Managing Corporate Turnarounds

SYLLABUS
Spring 2010, January Modular Week, LT6

Michael G. Jacobides
Hi all,

In the next few pages you’ll find the outline and details on our course on Managing Corporate Turnarounds. Given the current (and, sadly, justified) gloom & doom, there is no better time to think about the potential value-add of reorganizing and turning around companies in distress. The objective of the course is to explore the management issues that arise when a firm needs to embark on radical change to ensure its survival. The focus is on the development and above all implementation of strategies for companies in financial distress. We will build on insights developed in other courses on Strategy, Organisational Behaviour, Accounting, Finance, and Marketing; we will provide you with a sense of how the ecosystem of turnarounds works; and we will consider how we can turn corporate distress into an opportunity. But most of, this course is about figuring out what you need to do when you get to a firm that is in trouble. This is why our cases are structured mostly around the question, “what would you do, faced with this problem?” This is also why we are bringing in some of the leading figures in the turnaround world, who will share their experiences, who will present “live” cases and engage in conversation with us.

See you in class!
Our Course in Brief

This course deals with the management issues that arise when a firm needs to embark on radical change to ensure its survival. Given the current environment, this becomes a very timely exercise. The course is about strategy and leadership in real time (and some good, old-fashioned financial control too). We’ll try to help you understand how turnarounds work; what are the different types of turnarounds; what to do to lead a successful turnaround; who the main types of players are in the turnaround environment and how they can add value; what are the main concerns when you are trying to turn an organization (or an organizational unit) around; and what are the priorities and specific actions you need to take.

To do so, we have a number of cases, ranging widely in terms of scale, scope, stage, ownership structure or sectors (from hardware manufacturing to infrastructure, to electricity distribution, to computing, to energy, to pubs, to hospitals, to advertising). A number of these cases will be co-taught or co-presented by the instructor and senior industry figures, and we will have additional industry presenters helping us get a grounded feel of the challenges involved. We will be asking you to take the position of a decision-maker who needs to figure out what has to be done, and take a stance. We’ll try to emulate the challenges that you might be facing in such a turnaround, and equip you in handling such challenging situations. The lessons from this elective could be of use not only if you get directly involved in a turnaround, but also if you are asked to drastically improve the performance of an organizational unit, or if you interface with those involved in turnarounds, from distressed debt investors to equity owners. Given the current meltdown and the growing flurry of turnaround activity, there could hardly be a timelier subject!

Our course will start with a session on why companies (often expectedly) get in trouble; and on what we can do to get them out of trouble, whether firms are large corporate or smaller business units. We will draw on the case of Saatchi & Saatchi to address this subject. We will then move onto exploring how the turnaround world looks like, with an analysis of how money is made and explaining the jargon we might come across in the remainder of our course. The day will end with an analysis of a case of a recent MBA graduate, who, based on angel financing, wants to take advantage of a new opportunity. But challenges exist, and the question is- how to best manage them? And how should he manage trouble when it greets him?

Our second class starts with a discussion on how the relationship with capital providers such as banks, who play an important part in the turnaround process, should be handled. We then move to a discussion on how problems of decline (and potential transformation) can be opportunities in disguise, and look at a young MBA who just took over, through an LBO, a company in need of a turnaround, and we will consider the challenges he faces and what he needs to consider in moving forward. Next, we will consider the task for someone appointed by the investors and debt holders to salvage a firm which is about to turn bad. Should he undertake the assignment? And, what should his priorities be? We consider a step by step approach. We then do the same in a very different, service setting in the UK, looking at the challenges facing David Hoare, an experienced manager. After lunch, we will have the opportunity to see David live, and get his thoughts on this, and other turnarounds as we consider “how to make it all work”.

Our third class will turn to the implementation of the turnaround process in large organizations, whether private or public. The first session with a recent LBS graduate, will consider the particularities of turning a major unit inside an established corporate entity – a task you might find yourselves doing. Our focus next turns to turning around non-for-profits, and in particular hospitals, considering the role of the UCLH and other NHS hospital changes – a case that requires different tools and priorities. Then, we’ll move to actual turnarounds, and consider the big-daddy of all turnarounds-IBM, looking at how and why it went into trouble (and in the process of doing so, considering how
industries change and why turnarounds are needed, drawing on some of the recent research done here). We conclude the day by considering the perspective from some of the key participants of the turnaround process, looking at the investors in turnarounds, both primary and secondary.

