

Lessons Learned, Lessons Shared

A Profile of a Successful Researcher: Cynthia Ray Walker

INTRODUCTION

PRELUDE

This is the first in a series of Executive Profiles of research-oriented industry leaders conducted by Jim DeLisle, director of the Runstad Center for Real Estate Studies at the University of Washington. These interviews, which are a joint effort between the Center and the International Council of Shopping Centers (ICSC), are intended to highlight the career paths of successful executives who can serve as a role model for Next Generation executives, as well as provide some career advice from industry veterans. The interviews are directed at both professional and academic audiences, especially Next Generation professionals and those interested in integrating a research component into their career paths.

RATIONALE

There are several drivers behind the introduction of the Executive Profiles initiative. The main rationale is to provide a forum that will help the real estate discipline continue to evolve, helping to advance professionalism in the field and promote sustainable real estate solutions. Given the diverse array of real estate-related fields (e.g., development, architecture, planning, law, environmental, sociological), one of the underlying goals is to help identify the combinations of knowledge, experiences, styles and relationships necessary to excel as a leader of Next Generation Professional movement. While this challenge could be approached through more traditional, research-based approaches, the inherent complexity of the underlying issue and the lack of a unified approach would suggest that such an approach may not be able to provide explicit guidelines in a timely manner. This series is intended to provide professional case studies that can be used to fill this void and provide meaningful career guidance.

SUBJECTS

This series of Executive Profiles will focus on individuals who have incorporated “research” into some phase of their careers. Some of the interviewee’s careers remain in research, as they continuously hone their skills, while others have moved on to other functional areas. Regardless of current or future career choices, we will explore to what extent the mindset and skills cultivated in research roles has been instrumental in their professional development, and how they have built on that foundation. Ms. Cynthia Ray Walker, Vice President, Federated Department Stores, Inc. is the first in our series of interviews.



Cynthia Ray Walker
Vice-President,
Federated Department Stores

Cynthia. Thank you for taking the time to provide us some insights into your career and capture some of your thoughts on how to succeed in retail-

related real estate careers. Before we begin, I'd like to focus a bit on your current responsibilities.

In my role at Federated, I head the Area Research Department, which is responsible for sales forecasts for new, expanding and remodeled stores; acquisition analysis; strategy studies, and evaluation of the current store portfolio. The department includes a staff of 13 —

six research professionals, two database developers/managers, two project assistants, a graphics coordinator and two administrative assistants.

In addition to your professional roles, you also participate in a number of industry activities. In what capacity have you participated in various professional activities beyond your job?

Over the years, I have found that it is important and rewarding to get involved in industry-related activities. With respect to the retail industry, most of my efforts have been focused on ICSC. This long affiliation began in 1986 when I became a charter member of the ICSC Research Advisory Task Force, serving as Vice-chair in 1990 and Chair in 1991, and remaining a member until



rotating off in 1996. I was reappointed to the Task Force in 1998 and again served as Vice-chair in 2001–2002 and Chair in 2003–04. I also have been a Trustee of the ICSC Educational Foundation since 1991. During my long affiliation with the Research Advisory Task Force, I have been active in the Data Subcommittee, Steering Subcommittee, and ICSC Research Conference Program Planning Committee, which I chaired in 1995. I also have been a speaker at several ICSC Research Conferences and served as a Faculty Member of the ICSC School for Professional Development, teaching the Market Research course in 1994.

Aside from involvement within the industry, what kind of activities or organizations have you participated in?

It is equally important to get involved in various activities outside of work, and these are an important complement to my professional life. For example, I currently serve as a Regional Co-Chair for the National Cathedral Association (Washington National Cathedral) and in 2003 became a Trustee of the National Cathedral Association Board of Directors. In 2002, I became involved with the Fountain Square Working Group, a task force of the Cincinnati Center City Development Corporation. In a similar timeframe, I became involved in Downtown Cincinnati, Inc., serving as a Member of the Board, 2003 - present; a Member of the Executive Committee, 2003 - Present, and Chair of the Marketing Committee, 2004 - present. This past year, I had an exceptional opportunity to participate in Leadership Cincinnati, Class XXVII, which is a 10 month program sponsored by the Chamber of Commerce.

You certainly have had an active “association” and “community” component of your professional life. I’d like to turn the clock back a bit and talk about your background and education that helped get you to this point in your career.

