



**RE:** Baking long term DNA into Succession at Plant Construction

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**CLIENT:** Terra Search Partners

**SPEAKERS:** Matt Slepín, Founder & Managing Partner, Terra Search Partners  
Craig Allison, Co-general Partner, Plant Construction Company, L.P.

**Matt Slepín:**

This interview series is framed by my belief that great companies in the real estate succeed in the long run not just by their great assets, but also by an inherent DNA in their business platform. The DNA of a business platform is defined by intangibles like culture, technology and systems, training, people and structure, diversity and maybe culminates in succession. partly by business have a certain quality the success of which might culminate in successful succession at the leadership ranks. This interview is with the long term co-general partner of Plant Construction Company, L.P., Craig Allison, who is in the end game of the hand off to a new CEO. Plant is known, especially in the Bay Area, as one of the go-to companies when you have a challenging, high profile project, particularly a renovation. Here we talk about the passing on of this sort of DNA in a construction company, particularly a non-commodity firm like Plant.

To get started, Craig, talk to me about the unique place in which in Plant Construction sits in the construction industry.

**Craig Allison:**

The place to start is that high profile, challenging projects like the renovations of the Ferry Building, the Fairmont Hotel and the Flood Building are not the only projects we do. We've done other, perhaps less glamorous projects, here and nationwide, like in Chicago, Washington D.C., South Carolina, and Virginia.



Most, but not all, of our work outside of the Bay Area has been in joint ventures. Our model is to find local contractors where we find some symbiosis. They bring local expertise, subcontractor relationships and employee bases that we don't have and which would be difficult to set up on a short term basis. We learn tremendously from these. We get technology and a procedural systems download each time, and our partners range from very small, local companies to some of the largest in the country. From working in different markets and with companies of every size, we have a greater sense of our overall industry than many in our business. This, I think, has served us well.

**Matt Slepín:**

Talk about the arc of history of the firm in terms of its ownership structure.

**Craig Allison:**

Brothers Tom, Buck and Dave Plant started the business 69 years ago. Tom Plant's son, David, took over the management of the company, and management shifted again to the current management group.

David and I have gradually transferred equity to additional partners so that we are now a minor piece of the partnership. We started spreading out ownership because we watched our competitors either go away or be sold. In one case a premature death and a big estate tax bill killed the company. In other cases, employees were promised ownership potential that didn't materialize so the senior folks left, taking customers and employees. To David, the most important thing was that the company continue long beyond him.

**Matt Slepín:**



That type of long term planning is applicable to all businesses, but especially in the real estate world where a founding partner cannot just hand off the business to a next generation. In most cases you need an outside partner or capital source to continue the business. But you were able to self-fund.

**Craig Allison:**

Yes, being able to self-fund the ownership transition was a key to a successful succession.

**Matt Slepín:**

And now, bringing this to a topic near and dear to my executive recruiter heart, for a new CEO, you chose to bring in an outsider. Tell me about that. Why an outsider?

**Craig Allison:**

I began to step down in 2011. We asked John Wilson, who had been here close to twenty years, to take over. He agreed to do that, but only through 2014, because he also was looking at retirement. So, in 2014 we hired a national search firm with expertise in our business to cast a broad net.

**Matt Slepín:**

That you looked nationally is interesting because so many of our clients want local knowledge with local contacts. Tell me about your strategy for this.

**Craig Allison:**

I think that my experience with the joint ventures and with working in different parts of the country exposed me to people who had a broader vision of the industry. We all tend to focus on our projects and then our company, and we are less aware of what others are doing, even our direct competitors. I have found it to be unusual for people to have a good sense of what is going on in the rest of the nation. So we went looking broadly.



The response was gratifying, and a little bit surprising to me. A lot of people raised their hands.

The person that we found, Chris Rivielle, was the right fit culturally, he had the right mix of skills. The fact that he was completely new to this area, to the local industry and all of its aspects, is fixable. After a year-and-a-half, he is well on his way to being integrated fully into the Bay Area construction world.

**Matt Slepín:**

So, how did you overcome the risks of bringing an outsider into the Bay Area market?

**Craig Allison:**

Each market brings varying degrees of complication. Manhattan is not that easy. Nor is Austin, Texas, Indianapolis, Chicago. They are all different. You don't learn each of them. You learn how to navigate through each of them. California is not uniquely complex. It's certainly unique, but every place is unique.

Another point. The business of real estate is, as you know better than I do, much more global and national than it ever was. If you don't understand how to know what you don't know about an area, so to speak, then you are in trouble no matter where you are.

Just as an anecdote: we did a lot of projects for Urban Outfitters when they first started that chain. Dick Hayne, the founder, wanted each new store in a free standing location, not a mall, not connected to anything else. He built his first store in six weeks, so he thought all of his stores should be built in six weeks. He would then always want it open in some totally unrealistic amount of time. So we learned how to find subcontractors very quickly and built a good system. We made friends in most of these places and left on good terms with the local industry and didn't really have any problems. So the



process, the building of that system, was a great experience. And it gave us a valuable kind of knowledge.

**Matt Slepín:**

That's a great story, and it relates to the question of how to transfer this kind of knowledge to Chris and the rest of the leadership?

**Craig Allison:**

Well, with any new CEO – to start with that part of your question – the responsibility is to get to know the history. We are creating a knowledge management system so that we can institutionalize some of our knowledge and history. There is a huge appetite for this sort of knowledge sharing that became clear when we started this process.

**Matt Slepín:**

I'm curious to drill down on this: Are you talking about a CRM or some kind of knowledge management system, or both?

**Craig Allison:**

We use SalesForce as a CRM. We have weekly meetings where people talk about which leads they are pursuing. But one of the disadvantages of being around for a long time is that you accumulate a lot of history. It's quite common for someone who has been working with us for, say half a dozen years, to go to an initial meeting with a new client and a new architect and have both of them talk about projects that they did with Plant before the person came here, and we don't currently have an easy way for our employees to research this history. And, we also know that everyone is busy, and that if something isn't two clicks away, it won't be very useful.

Then you get into other difficulties. I've been given a list of thirty-eight project descriptions to write and we have reduced a history of our projects – with much effort! –



down to a list of one hundred fifty projects that we thought the new generation of leadership ought to know about. Most of my job these days is involved with a couple of clients and being available for Chris, in addition to the list of thirty-eight project descriptions. How Chris proceeds is up to him. He is engaging the community, while we figure out this knowledge-sharing question, the transfer of this fund of knowledge that has accumulated being in this business for a long time.

**Matt Slepín:**

Craig, great conversation. So impressed with how you made the thoughtful changes over time that enabled the successful transition. Congratulations. What's next for you?

**Craig Allison:**

Just a little involvement in the business and some civic and volunteer work. But I also love to work with my hands so I do a lot of woodworking and play competitive tennis. I am a lucky guy.

**Matt Slepín:**

Indeed.