The penultimate class will focus on how to manage the larger turnaround efforts, which involve a number of stakeholders and require skill in the process of managing them. Our day starts with a session that provides a broader overview of the turnaround ecosystem, and explains how the different participants in the sector interact. This will allow us to understand both the lay of the land and how it’s changing in this turbulent environment. Next, we move to big turnarounds that require restructuring and a major turnaround effort, often done through the involvement of specialized turnaround consultancies (AlixPartners and Alvarez & Marsal), represented in the sessions. In the first session, we will consider the case of a specialty construction company (Stolt Offshore), to consider how to manage these dynamics. Next, we will consider the challenge of getting in the shoes of the turnaround specialist, but also role-play the situation, allowing us to get in the shoes of the numerous different industry participants involved, in a session co-taught with one of the Alvarez & Marsal MD’s.

The final class will start with a brief recap session where we summarize the key lessons learnt in the course and address any questions that you might have. We will then broaden up our agenda to the challenges of leadership and of the craft of changing an organization—of the challenges we have when we embark on a crusade to alter the way people do business and interact day-to-day, through the introductive example of Paul Levy and his effort to transform Beth Israel Deaconess Medical Centre. The final session will be a session on career opportunities in the sector, an important issue for many of you taking this course.
Detailed Course layout and timing

Day 1 (January 22nd): Why companies go bad and how we can benefit from turning them around

The first day in our course will start with a brief overview of the current crisis, and what it means for organizations of all stripes – and in particular for how firms can get in trouble. We will then shift to a broader discussion of when and why firms do get in trouble, and considers what the typical steps in the turnaround process are. Looking at the case of Saatchi & Saatchi, an advertising agency that almost bought a bank (!) before all but collapsing, we will consider what underlies corporate failure, and, more to the point, how Bob Seelert managed to turn the company around. We will then consider how to take a company that has stabilized through the next “hump”, looking at the further transformation led by Kevin Roberts.

Next, we will try to understand what exactly turnarounds and restructuring are. Richard Millward from Rothschild, will share with us his experience and thoughts, and we will also clarify any of the jargon you might encounter in the course or the turnaround world. Our day will conclude by considering how to benefit from companies that get in trouble. We do so by analyzing a case of a recent MBA graduate, who, based on angel financing, wants to take advantage of a new opportunity. The question is, will he succeed? And, if he finds himself in a tight spot, how should he manage the difficulties? We will consider how one might want to identify such opportunities and cope with the major financial stakeholders.

Schedule and Session Layout

12:45 – 13:10  Course Introduction and Overview – and the challenges of the downturn

13:10 – 14:00  Saatchi & Saatchi: Getting into trouble

14:00 - 14:10  Coffee Break

14:10 – 15:30  Saatchi & Saatchi: Getting in (and out of) trouble

15:30 – 16:00  Coffee Break

16:00 – 17:15  Turnarounds and Restructuring 101 (w. Richard Millward)

17:15 – 17:30  Coffee Break

17:30 – 18:45  Peter Jepsen: Hagen Hardware
Day 2 (February 5th): Managing the turnaround: Investors, Banks, and Intermediaries

Our second day will turn to the question of how we can best manage the different stakeholders in the turnaround process. We will start the day with a discussion on how banks, an important player in the turnaround process, handle the situation and what we should expect from that. Then, we will move onto considering the challenges that Jim Sharpe, a recently minted MBA was considering, as he pondered an LBO of an ailing manufacturing company. How should he analyze the company? And, having decided to invest in it and take it on, what should his actions be to make this a worthy investment of his funds and career? We will then look at other means of benefiting from turnarounds.

After lunch, we will turn to another turnaround, with an experienced manager considering if he should undertake it, and if so, what his actions ought to be. We will thus look at how David Hoare should be managing the challenges of Target Express, as we follow this recent transformation process, with an emphasis on how he manages the internal stakeholders. We will also hear from the case protagonist himself, David, reflect on Target and other turnaround cases.

