and addressing risk, and providing transparent internal communications.
- Intense internal competition for capital development dollars.
- High utilization of assets, with exception of T-5/WVFA.
- There are more current job-creating opportunities than the capacity to fund.
- New assets need to be placed into service to generate revenue.
- Expanded sales/marketing function is successful in pursuing maritime and industrial projects.
- There is good outreach to federal and state policymakers, advocating policy and funding issues.

- Interviewees voiced concern about clarity of decision making during transition to permanent CEO; need decisiveness and action to avoid losing momentum.
- Leadership needs to be coherent; needs to drive action and execution, hold people accountable.

### **C. Perspectives on Organization From Outside**

These observations were shared by external stakeholders on how the organization appears to them from the outside.

- Members of public would like more explanation and discussion of issues to better understand port decisions.
- There is concern that Commissioners rarely publicly challenge port staff thinking or recommendations.
- Strong feelings exist that port decision making processes rarely include public input and adequate sharing of the information on which Commission decisions are based.
- All commissioners must be respectful of all members of the public.
- There is concern about the adequacy of business continuity and disaster planning.

## **IV. Current External Environment**

There is very strong support for the fundamental mission and purpose of the Port among external stakeholders, citizens, elected officials and tenants/customers. There is also extremely high regard for its performance, ambition and professionalism among most of the interviewees. However, many external interviewees are deeply concerned about the process and substance of the Vancouver Energy Project and this has fractured the community's opinion of the Port.

### **A. Clear Division In Community**

There is very strong support for the fundamental mission and purpose of the Port but there are acute concerns about its understanding of the values, priorities and perspectives of some in the community.

- The community is divided, mostly along those that support Port's continued successes in growing the regional economy versus those that believe the decision and decision-making process around the Energy Project has been flawed and reflects a lack of connection to broader community sentiment.
- Strong perception by critics that Port behaves like a private company instead of a public agency.
- Some feel Port has done good job of communicating with quarterly briefings and various other media/methods while others strongly disagree.
- Significant stakeholders/partners believe Port has lacked sensitivity to local political climate and community expectations.
- The Port went ahead with West Vancouver Freight Access project after the Industrial Development District levy failed. However, many citizens thought the project was dependent on levy and did not understand why the project proceeded. Some believe this began what they characterize as an erosion of trust.
- It is widely believed that the Port is the biggest job engine in Clark County.
- Key supporters, as well as critics, believe the Port needs to be more transparent in its real estate transactions, while acknowledging the complexity of doing this.
- Many suggest the loss of credibility is mostly around the Energy Project and are concerned about its impact on Port's ability to generate future growth.
- The community needs ways to engage and participate more actively and constructively in Port processes.

## **B. Differing Visions of Community's Future**

There is a clear division among stakeholders about the future economy of the community and the types of businesses that fit those different visions. Concerns expressed by stakeholders and citizens include:

- A disconnect between the various visions of the community's future.
- There is a need to integrate port industrial activity with city center vision: need to complement each other - some believe they are currently at odds.
- Discussion of projects with community cannot be an "unadulterated sales pitch" without alignment to a shared approach- must allow for community input, "stop advocating instead of educating".
- Education needed on international markets and the community's opportunity to benefit from them.
- The City and Port need to get back into alignment around realistic vision of future economy. This will take significant work.

## **C. Vancouver Energy Project (VE):**

The Vancouver Energy Project is the source of unprecedented controversy for the Port. It's decision-making processes and judgement are now being questioned by various groups, citizens and some partners who are opposed to the Project.

- Strong and emotional perception by some that the community was not briefed properly on the Project.
- Strong concern that Port resisted full discussion with key partners about risks and rewards of Project.
- Some believe that industrial scale and type of this Project not compatible with their vision of Vancouver's future, notwithstanding its location in heavy industrial zone.
- Some community leaders believe Project creates too high a risk for the benefit provided; others strongly disagree and support the project itself.

## **D. Perceptions and Expectations**

Other opinions and perspectives were shared by multiple interviewees.

- The Port's connection to its tenants, customers and partners is perceived to be strong; strong service orientation.
- Various stakeholders would like the Port to take on a broader interpretation of its mission, focus more broadly on different types of projects and economic development such as: Terminal 1, industrial land banking, owning and operating a short line railroad.
- Some believe heavy industrial in Port area is fundamentally at odds with their vision of the future, which features an academic cluster, philanthropic cluster and downtown office, retail, residential expansion; "knowledge workers and the creative class".



## **V. Future Port Challenges**

Both external and internal interviewees were asked to identify the key future challenges for the Port and suggest strategies for addressing them.