I grew up in Mequon, WI, which at the time was an exurban area of Milwaukee, where you could keep two field horses on a 1.5 acre lot. My undergraduate degree was a B.A. in Economics, from Stanford University,

Stanford, CA, 1973. After that, I returned to the Midwest and completed dual graduate degrees at University of Wisconsin, Madison, including a M.S., Urban and Regional Planning (1977), and M.S., Landscape Architecture (1978). Perhaps the most influential class was Prof. James Graaskamp’s introductory Real Estate course, which opened my eyes to the real estate field and illustrated a profession that could draw on my diverse set of skills and interests. After working for several years, I returned to academia, finishing my MBA with a major in Finance and a minor in Marketing in 1982 from the University of Chicago.

How did the MBA fit in with the education you received at the University of Wisconsin, Madison?

Before obtaining my MBA, it was difficult to capitalize on the value of my Planning and Landscape Architecture degrees, despite the fact that the coursework in urban land economics, real estate, statistics and basic design principles had the greatest application in my profession. To complement that foundation, I felt I needed business training and credentials to be able to do the things I wanted to do. As it turns out, I made the right decision, since after getting my MBA I began to be competitively compensated and also was able to break down some of the barriers to professional growth that I had encountered. Some of the MBA coursework has been beneficial and applicable, particularly in the areas of statistics and marketing; it also provided a broader perspective on real estate as an asset class.

As your formal education came to a close, what kind of career/job aspirations did you have? Maybe you could give us an idea of what your career progression has been like.

After getting a glimpse of the public sector through planning classes and an internship at the D.C. Council of Governments, I set my sights on the private sector. Consulting held great appeal because of the variety of assignments and multi-disciplinary approach. After finishing my degrees at Wisconsin, I took my first job as a Research Analyst at Barton, Aschman Associates, Inc., which had practices in Washington, D.C. and Evanston,



Ill. My initial projects had a planning orientation, but soon changed toward more economic development assignments when the company established a practice in Evanston. Under the direction of Scott MacDonald, we undertook both public and private projects requiring market assessment of retail, office and residential development potential. Based on that experience, I decided I needed more formal training in the business elements of real estate which is why I pursued my MBA at the University of Chicago.

After finishing my degree, I pursued a long-standing dream of working for The Rouse Company. This opportunity materialized in the form of a position working with John Chapman at Rouse's consulting subsidiary, American City Corporation in Columbia, Maryland. The charter of American City Corp. was to assist public or quasi-public entities to redevelop urban real estate. It was a fascinating consulting environment, and we worked in cities ranging from Sheboygan, WI to Montreal, Canada and areas like the Bermuda docklands.

My next job was at BATUS Retail Group in New York, as a Director of site location research. At the time, BATUS owned Saks Fifth Avenue, Marshall Field's, Kohl's, Gimbel's and Ivey's. Soon after joining BATUS, the company began selling off retail divisions and the department head left and I succeeded him. BATUS gradually unwound, selling off Kohl's, then Gimbel's and Ivey's, and eventually Marshall Field's and Saks.

Working for a retailer was eye-opening, especially for a person with an analytical bent. Compared to consulting, where you often have to dig relentlessly for 'hard' data and then, often improvise, the quantity and availability of data spoils you for life. Plus, I enjoyed being part of a corporate structure that provided an on-going opportunity to influence specific decisions and corporate strategy.

In 1989, an opportunity arose to join JMB/Urban Retail Properties Company to direct research activities for the recently unified retail development entities (JMB/Federated, UIDC, etc.). This was a chance to broaden my experience and gain insight from a developer's

perspective. Since I had recently married and relocated to Florida, accepting this job began weekly commutes from Florida to Chicago to direct the company's research function, which involved evaluating new development opportunities, compiling data to support department store and tenant solicitation, overseeing consumer research at existing properties, formulating expansion strategies for selected properties and, on occasion, working with a team to provide development consulting services to a Japanese company. It was a great job, great group of people and a terrific six years.

I joined Federated Department Stores, Inc. in January 1995 as a Director of Area Research, shortly after Federated's acquisition of Macy's. My responsibilities included the Bloomingdale's, Macy's East and Bon Marche divisions. In 1997, I succeeded H. Stewart Rose as head of the Area Research Department and in 2002 was promoted to Vice President. Today, Federated is a \$15.2 billion company with six retail divisions, including Bloomingdale's, Macy's and several co-branded regional divisions, operating under the names Bon-Macy's, Rich's-Macy's, Lazarus-Macy's and Burdines-Macy's, among others.

