

The team turnaround process: 6-step primer

by Joe Frontiera and Dan Leidl



How does a leader impact a turnaround? Over the past five years, we spoke to both well-known and lesser-known turnaround masters, leaders who have altered the fortunes of their organizations. Remarkably, six distinct stages emerged.

1. Leading past losing. When successful turnaround artists first realized that their team needed an overhaul, they reflected on two things: what went wrong, and what they wanted their team to be.

Frank Esposito of Los Angeles-based Kendon Industries asked his team, "What are we doing that's stupid?" This simple question uncovered valuable information from those on the front line, and painted a stark picture of where his organization had stumbled. Similarly, when Jeffrey Lurie bought the Philadelphia Eagles, he spent much of his first year as owner studying the San Francisco 49ers, then a model NFL franchise, to determine what he wanted his team to be.

2. Committing to growth. Seeing past the current reality is equally important. This vision crystallizes in the second stage. Alongside this vision of the future come specific goals and objectives, and the core values that define how these objectives should be achieved.

Jim Grundberg and Jason Pouilot, CEO and CFO of the SeeMore Putter Company, decided that customer service and technological innovation were the values that would launch their once-dead brand back into relevance. For them, every customer's query would be answered at all times. At SeeMore, it's now common for employees to leave meetings to take customer calls.

3. Changing behaviors. The third phase goes from planning to doing. An underperforming team has collectively developed bad habits, and it's up to the leader to help employees alter their behaviors in a way that aligns with the new goals and values.

Kim Mulkey, now a two-time national championship coach of the Baylor University women's basketball team, worked hard to change the behaviors of her athletes when she first became head coach. She enforced team rules, even to the point of dropping a starting player from the team midseason who hadn't bought in. Mulkey also worked hard to celebrate mini-milestones. As easy as it can be to look past small successes to future goals, Mulkey ensured that she celebrated her team's early achievements, reinforcing the idea that her way and her values really worked.

4. Embracing adversity. Adversity can knock a recovering team off course. The fourth stage is about embracing adversity, framing obstacles as challenges, and losses as learning opportunities. This develops team

resilience needed for the larger challenges ahead.

During the early days of the Great Recession, the entire restaurant business was in a tailspin. Rather than accept status quo, the Domino's Pizza executive team manufactured adversity. They recognized that a speedy delivery was no longer a novelty, challenged their chefs to create a new pizza recipe, and challenged franchisees to accept an anxiety-inducing change to their core product. They then publicly acknowledged that their 50-year-old pizza recipe simply wasn't that good, symbolically preventing them from returning to that recipe. Domino's has been on a tear ever since.

5. Achieving success. Your now resilient team will, by most accounts, be successful. While efforts should be made to celebrate this success, the concept of "success" and what it means to your organization needs to be thoroughly examined, broadened and personalized.

Ryan Allis, CEO of email marketing firm iContact, felt that the growing company was slowly becoming like every other business, focusing primarily on profit. Through his personal efforts and a key hire, he slowly expanded iContact's focus to the community and environmental sustainability. They integrated these concepts into internal presentations, found ways to measure their progress, and built community and environmental impact into the bylaws.

6. Nurturing a culture of excellence. While most believe that a turnaround is complete once the championship trophy is hoisted, we found that the most successful leaders constantly developed new goals, innovated, made sure that the organization was still true to its core values, and continued to nurture a culture that fostered continual learning.

In the NFL, no team has been as successful as the Pittsburgh Steelers. With a rabid fan base, the family-owned franchise has embraced the values of loyalty and relationships. Unlike most teams in the NFL, the Steelers don't have a revolving door of coaches. They don't overreact after one or two subpar seasons. Since 1969, the Steelers have hired only three coaches, by far the least in the NFL. They stand by their coaches, allow them to rebuild and provide the support they need to succeed. It's no wonder that each of their three coaches since 1969 has won a Super Bowl.

A turnaround situation is the ultimate test in leadership, and we can learn a lot from those who have successfully transformed their organizations. While no two turnarounds are the same, these six stages seem remarkably consistent and can provide needed direction to those in the trenches.

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