Schedule and Session Layout

12:45 – 13:30 Managing the relationship with capital providers (w. Iain MacRitchie)
13:30 - 13:45 Coffee Break
13:45 – 15:30 Jim Sharpe: Choosing and turning around a company in trouble
15:30 – 16:00 Coffee Break
16:00 – 17:30 Target Express: from diagnosis to intervention
17:30 - 17:45 Coffee Break
17:45 – 18:45 Target Express and people management in turnarounds (w. David Hoare)
Day 3 (February 19th): Turning around in a large scale: From corporate behemoths to non-for-profits

During our third day, we will consider the challenges of turning around large organizations, whether private or public. Before we start with the process of managing a large-scale turnaround, with substantial financial (in addition to operational) elements, we consider another important angle: Turnaround in the context of a broadly healthy corporate, and the practical issues this entails. We will thus have a brief session with a recent LBS (and MCT!) graduate, considering the challenges of undertaking a turnaround as part of an established organization, this will help us consider how to but navigate through these issues.

We then move to turning around organizations which still depend on cash, but whose objective is not profit per se. In particular, we focus in a sector often in need of transformation – healthcare, and in particular hospitals. We do so by looking at the history of the transformation of the UCL Hospital down the road from LBS – one of the premier NHS Trust hospitals in the country, that went through a patchy period. Pelham Allen (who previously turned around the Royal Opera House) will take us through his handing of this process, and consider how to turn around non-commercial entities.

After lunch, we consider one of the most important turnarounds in corporate history – IBM. By looking at how and why it went into trouble, we will get some fresh insights on how industries change, and why some firms get in trouble. We will also see how organizations tend to go through a stage of denial, before running perilously close to collapse, and what leaders (like Lou Gerstner) can do as they try to turn the organization around.

We will conclude the day by looking at the perspective of an investor in turnarounds and consider how private equity or other investors approach these as investment opportunities.

Schedule and Session Layout

12:45 – 13:45 Managing the turnaround in an established organization: Success drivers and career issues (w. Adrian Merrick)
13:45 – 14:00 Coffee Break
14:00 – 15:30 Turnaround of a non-for-profit: The UCLH (w. Pelham Allen)
15:30 – 16:00 Coffee Break
16:00 – 17:30 Turning around IBM: How the Big Blue became obsolete
17:30 – 17:45 Coffee Break
17:45 – 18:45 The investor’s perspective (w. Stephen Keating)
Day 4 (March 5th): Financial Turnarounds: When deals get big (and complicated)

Our penultimate day will start by getting a more concrete idea on the turnaround ecosystem by looking at how the diverse participants in the sector have evolved over time, where they are “coming from.” This brief discussion with a seasoned turnaround manager will provide you with an overview of important players as we consider our options for turning a company around – banks, and other sources of capital, and how they approach difficulties in terms of turnarounds.

After this brief session, we next move to the complications in big deals. This also allows us to consider turnarounds where the capital structure and the financial requirements of the organization shape the context and dictate the leeway we have on the operational side, or even take the front seat. Using two detailed case-studies, where case analysis will be combined with a discussion of the protagonists (Laura Barlow for Stolt Offshore and Andrew MacCallum for the disguised SLA), we will consider the challenges and complications of these bigger turnaround projects, and also witness first-hand the approach taken by two important participants in the turnaround world – AlixPartners and Alvarez & Marsal (A&M). So drawing on the material enclosed, and with the help of AlixPartner’s Laura Barlow and A&M’s Andrew MacCallum we will follow the dynamics of a complex turnaround, requiring solid negotiating skills and a clear set of priorities, and will engage in a role-play during our afternoon session.

Schedule and Session Layout

12:45 - 13:30   Turnaround Ecosystem: Players, strategies, and market update (speaker TBC)

13:30 – 14:00   Stolt Offshore with Don Featherstone (AlixPartners)

14:00 - 14:15   Coffee Break

14:15 – 15:30   Stolt Offshore, cont’d

15:30 – 16:00   Coffee Break

16:00 – 17:30   Super Luxurious Auto (SLA) with Andrew MacCallum and Anthony Rosen (Alvarez & Marsal)

17:30 – 17:45   Coffee break

17:45 – 18:45   Super Luxurious Auto (SLA), cont’d
Day 5 (March 19th): Leading the Turnaround Process

Our final day will start with a brief discussion on what we have covered in this course so far, recapitulating the main issues/takeaways and summarizing the general strategies for turnaround activities and address questions in this regard.