### **A. Recommendations from Interviewees For Future Approaches**

Interviewees shared their observations and recommendations on how to move the Port forward.

- Reconnect with all partners and stakeholders in the Port’s “authorizing environment”, throughout the port district.
- Work to improve credibility with and trust of the citizenry.
- Align the Port’s programs to directly address quality of life issues in ways that are understandable to community.
- Port leaders must maintain a more visible and active public role, expanded communication and engagement.
- Make transparency an asset: “informed citizenry is an asset”.
- Clarify, assert and communicate stewardship role.
- Righting the ship- restoring credibility and confidence in community; need to accomplish before attracting clients.
- Re-explain Port’s role, what Ports are, what Ports do... “Terminal 1’s waterfront redevelopment, and the public market are great projects to reconnect”
- Repair relationships with the media.
- Be more active with direct communications with the community.
- Restore community and intergovernmental partnerships to full health.

### **B. Enterprise Challenges**

Interviewees also shared opinions and perspectives on the top “doing business” and growth issues facing this public enterprise.

- Business development: the pending retirement of the Port’s business leader requires a particularly high level of attention and focus.
- The need to continue to diversify the mix of tenants and cargos.
- Cash flow/funding for future development is uncertain; focus on revenue growth.
- Complex local and regional transportation policy and funding issues need leadership if the port is to be successful.
- Increase regional cooperation and partnerships for common goals.

- Collaboration with the Port of Portland and Greater Portland Inc. is “smart” but there is a challenge of dissimilar cultures.
- There needs to be full engagement in regional and local transportation issues.
- Waterfront development is becoming increasingly complex; Port will need tremendous endurance to build projects in future.
- Perceived need by some for better financial information on project basis and better financial reporting.
- Boldness needed, don’t run from developing marine-related international and domestic trade facilities.
- Ambitious list of development projects is on the horizon: T1 including public market, T5 tenants, Centennial Industrial Park buildout, T7, Gateway, development plan with City, local and regional transportation plan, and completion of the WVFA projects.
- Consider organizational structure changes to reflect next generation challenges: possible Deputy Director or private sector style CEO/COO structure.

## **VI. Key Characteristics and Skill Sets**

Interviewees shared their opinions on the priority personal characteristics and skill sets needed if the next CEO is to succeed. All recognized these were unlikely to be found in one person.

### **A. Characteristics**

- Quality of character; high integrity; trustworthy
- Committed to the Port's and community's success
- Results oriented, history of delivering successes
- Outgoing public persona, cheerleader, collaborator
- Strong environmental values
- Open and comfortable with various media
- Diverse background; port staff is already highly specialized
- Supportive of internal team environment, not top down
- Has larger community vision, willing to engage in dialogue with community
- Values relationships with current partners in community
- Brings excitement and enthusiasm
- Comfortable with regional engagement
- Adaptive and collaborative
- Idealistic, anything is possible
- Patient, empathetic
- Professional, collegial, not bureaucratic
- Great listener, engaged and flexible with people opposed to port direction
- Fosters community relationships, listens to opinions of others
- Approachable, family friendly; wants to be out in the community
- Needs to be trustworthy, and trusted by public, also accessible
- Resilient in face of public controversy

### **B. Skills**

- Ability to lead and manage high level staff, maintain staff coherence
- Ability to keep highly motivated and productive team together
- Ability to support elected Commissioners during increasing complex times
- Sophisticated understanding of ports, maritime industry and structure, and how POV fits into commercial opportunities
- Some experience with ports or a public enterprise important
- Sophisticated about international and domestic markets

- Ability to see and understand complex projects, help people understand them, make them happen
- Outside thinker who sees opportunities and has dealt with Port issues and situations before
- Need a builder, grower, not a status quo manager
- Strong marketing and relationship building skills
- Sophisticated, effective at building relationships with elected leaders at federal, state, regional and local levels
- Strong political skills, highly self-motivated, internal drive to make things happen and be public face of Port
- Visionary leader who can engage the “outside, external” world, the community and then leaders at all levels; gather and focus support for Port programs
- Expert at strategic communications, internally and externally
- High quality negotiator, creative dealmaker
- Vision: long-term planner able to engage with community and earn support
- Understands balance between commercial and community benefits of projects
- Sophisticated about revenue and debt issues
- Understands Port’s “triple bottom line” and purpose of port taxes
- Not an “8 - 5” job, needs to be committed to living the role, someone with very strong “constitution”, who’s a team builder
- Need body of professional work that people understand, hopefully related to port development and/or related enterprise
- Someone who can provide continuity planning/succession planning

## **VII. Summary Observations and Recommendations**

The various perspectives included in this report provide a basis for Port Commission thinking and decision making regarding the next Port of Vancouver Chief Executive Officer. As is clear, the Port has a strong staff, a very productive and professional culture, and an ambitious agenda set by the Commission to grow the economic base of the District. The Port has been successful over time in meeting its goals. It has enjoyed strong support and cooperation from the community and its partners, but now faces a significant complication in the environment in which it has thrived.

