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| **NDI** Executive Exchange

# The Role of the Board in Site Selection and Talent Development

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 **FOLEY**  
FOLEY & LARDNER LLP

# Panelists

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# NDI Executive Exchange

## PART I

## TALENT DEVELOPMENT

## Is talent management a board priority at your company?

- More than a Board Priority, it is a Core Value of our Company:

### Leaders Creating Leaders

Omni Hotels Board Plays an Active Role by: participating in interviews for top positions

- Mandating cultural fit is equal to qualifications
- Supporting investments in training and development for High Potential Talent
- Ensuring that succession plans exist for all Director level positions
- Ensure the risks and consequences of changes in the executive team are known and mitigated

# Omni Hotels Talent Strategy

- Strategic Priority
- Leaders are held accountable for their performance within the framework of the strategy
- Executive in Development Platform; next “on deck” leaders exposure through Task Force assignments and Board Meeting Attendance/Exercises
- Evolves based on changing workforce demographics –
- Tailoring Talent Development Programs and Policies to Millennials expectations and abilities
- Is personalized
  - Leaders are expected to interact with high potential talent while traveling
  - Corporate Outreach to high potential talent on a regular basis
  - Dedicated resources for high potential talent development

# Omni Hotels Talent Strategy

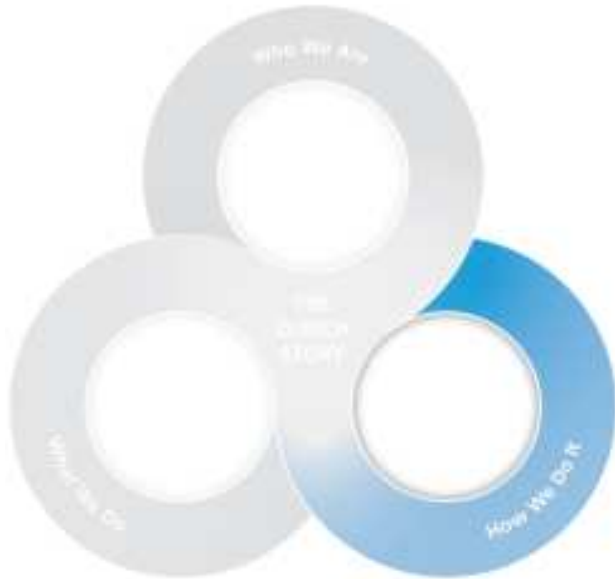
- Is one of our Core Values: “Leaders Creating Leaders”
- Is a collaborative process
  - All property level directors and executives are screened at the corporate level to insure they have “runway” for future leadership and corporate roles.
  - Top Executives at Hotels and for Corporate Office are screened by the Board Member(s)\* and Ownership.
  - “All or nothing” strategy insures global support.
- Is reinforced through metrics and recognition
  - Dick Mason Award given annually to the leader who most exemplifies the spirit of career development
  - Ideal Mentor Award awarded annually to the leader who shows extraordinary effort to mentor high potentials
  - People’s Choice Award for executive with highest level of engagement, retention and talent development
  - Monthly Board Meeting reports on Talent Acquisition and Retention

*\*Everyone on our Board works for the company or holding company as we are privately held*

# Talent Management Monthly and YTD Metrics- Reported Globally, By Division, By Property Type

- Promotions
- Retention
- Executive turnover
- Manager turnover
- Managers in Active Development
- Hire Sources
- Mission critical positions and status
- New builds and impact on talent pipeline

# Talent Management supports the execution of all Group Strategy through our people



Enablers of our success

- Reduce complexity
- Improve operating profitability
- **Invest in our people, capabilities and the brand**

## Zurich People Vision

We aspire to unleash the full potential of our people

## Strategic Priorities 2014-2016

- 1 **Right Talent**
- 2 **Great Leaders**
- 3 **High Engagement**
- 4 **Robust Foundation**

We develop talents and leaders, drive engagement and enhance our robust foundation



# Talent Management at Zurich Financial

## Talent Review Preparation

Identifying the health of the talent pipeline against the business strategy



## Talent Reviews

Local, Regional, Functional and Global Talent Reviews discussing Talents



## Talent Development

Matching career aspirations and development actions



### Business Review:

- Understanding of current business landscape & strategic imperatives

### Evaluation by Manager:

- 9box grid
- Succession Planning

### Further preparation by Manager:

- Clarity on role profile and critical experiences required
- Career Aspirations
- Etc.