Then, we will consider the leadership challenges that you may face when you get the opportunity or accept the challenge of turning an organization around. Drawing on some of the parallels of Pelham Allen’s presentation, we will follow the challenges of Paul Levy, who took up the challenge of turning around the Beth Israel Deaconess Medical Centre (BIDMC) in Boston. Using detailed video-footage of a very interactive and quite involved case-study, we will ask you to take the drivers seat and, drawing on all that you have seen to date, ask you to take the initiatives needed to turn the organization around.

Finally, we will end our course with a practical session on jobs and opportunities in the turnaround sector, where a panel of experienced industry participants will consider what are the different types of options (and skills and career paths) in different parts of the turnaround process.

Schedule and Session Layout

12:45 – 13:30 Recap: general strategies and Q&A
13:30 – 13:45 Coffee Break
13:45 - 15:15 Turnaround in Action: Paul Levy and BIDMC
15:15 – 15:30 Coffee Break
15:30 – 16:30 BIDMC, cont’d
16:30 – 16:45 Coffee Break
16:45 – 18:30 Opportunities, skills and career choices in the turnaround arena: Panel with John Havranek (Henderson Global Investors), Ian Gray (Baronsmead Consulting), Keith Beattie (Alvarez & Marsal) and Christine Elliot (IFT)
Preparation- What we want you to do!

The course will be based on a set of case-discussions, with occasional swathes of lecturing or presentation, whether by the instructor or the guest presenters. What will make the course useful is your preparation. Classroom time will be spent in applying the turnaround framework and your general management skills to a number of case studies and problems posed by the guest speakers. Turnaround managers are expected to be competent with the numbers, so where financial data exists in the case studies you will be expected to have analysed them prior to class. Preparing is instrumental to a successful discussion – and you should also have done the readings ahead of time.

Please note that I will assume you have read the following chapters before the beginning of the course:

**Course Book:** Slatter and Lovett, “Corporate Turnaround” (Penguin Books 1999) – **Chapter 2, 4, 5, 6, 10, 11 and 12.** (Time permitting, please read the other chapters as well). Please ensure you buy the book yourselves as this is NOT provided through the course pack you will receive- so do order it now!

**Case material:** *All* the assigned readings, as detailed in the next few pages.

Please note that we will expect you to come to class with answers to the case questions. Also, each student must submit one of the cases where preparation questions and material exist (i.e.: Saatchi & Saatchi; Jim Sharpe; Peter Jepsen; Target A; IBM; SLA; Beth Israel Deaconess Medical Centre) as a 1,400-word write-up ahead of time. Furthermore, if a student feels they have difficulties participating in the course discussion in a way that might allow them to demonstrate how well prepared they are, they will be allowed to provide an optional second write-up that will count towards the class participation grade.

**And some optional reading material, time permitting...**

Other than that, in addition to the required reading, I thought it might be useful to propose a few more resources for those of you wanting to deepen your understanding of turnarounds. So here is a short selection of books you may find useful when exploring the subject in more detail.

**Financial Restructuring:**

**Popular Case Histories:**

**General:**
- Platt, Harlan, Principles of Corporate Renewal, University of Michigan Press, 1998 (the textbook used for the Licensed Turnaround Practitioner exams in the US)
- HBR on Turnarounds; HBS Press
- Bibeault Donald, Corporate Turnarounds: How Managers Turn Losers into Winners, Beard Books
Assessment, Grading and Assignments

My belief is that we are not here to be assessed, but rather to learn; and that at the end of the day what matters is whether you can take the material from this course and use it to help improve the strategy of your own unit / firm, and your career too! Yet the hard reality is that we have to converge in some way of formally assessing your performance- as opposed to your skills or capabilities or real comprehension of the subject. To make this a fair assessment, we use three components to come up with your grade, each of which covers a different facet of your performance: In-class participation; case write-up; and final project. The grade contribution break-down is as follows:

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<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
<th>Due Date</th>
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<tr>
<td>Individual participation</td>
<td>15%</td>
<td>Throughout the course</td>
</tr>
<tr>
<td>Individual write-ups</td>
<td>35%</td>
<td>Throughout the course</td>
</tr>
<tr>
<td>Final project</td>
<td>50%</td>
<td>Due date: TBC</td>
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Specifically, each component consists of the following:

