

Developing Adaptive Leaders: The APi Case Study



By Tom Alafat

How one construction conglomerate is developing effective leaders across 40 different companies and 200 geographically dispersed locations.

Leaders in the construction industry have long dealt with volatility, uncertainty, complexity and ambiguity (“VUCA”) on a daily basis. In fact, VUCA is part of the industry’s DNA. Today, though, the pace of change and the speed of information flow are transforming the global business landscape more than ever, escalating risk and vulnerability at all organizational levels.

In the construction industry particularly, the failure rates associated with untested, uninformed decision-making have pushed executives to become vastly more creative, flexible and nimble when it comes to identifying and managing risk, leading people and solving problems. Unfortunately, many of today’s construction leaders are ill-equipped to deal with their companies’ many moving parts and are now seeking innovative ways to develop their leadership capabilities.

The following article illustrates how one industry icon, APi Group, Inc., has developed a successful model for developing great leaders across multiple organizational levels.

Unleashing Tremendous Energy and Power

With more than 40 independently managed fire protection, industrial and specialty construction companies and 200 locations in its portfolio, APi Group of New Brighton, Minnesota, has made a name for itself by building leaders that blend the personal attention of small to medium-sized construction companies with the strength of an industry leader.

According to Dan Wooldridge, APi Group’s strategic leadership advisor, the company’s vision and strategy both flow from its core purpose, “Building Great Leaders.” “Collectively, we know that the thing that gets us up in the morning is our passion to build great leaders,” said Wooldridge.

With leadership development as its core purpose, it just makes sense that APi Group would focus on creating an organization where everyone is a leader. “We don’t view leadership as a role or a box on an organizational chart; we define leadership as the ability to influence others towards our vision,” Wooldridge said. “We all influence someone every day. It could be a peer, partner, customer or team. We knew that if we could take the roughly 15,000 people of APi Group and ensure that everyone understood his or her respective leadership role, that we could unleash tremendous energy and power toward accomplishing our business goals.”

The fact that APi Group is not a single, monolithic company could have stood in the way of the company’s leadership development goals, but Wooldridge said the firm tackled that challenge head-on. “We’re a family of diverse companies,” he explained. “Though each business has different goals, objectives, markets, cultures and teams, we’re aligned around our core purpose.”

According to Wooldridge, another obstacle to building great leaders is rooted in the fact that many people simply don’t understand what leadership really is. Since the early 2000s, the company has participated in a number of leadership development programs, including FMI’s Leadership Institute, as well as many of its own programs, to work through that issue and to define what it means to be a good leader.

For example, three times a year, APi Group’s presidents and senior leaders converge and participate in leader labs and a presidents summit. Over several days, these individuals learn, collaborate and participate in leadership development. “When our leaders get together,” said Wooldridge, “the amount of peer-to-peer learning and support among them is just tremendous. For example, this next fall, all our presidents will gather on the battlefield of Gettysburg, accompanied by historians and military leaders, to study the leadership lessons that can be applied from this historical event.”

Today, APi Group is at a transition point. Wooldridge explains, “We’re maturing as a company from the point of not only just being good leaders, but also actually being the people who know how to build great leaders.”

Achieving that goal requires a different mindset that includes not only business acumen but also a knack for developing other leaders within that specific business. This mindset requires a new level of thinking, skill sets and prioritization on how a leader uses his or her time. “Getting through that mindset change is definitely a challenge,” said Wooldridge, “but it’s a necessary shift in thinking.”

Developing Field-Level Leadership

In the risk-averse construction field, much attention is paid to developing senior-level leaders and managers, with little or no thought given to the field leaders who are out on the front lines working with customers every day. Often brought up through the ranks—and promoted accordingly—project managers and field leaders don’t always get the same level of attention that, say, a company vice president or COO would.

That scenario plays out quite differently at APi Group, where field employees comprise about 80% of the company’s total employee base. Acknowledging the fact that this segment has been “historically underserved” in terms of development, Wooldridge said these individuals make the important, day-to-day decisions that impact the company’s bottom line—a fact that no construction firm can afford to ignore. “Our field leaders do most of the hiring, they interact with our customers, they make the daily financial decisions,” said Wooldridge, “and they are truly the heart and soul of our company’s culture.”

In recent years, APi Group has taken steps to accelerate field leadership development. The firm just finished up its fourth Field Leadership Institute and plans to make this a permanent part of its leadership development activities. “We’re also doing regional visits and follow-ups with attendees to ensure that there is a unified culture to break down the walls between the field and the office,” Wooldridge said. “It’s all about bringing our field leaders into the conversation and into the equation.”