### Talent Reviews

- Local, Regional, Functional and Global
- People Days

### Follow up

- Clear action lists with development needs, agreed activities, responsibilities, deadlines

### Outcomes and Actions:

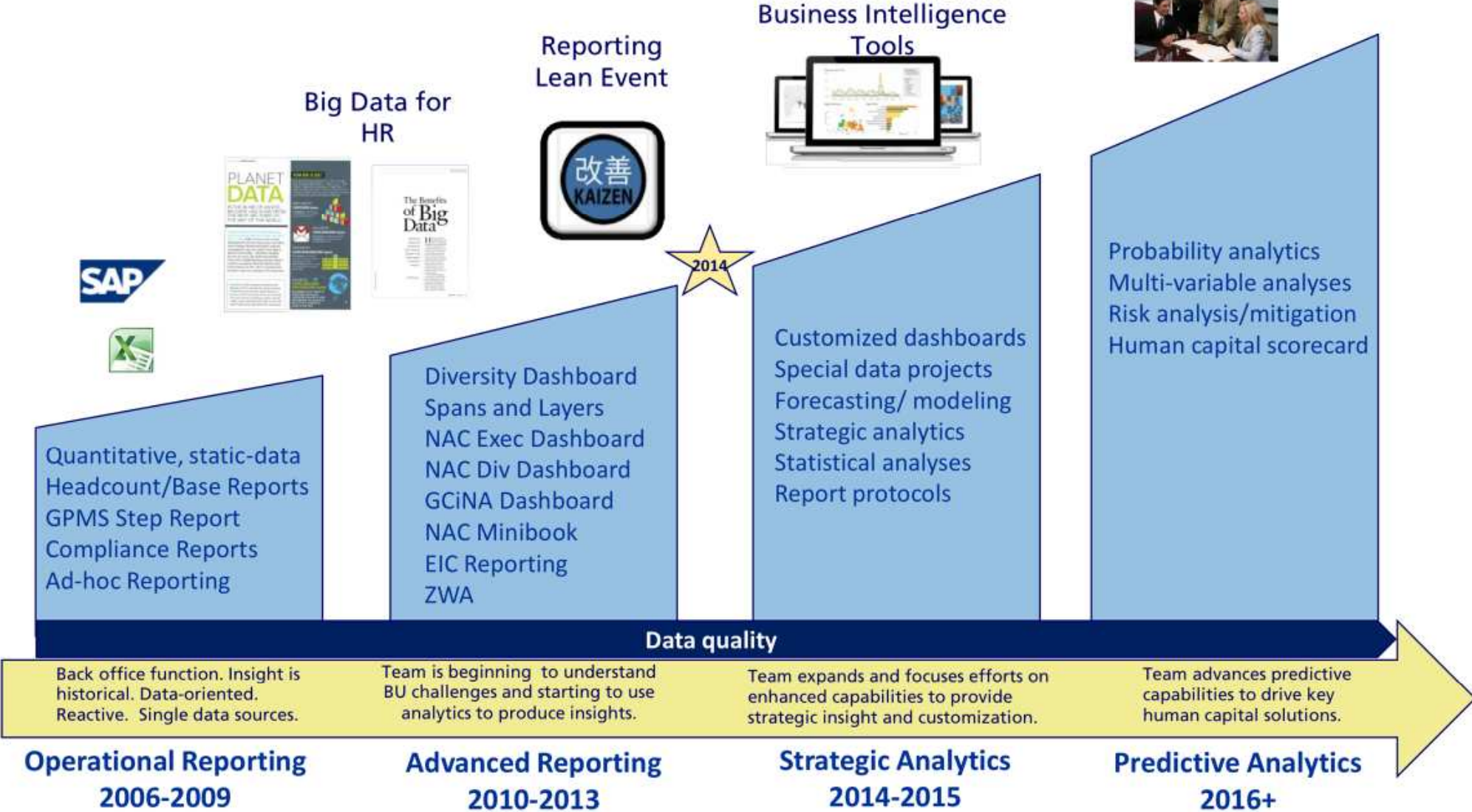
- Feedback
- Career Development Discussions
- Individual Development Plans
- Development Actions
- Assessments / 360° Feedback
- Follow up on agreements