**Individual Participation (15%)**

Since this course uses cases extensively, its success depends on effective student participation in class discussions. In evaluating class participation, I will ask myself, first of all, whether the student is well prepared and interested. Beyond that, however, I will be concerned with the questions such as: Is the student considerate of other class members? Is the student responsive to the contributions of other class members and to the general flow of the discussion? Do the student's comments reflect careful analysis of the case? Do the student's comments contribute to a clearer formulation of the issues in the case? **Abusing “student airtime” is discouraged, and may count as a minus. Respect – to all in the classroom – is also an essential issue.** Note that I will generally “cold call” students to broaden the distribution of class participation. If, for any reason, you find yourself unprepared for the session, please let me know by email before class starts, so that I know that you will not be contributing, and I will thus not call on you; if you are obviously unprepared and have not informed me, this will weigh substantially. Finally, please note that a Teaching Assistant may be present in the class to help with recording who participates and what they contribute to the discussion.

**Turnaroud Case Write-up (35%)**

For this write-up, you can freely choose any of the cases which have preparation questions from the syllabus (i.e.: Saatchi & Saatchi; Jim Sharpe; Peter Jepsen; Target Express; IBM; SLA; Beth Israel Deaconess Medical Centre). The write-ups should contain responses three or more of the preparation questions, and will be limited to 1,400 words. Please note that a question refers to each bullet point, not each sentence that ends with a question mark. The fewer questions you answer, the more detailed I will expect your answers to be. **The write-ups will be due at the beginning of class on the day it is being taught: please submit ONLY in ELECTRONIC FORMAT (either a Word file or a PDF) to Jennifer and Natalia. Late papers will not be acceptable, as you can appreciate. Also, note that no collaboration is allowed for this assignment- it’s a strictly individual task! For the students who are “naturally shy” or feel that their expected participation score might not reflect their true engagement in the course, submitting a second case write-up will also be accepted. This write up will in turn affect the participation score. Note however that your write-up or participation score will not be negatively affected if you only submit one write-up.**

**Project (50%)**

**The project will ONLY be accepted in ELECTRONIC FORMAT: please send an e-mail with your project attached as either a Word file or a PDF to Jennifer and Natalia by the deadline (TBC).** Project can be
done individually, in pairs, or in threes. The word-count should be around 3,000 for individual projects, going up to 5,000 for those involving two or three students. Exhibits / evidence / data supporting and complementing the text will be expected; we want you to demonstrate the evidentiary basis for your conclusions. There will be four types of projects from which you can choose, as outlined below.

**Option 1: Analysis of a Turnaround**

This involves choosing a distressed company situation and identifying the causes of failure, the nature of the crisis and what actions management took to turn the business around. You may look at either a successful or a failed turnaround attempt, or a turnaround attempt that is currently underway. Any size company – beyond about £2m sales revenues – is acceptable. Ideally, you should choose a company where you have access to management, since by interviewing the ‘architect’ of the turnaround you will maximise your learning from the project. It is unlikely you will get a good grade without interviewing management. You may **not** choose IBM, Nissan or Harley Davidson, or any other company which has had a book written about it, or that we have discussed in class.

To avoid more than one student approaching the same company or individual, Natalia will keep a list, could you please e-mail nforte@london.edu the information either before the course begins or during the early part of the course. Students may put only one name/company on the list, at which point the company or individual becomes “off limits” to other students. This will have to be a self-policing operation. It is designed to avoid annoying the turnaround world!!

**Option 2: In-depth paper on turnaround issues**

An additional option exists for you to engage in a study of an interesting element of turnarounds which provides in-depth research and analysis. This could, for instance, concern exciting topics such as: The changing structure of the turnaround sector (in terms of the nature and activities of the different participants of the turnaround world); the implication of the increasing complexity of firms’ capital structure on the nature of turnarounds; the way in which the credit derivatives market collapse affects turnarounds; how the credit crunch affects turnaround activity; link between distressed debt trading and turnarounds; etc. A host of potential issues (that will need some serious research and not just journalistic reporting) exists, and can lend themselves for study. Students interested in them should consult the instructor to confirm the topic.

**Option 3: Analysis of a distressed company: Investment attractiveness**

An additional option will be to work on a fully-fledged analysis of a distressed company that is out for sale in the market. This project could potentially involve two or more students and the objective there would be to put yourselves in the shoes of an investment advisor carrying out a carefully calibrated analysis. The write-up will include issues such as background information; causes of decline; strategic and financial health; suggestions (buy, don’t buy) and evidence supporting such suggestion; and the structuring of a possible deal. If you would want to follow this project, you are encouraged to email the instructor to confirm the company in question: please remember that the you should be able to make a case that the company in concern is indeed a distressed company, i.e. you cannot take up this option if the company in question is being sold for other reasons.