During your formal education and subsequent career in real estate, I imagine that you met a lot of interesting and knowledgeable professionals in the industry. Who has most impacted you and your career choices?

John R. White, the father of a good friend at Stanford University, first sparked my interest in real estate during my undergraduate studies. John was a principal at Landauer Associates, Inc., a major real estate firm in New York, and was very active with the Urban Land Institute. Later in my career, I had the opportunity to work with him on a professional basis, authoring a chapter of a book, which he began compiling before his death.

Prof. James Graaskamp fueled my interest in real estate at the University of Wisconsin. On one hand, I tended to be drawn to the slightly more theoretical aspects of real estate, particularly urban land economics, yet on the other hand, the functional design aspects also held great appeal.



His teaching philosophy integrated all of these interests, along with financial evaluation.

Over the course of my career, I have had the opportunity to work with many highly skilled and creative professionals; they all have influenced my growth and development. John Chapman, though, has had the greatest influence of any single individual. He first hired me to work with him at American City Corporation and subsequently facilitated the transition both to and from New York. John also was the one who invited and encouraged active participation with ICSC, when he was the Research Director. He remains both a mentor and friend.

Both at Federated and previously at BATUS, I have had an opportunity to work with senior management at both the corporate office and retail divisions and it has provided insight and appreciation for different executive styles and talents. While I have not had a formal mentoring relationship with any of these people, James Zimmerman, former Chairman and CEO of Federated, remains an inspiration in the way he thinks and analyzes situations, encourages input, guides a team to better decisions, articulates a vision and acknowledges people's contributions. He would be on the All-Star executive team, if one existed.

You have had an interesting career, one that has taken a number of paths. What were some of the key events that got you to where you are today?

Completing my MBA and securing the job at American City Corporation were perhaps the most catalytic events in my professional growth and subsequent career development. However, collegial relationships dating from my initial years in consulting also have been influential, spurring the connection with JMB and, on a personal level, providing the basis for several long-lasting friendships. Tuning the clock back even further, an earlier decision regarding my thesis topic for the MSLA degree also proved influential. My thesis relied on data from Fairfax County, which had instituted the PLUS system, one of the first computerized land use databases. My

research helped establish a connection with Washington D.C., an area I found captivating. Indeed, the area continues to draw me back, now as a regional volunteer leader for the Washington National Cathedral.

What are some of the challenges and opportunities you faced that might be of interest to others as they pursue their careers?

Working in New York had never been an ambition, so the move to BATUS was slightly intimidating, primarily on a personal level. Now it is laughable, but at the time I suffered from great and inaccurate misconceptions of New Yorkers and what to expect. The move and experience turned out exceptionally well, and changed the course of my life, both on a career and personal level. That was simply the first lesson in "never say never."

Relative to my career, I have no misgivings about missed opportunities or "what ifs." At one point, seizing an opportunity made for a difficult decision, because I remained in a Florida consulting job for just a short period of time before moving to JMB. However, not moving would have been a major regret. Looking further back, as a student in high school and college, I wish I had been bolder about pursuing opportunities to live and study overseas. There remains a great curiosity to experience other places from the perspective (and at the pace) of a resident, not a tourist. At some point, I hope to close that gap.

One of our goals in this series is to try to close the industry/academic gap by getting some personal observations on the real estate business from some of you who have excelled in their careers. Let's step back a bit from your life and explore some of your thoughts on the industry. What are your observations on the state of the industry?

Historically, the real estate business has been heavily reliant on personal relationships. To a certain extent, this is still the case in the development arena, but less so today because the business has become more sophisticated and good opportunities are harder to find and execute. Also, as real estate has joined the ranks of other financial



instruments as an asset class, there are many more people involved in retail real estate who do not relate directly to the physical assets and instead are analyzing financial performance and general trends in the property class, or macro-economic trends. The specific talents and training required to succeed in different aspects of the industry vary, but in all cases, developing a network of informed professionals remains very important. Building a broad-based knowledge and understanding of retail, real estate and capital markets also is essential. Inquisitiveness, enthusiasm and perseverance are personal characteristics that pay off in equal measure.

Turning to academia directly, how important is a formal academic real estate education?