# Our Evolution to HR Analytics



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Analytics Expertise



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## PART II

### SITE SELECTION

# Site Selection: Key Considerations

- 1) Talent Pipeline
- 2) Physical site
- 3) Tax & regulatory environment
- 4) Logistics
- 5) Quality of Life

# Site Selection: Key Considerations

## 1) Talent Pipeline

- Existing labor supply
  - Use local government resources or consultant
- Education resources & future talent
  - Will local institutions work with company to develop appropriate talent?
- Incumbent worker training grants
- Don't overlook the military pipeline

# Site Selection: Key Considerations

## 2) Physical Site

- Land use entitlements
- Utilities
- Access – roadways, railways
- Brownfield incentive
- Speed to market is Key

# Site Selections: Key Considerations

## 3) Tax & Regulatory Environment

- Must understand state and local environment
- Look past incentives to the overall tax structure
- Understand the regional demographics and how politics might change in short and long term
- Regulating environment including environmental permitting, land use entitlements, building codes, transportation easements, and more

# Site Selection: Key Considerations

## 4) Logistics

- Critical to understand the current and future costs of moving people and goods to the site
- If new project is a major employment and development driver, are state and local governments committed to building necessary transportation infrastructure?
- Future plans of sea ports, air ports

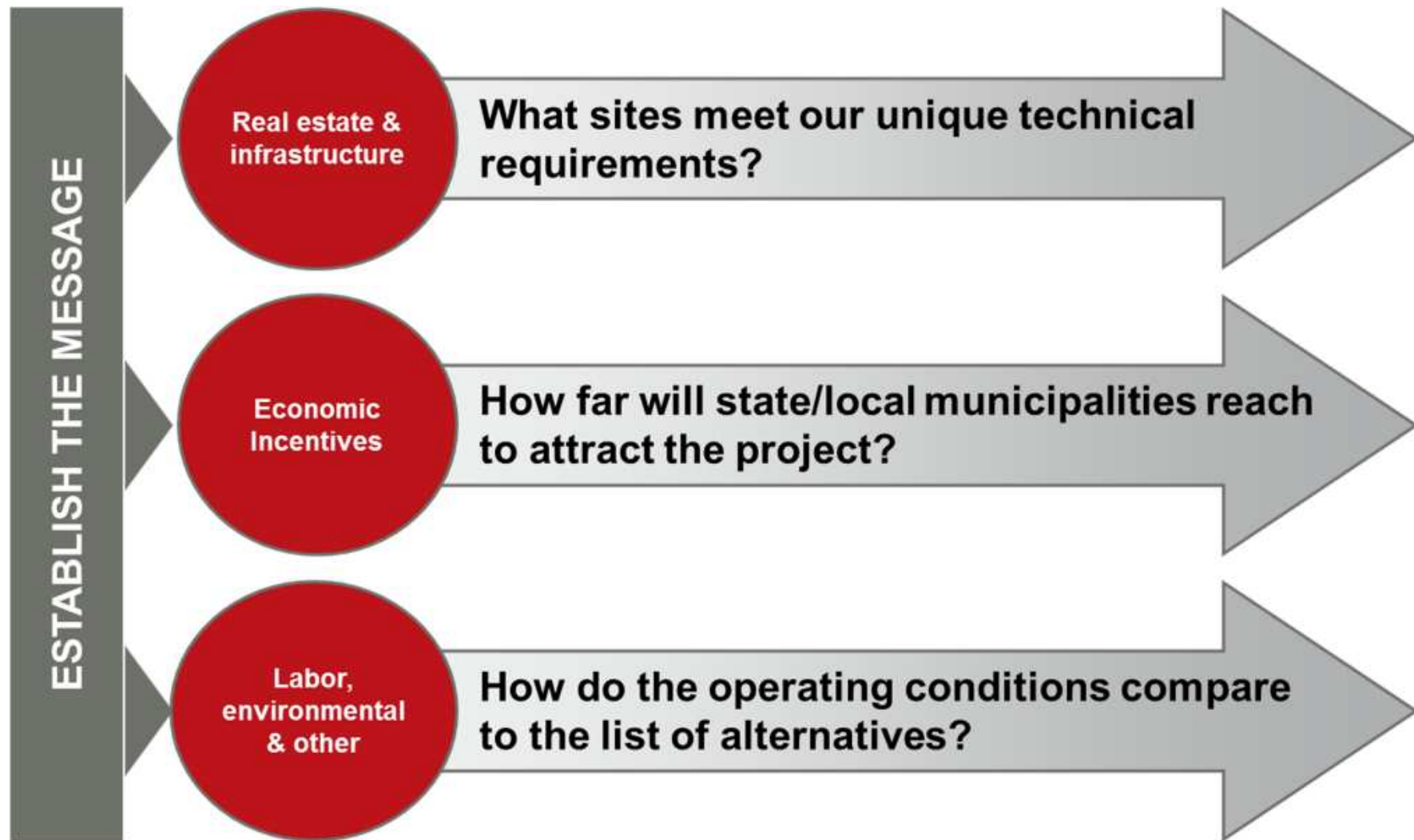


# Site Selection: Key Considerations

## 5) Quality of Life

- Does proposed site offer the quality of life amenities that will attract and retain talent?
- Housing choice
- Quality schools
- Recreational options
- Millennial focus? Will their tastes persist?

# Location Advisory & Economic Incentives



# Approach and Process: Integrated Analysis



## 3 Primary Location Decision Factors:

Location Intelligence