**Option 4: Analysis of causes of corporate decline: Industry transformation & new business models**

A final option for a student project concerns a report on some of the *drivers* of corporate turnarounds. In particular, students can propose to the instructor specific instances that can lead to trouble to existing firms. In particular, such a project should focus on either the drivers of industry
transformation (changes in the structure and nature of a sector that re-shapes competitive dynamics and changes “what it takes” to succeed); or on changes in the business models in particular sectors (i.e. the emergence of new types of players that can jeopardise the successful operation of existing firms). Students interested in these broader projects need to consult with and get the approval of the instructor.
Course Logistics: Final Details

For any administrative / bookkeeping / technical questions, and on everything and anything that relates to the course, the person to contact is my assistant, Natalia Forte (nforte@london.edu, extension 8722; S346). I am sure she will help you as best as they can. She’ll be happy to sort out any general course-related question, and even if she cannot resolve it themselves, she will point you to the right direction. So please contact her first!

In terms of grading, Jennifer (Chung Won) Tae (ctae.phd2007@london.edu) will be working with me in the assessment of individual and group projects, so for any grade-related queries please get in touch with her first.

Finally, I would be happy to be available as and when needed. Other obligations both within and outside LBS mean that I am on the road often. So if you want us to meet please ensure we get an appointment- it’s usually difficult to meet without prior arrangement, as the schedule is tight. I don’t monitor my office number regularly, so please don’t try that (or don’t get upset if I don’t reply). Instead, I am reachable by email at any time, so if you need to reach me for any reason, please do not hesitate to send me an email at mjacobides@london.edu. Should a meeting be necessary, we could also try to arrange that directly or via Natalia.
Detailed Session Descriptions and Assignment Questions

Day 1 (January 22nd): Why companies go bad and how we can benefit from turning them around

Session 1-0: Introduction and Overview

In this very brief introduction, we will consider how the changes in the competitive environment are making a focus on turnarounds as critical an endeavour as ever. The attached background readings, taken from the Economist as this syllabus was going to print, provide a glimpse of the current conditions in the credit and capital market, and in the real economy that shape and constrain what firms can do. Against this backdrop, we will consider how to best compete, and also how to use the tools of this course to help you become a better participant or stakeholder in turnaround efforts.

Background readings
Desperately seeking a Cash Cure (Nov 22), The Economist
Waving or Drowning? (Dec 6), The Economist
Michael G. Jacobides, Managing in a downturn, FT.com podcast (optional)
http://media.ft.com/cms/10cc8b78-ee24-11dd-b791-0000779fd2ac.mp3
http://media.ft.com/cms/12fe9652-ee24-11dd-b791-0000779fd2ac.mp3

Sessions 1-1 & 1-2: Saatchi & Saatchi: Getting in and out of trouble

In this session, we start by looking at why companies can turn from success to failure through the history of Saatchi & Saatchi – an advertising agency that gained notoriety for, among others, helping Thatcher’s conservatives win the 1979 elections, and for almost buying a bank before going as close to collapse as a firm can get. We will try to see what was behind these problems, how the changes in Saatchi’s environment, how its management policies, its corporate strategy and its approach led to these problems. Then, we will consider the choices Bob Seelert faced in order to turn the company around – and what he should do (and did) to make a success out of it.

Assigned Readings
Saatchi: Navigating in a Shifting Landscape, LBS case
Please note: You can focus on Saatchi’s initial problems and the turnaround process, especially under Seelert; you won’t need to spend much time on the current shape of the competitive landscape and the associated challenges.