Preparing for Risk

Knowing that risk could be lurking around the corner on any job site, at any one of its 200 locations, or across any of its 40 different companies, APi Group takes risk management very seriously. According to Wooldridge, the firm starts by ensuring that its leaders are ready, willing and able to lead themselves first. In other words, the greater their self-awareness, the better the odds that their influence flows out of their character and authenticity. This, in turn, translates into the individual leader’s ability to respond to changes while developing to his or her full potential.

To best prepare employees to work in a risky business environment, APi Group focused on three different areas (Exhibit 1):

1. **Leading Self**—Influence flows out of individuals’ character and authenticity, as does a clear understanding of their unique talents and personality. This, in turn, helps individuals respond to changes, continue learning and develop their full potential. “We work with them on their ability to learn, use good judgment, and bring out the best in others,” says Wooldridge.
2. **Leading Others**—It sounds straightforward in theory, but teaching someone how to lead isn’t always easy. To overcome this obstacle, Wooldridge says APi Group helps its existing and potential leaders understand how they influence others, how they communicate, and how they interact with others to bring about change.
3. **Leading Teams**—Leaders are constantly leading either ad hoc or long-term teams of people. They need to be effective in leading teams before they can even be effective in leading businesses. They also need to be able to leverage the strengths of a team to make better decisions and execute more effectively. To achieve these goals, Wooldridge says APi Group helps leaders develop foundational thinking and how to help others develop and move through their own lives and careers in the most appropriate manner possible. “We’re developing employees who can think and respond based on our core purpose, values and ideology,” says Wooldridge.

“These are foundational to being able to lead businesses,” Wooldridge explained. “When those bases are covered, leaders can innovate, change, adapt and lead more effectively.”

“This is important because we’re not building a big, monolithic organization,” said Wooldridge, “but we are all working in a team environment. We have to be fast-moving; able to seize opportunities; and address concerns, issues and challenges. This agility is the new stability.”

These three areas are implemented according to a 70-20-10 ratio that has emerged out of research on how leaders best develop. Ten percent is classroom education. Twenty percent is coaching and mentoring. Seventy percent is the intentional involvement in developmental work assignments and experiences, where each individual collaborates with his or her leader to create an Individual Development Plan.

EXHIBIT 1

APi LEADERSHIP DEVELOPMENT MODEL



Source: Image provided by Dan Wooldridge, APi Group

An Eye on the Future

It may have nine decades of experience under its belt, but APi Group's longevity doesn't stop it from constantly innovating and seeking out ways to work smarter, better and faster in today's ever-evolving construction market. At the heart of its forward-looking strategy, for example, are three distinct think tanks established to help keep APi Group ahead of the curve and on a continuous growth path.

Focused on field leadership, the first think tank looks at issues like: Where are our field leaders coming from? What kind of development do they need? How can we attract even more quality, skilled individuals to fill these roles? And, more generally, how do we train and develop our field workforce for a successful future?

A second talent magnet think tank is centered on employee recruitment, retention and engagement. "It's not only about getting more resumes into the pipeline," said Wooldridge, "but also about ensuring that APi Group is a powerful talent magnet where people want to come to work every day. We realize that in this world, there's an all-out war for talent right now, and that we're not just competing against construction companies for this talent," said Wooldridge. "We're also competing against any company that wants good people—and we want those people to come work for us."

APi Group's third think tank is focused on innovation and seeks out not just incremental improvements in the firm's current businesses—but also looks at what's going to happen to those companies in the future. "No business model goes to the sky, and no strategy goes on forever," Wooldridge stated. "We know that we can be disrupted or put out of business by threats that we can't even imagine right now."

Through its innovation think tank, APi Group has created a platform for teaching its leaders how to seek out innovation and how to create the experiments today that could possibly become the businesses of tomorrow. "We also encourage our leaders to think about how to innovate their business models and find opportunities that we've never considered before," said Wooldridge.

By taking this multifaceted approach to leadership development and innovation, APi Group has been able to position itself as a leader in its own right. “By engaging and developing our leaders, and by using think tanks to help develop our next generation of leaders,” said Wooldridge, “we feel confident in our ability to lead our company as a whole in the current environment and well into the future.”

Taking the Lead

To other construction firms that are honing their own leadership development approaches, following APi Group’s lead by developing strong leaders who know how to lead not only others, but also themselves, is a good first step. From there, factor in the risks associated with your business and use them as a baseline for developing an effective leadership development strategy that takes those risks into account. And, as Wooldridge pointed out, remember that risk could be lurking around the corner on any job site or company location.

By ensuring that leaders are ready, willing and able to lead themselves first—and by taking the time necessary to train project managers and field leaders on the fine points of leading teams—your company will be better-equipped to respond to the changes taking place in the industry today... and well into the future.



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