I feel a broad-based real estate education is extremely valuable, even for people fortunate enough to train at the side of a seasoned professional. It can inform and sensitize people to real estate fundamentals that influence property performance and durability and, at the same time, expose them to new ideas, technologies and approaches, and polish written and verbal communication skills. An education lays a foundation for a professional network of contemporaries. Plus, summer or part-time employment opportunities can provide inside views on various aspects of the business. Further, education can add a level of polish and maturity that otherwise may take longer to acquire.

As a returning academic, I'm particularly interested in your observations on the state of education. What are your thoughts on real estate education?

My impressions of the current state of real estate education may not be accurate and does not apply to all programs or schools, but I have been disappointed. Many educational programs seem to be out of touch with current industry issues and practices. Graduate students, including design professionals, fail to demonstrate an understanding of real estate fundamentals, the needs and requirements of retailers, or basic practical knowledge and skills. Some graduate retail and marketing programs tend to focus research initiatives on "nice to know" things, but

not issues that developers, owners or retailers can do anything about. The research designs are poorly constructed and so qualitative, that the results are non-directional and useless. That said, I firmly believe in formal real estate education. However, there is a clear need to provide more practical industry perspective and interface for students. Accordingly, I would encourage academic programs to establish strong ties to alumni, local retail, real estate and financial companies, and trade associations like ICSC, BOMA, and ULI in order to tap industry expertise. Efforts to promote co-op or intern programs also should be pursued.

What are some of the major challenges managers and leaders have to deal with as new generations of real estate professionals enter the industry?

From my current point of view, a recurring challenge has been hiring and retaining qualified and highly motivated staff, particularly in a mature segment of the retail industry. Department store companies traditionally have been great training grounds for researchers, but often turn out to be a stepping-stone into other fields or other companies. It can be difficult to retain, nurture and grow talented young people within the organization, even though there are some terrific and rewarding opportunities. Alternative career paths are not necessarily well-charted within some organizations, so the challenge for corporate management is to think creatively about how to tap into the analytical skills of researchers and identify other growth paths. For a department, it is exceptionally important to embrace the energy, enthusiasm and diverse points of view of young staff members. Sometimes it can be difficult to find the balance between imposing standards and expectations, while recognizing individual differences.

Let's talk to the Next Generation Professionals. What's your advice to students?

Get a strong, broad-based education at the best undergraduate university or college you can afford, without breaking the bank. State schools are fine and can offer as good an education as private schools. Take



advantage of the time to dabble, to sample lots of things, and to expose yourself to different jobs during the summers, or part-time during school. You'll find your undergraduate years can be a period of discernment that help you figure out what turns you on (to use an old phrase) and where you naturally excel. While a single path will not suit all people or professions, I would recommend getting an undergraduate degree, then testing career opportunities in your chosen field, if you can get into it without a graduate degree.

Then, when you are more informed about both career and academic alternatives (and before the opportunity costs become too great), go back to school. Again, pick the best program and school you can afford. In my experience, the quality of the graduate degree-granting institution was particularly influential on subsequent opportunities and starting salaries. This time, don't dabble, but focus, get the degree and maximize the program for all the contacts and experiences it can provide. Pick the next job carefully because it really influences the subsequent course of your career.

Find an employer who will support your continued education, either through corporate training programs, professional education programs, attendance at conferences, or participation in professional groups. This is crucial for broadening your perspectives on the

industry, building your practical skill set and your professional network. Make this an important consideration in your job choice.

Cynthia, thank you for generously providing us with valuable insight into your life and career choices. In closing, are there any final words or lessons learned that you would like to impart on our readers?

As alluded to before, as your career unfolds life is full of "lessons-learned" that can help you grow, both professionally and personally. However, there are three major lessons that I would like to emphasize. First, never say never; don't let preconceptions stop you from doing something. Any new experience will help you grow, either professionally or personally. Make the most of every opportunity and accept new challenges. Second, integrity is a gift we all receive in equal measure at the outset. Assiduously respect it and maintain it, because it's very fragile. That is, once it is compromised, it's gone and can never be reconstituted in its pure form. Finally, a wise colleague once advised me, "don't tell people something can't be done, tell them either what is required to accomplish it, or how to get it done." Always provide constructive advice and avoid acting like the weary parent that just says "no, because I said so." If you do and don't try to educate and inform, you'll find you won't get you very far and people will stop asking you for guidance.