### **A. Challenging context for an executive recruitment**

The current controversy surrounding the Energy Project obscures the underlying success of the organization.

- The controversy and extended process due to the Vancouver Energy Project could distract and possibly discourage highly qualified candidates.
- The controversy may create continued change in the Commission's composition, which will be an area of concern for potential applicants.
- The resignation of the previous CEO and approaching retirement of the key internal business development leader has created challenges and opportunities for the organization.

### **B. Priority responsibilities for incoming CEO**

The next CEO will have a clear set priority responsibilities.

- External communication and collaboration. Connect extensively and authentically with all external stakeholders, from individual citizens, organized groups, intergovernmental partners, elected and appointed officials at all levels interested in the success of the Port of Vancouver in delivering on its promise of support for a healthy economy serving the port district as well as the region.
- Effective and transparent governance. Support the Commission in all of its policy deliberations and decisions while operating an open, inclusive and transparent local government.

- Management and Business Development. Continue to increase utilization of assets to produce revenue; business development must be major area of focus.
- Organizational leadership. Maintain and grow the positive staff culture, commitment and productivity.
- Regional leadership. Participate, support and lead an aggressive economic development strategy and identity for Vancouver and Clark County.

### **C. Selecting the CEO**

Selecting the CEO is one of the Commission's principal responsibilities. The next step in this process involves a Commission decision regarding the breadth of the search and description of its priorities in a candidate. Two alternatives are offered as options.

1. National executive recruitment process. Conduct an open executive search process. Scale at national level for a long-term CEO. The Port is now known nationally and internationally and will attract interest. Many national port transportation industry candidates will be unfamiliar with the governance culture and expectations that dictate how the local institutions operate. A variety of accomplished professionals from the public and private sectors also are likely to be interested in this high profile leadership position.
2. Transition executive. Given the unusual circumstances now impacting the Port, the Commission might consider a shorter-term executive to lead the repositioning and transition of the organization through the acrimony and controversy around Vancouver Energy, the possible change in Commission composition, and upcoming retirement of a key staff leader. An experienced executive with an understanding of the current environment and related skills can serve to bridge the recent past to the long term future, through communicating and engaging exhaustively, implementing new approaches, making key personnel appointments and supporting an excellent and productive staff in its work to build economic vitality in the Vancouver community.

## **Appendix A – Interview Participants**

### **POV Commissioners**

Jerry Oliver, President  
Brian Wolfe, Vice President  
Eric LaBrant, Secretary

### **POV Staff**

Julianna Marler, Interim CEO/Chief Financial & Administrative Officer  
Kent Cash, Chief Operations Officer  
Alastair Smith, Chief Marketing & Sales Officer  
Ryan Hart, Chief External Affairs Officer  
Jonathan Eder, Director of Human Resources  
Patty Boyden, Director of Environmental Services  
Katy Brooks, Director of Economic Development  
Monty Edberg, Director of Engineering & Project Delivery  
Scott Goodrich, Director of Finance & Accounting  
Todd Krout, Director of Operations  
Mike Schiller, Director of Business Development  
Lee Hale, Director of Facilities  
Michelle Allan, Executive Services Manager  
Abby Russell, Communications Manager  
Leonard York, IT Manager

### **Community Stakeholders**

Ron Arp, Identity Clark County  
Mike Bomar, CREDC  
Scott Campbell, The Columbian  
Ted Gathe, Taxpayers for Responsible Public Ports  
Karen Hengerer, Interested Citizen  
Eric Holmes, City of Vancouver  
Schuyler Hoss, Governor's Office  
Addison Jacobs, former POV and Interested Citizen  
Matt Jones, Neil Jones Food Company  
Bob Knight, Clark College  
Keith Levitt, Port of Portland  
Jim Luce, Taxpayers for Responsible Public Ports  
John McDonagh, Greater Vancouver Chamber of Commerce  
Mark McCauley, Clark County  
Ron Morrison, Interested Citizen and Supporter of Seafarer's Center

Mel Netzhammer, WSU Vancouver  
Tim Schauer, Mackay and Sposito  
Jared Smith, ILWU Local 4  
Shannon Walker, SWW Central Labor Council

\* Six participants requested complete confidentiality and that their names not be made public. These included three individual citizens, one elected official, one small business owner who is a resident of the port district, and one Port tenant.