Business & Economic Incentives



Real Estate Solution



### JLL National Incentives Assessment



State	Incentives Assessment
Florida	Aggressive
Georgia	Aggressive
Texas	Competitive
Virginia	Competitive
Arizona	Average
Colorado	Average
California	Below Average
Minnesota	Below Average

### State Business Tax Environment



Components	Weighting
Individual Income Tax	32.1%
Sales Tax	21.6%
Corporate Income Tax	20.6%
Property Tax	14.6%
Unemployment Insurance Tax	11.1%

Best 10	Worst 10
1 Wyoming	41 Iowa
2 South Dakota	42 Connecticut
3 Nevada	43 Wisconsin
4 Alaska (not mapped)	44 Ohio
5 Florida	45 Rhode Island
6 Montana	46 Vermont
7 New Hampshire	47 Minnesota
8 Indiana	48 California
9 Utah	49 New York
10 Texas	50 New Jersey

# Approach and Process: Incentives Negotiation

Incentives negotiation can take as little as 8 weeks, and typically run parallel with real estate due diligence

Phase I	Phase II	Phase II	Phase IV
Project assessment	Analysis and modeling	Project negotiations	Implementation
Analyze and model project facts, projections, timing and parameters	State & local project introduction	Highlight RFP deficiencies	Prepare reports and applications
Understand client's tax and business fact pattern	Distribute Request for Proposal (RFP)	Highlight project impact	File for benefits
Review of tax statutory environment & identify issues	Analyze state and local response	Negotiate to improve or modify incentive package	Track pertinent data
Develop project strategy based on complete tax and business assessment	Model incentive offers	Achieve approvals	Monitor and ensure terms of compliance
Create business driven presentation	Identify project obstacles and solutions	Ensure flexibility/ mitigate "clawbacks"	Track payments
	Detail approval process	Gain approvals	Train client staff on implementation process for smooth transition
		Create documentation solution that is achievable	