Background readings
Don Sull, Why Good Companies go Bad, HBR
Chapters 3 to 6, Financial Restructuring, Davis and Sihler (optional)
Michael G. Jacobides, Rethinking Strategy: From Maps to Playscripts, HBR forthcoming (skim)

Preparation Questions:

• What led to the initial success of Saatchi? How did it manage to grow so well until 1988?
• What were the reasons of Saatchi’s demise? What led to the problems?
• What were Seelert’s priorities in turning the company around? Which were his main actions, and why do you think he chose the course of action he did?
• How did Robert’s approach in reinvigorating Saatchi differ from Seelert’s? Why was that so?
Session 1-3: Turnarounds and Restructuring 101 (w. Richard Millward)

In this brief session, Rothschild's Richard Millward, an experienced turnaround professional who has taken many different positions and roles, will be taking us through an overview of the turnaround world. He will consider the main turnaround issues and different incentives for different types of participants. He will also take us through the basic 'rules of the game' by providing us with the background information on financial and legal issues involved in turnaround situations.

Session 1-4: Peter Jepsen & Hagan Hardware

In this session, we will follow the assignment of Peter Jepsen, who has taken over a venture he needs to turn around, and we will consider how he can manage given a tight operating environment and given the incentives and interests of those he has to deal with.

Assigned Material: Peter Jepsen, HBS Case

Preparation Questions:

- What are the main challenges in Hagan Hardware? Where might there be value to be unlocked?
- In your opinion, will the company violate any of the bank covenants? What recommendations would you make to Peter Jepsen based on this analysis?
- What agenda should Peter Jepsen have for the January 1996 Board of Director's meeting? What action plan should Jepsen present to the Board, and how should he deal with Armstrong?
Day 2 (February 5th): Managing the turnaround: Investors, Banks, and Intermediaries

**Session 2-1: Managing the relationship with capital providers (w. Iain MacRitchie)**

In this brief session, we consider how a major player in the turnaround ecosystem, banks, approach firms that get in trouble, and describe how they respond to efforts to turn the situation around. Iain MacRitchie, who has experiences from many different banks but was largely on the investor side will provide us with an overview of this important component. No pre-reading necessary.

**Session 2-2: Jim Sharpe: Choosing and turning around a company in trouble**

This session will take us to the perspective of an MBA graduate, with about 10 years experience, who tries to take advantage of a company in need of a turnaround. Jim Sharpe is about to buy an underperforming company, leveraging quite aggressively, and hoping to extract a substantial amount of value through restoring the company's position. As we go through the case, we'll look at the basics such as the balance sheet and the income statement of the company, consider the offer put together, but mostly we'll consider the priorities of a manager taking over such a business and needing to manage within tight constraints.

Assigned Readings  Jim Sharpe Parts (A) and (B), HBS case

**Preparation Questions:**

- What should Jim Sharpe’s priorities be? What should he do on his first day as owner of Extrusion Technology, Inc., and what should he tell (if anything) to the crowd at the cafeteria?
- What should Jim Sharpe’s objectives be for the first week? What should his plan be for the first six months? The next twelve months?
- Who are the main constituencies that Jim Sharpe should address and why?

**Sessions 2-3 & 2-4: Target Express: from diagnosis to intervention & people management in turnarounds (w. David Hoare)**

In this session, we will consider the challenges that David Hoare, an experienced leader of the turnaround process, had to face with Target, a delivery and package company. In the session, we will consider how to diagnose problems in an organization that has started heading south, and consider what the specifics actions that a turnaround manager needs to take to stabilize, and then turn around a difficult situation. Based on the background material of Target (A), which is pretty close to what was available to David at the time he went into Target, we will ask you to assess the situation, and make your own recommendations for action. We will then consider the next stages of the turnaround, asking you to go in the driver’s seat. As a bonus track, David will be with us after lunch to share his thoughts and views, both wrt Target and more broadly.

Assigned Reading  Target Express Part (A), LBS Case

**Preparation Questions:**

- Do you think that this is an opportunity worth pursuing? Why / why not? Justify your response from the data in the case!
• What do you think are the company’s main problems? What led to them, and can it be turned around at this stage?

• Assuming David wants to undertake the turnaround, what are the steps he should take to save the business? What should his priorities be?

• Who are the stakeholders David needs to consider? Where does he need to draw support from to succeed?

• What should David’s action-plan be (a) before he gets the job, (b) in the first week, and (b) in the first three months?
Day 3 (February 19th): Turning around in a large scale: From corporate behemoths to non-for-profits

Session 3-1: Managing the turnaround in an established organization: Success drivers and career issues (w. Adrian Merrick)

Before looking at the big deals, we briefly consider the case of the turnaround from the perspective of an otherwise healthy parent. We’ll do through an alum, who took MCT just a few months ago—Adrian Merrick, who took over E.ON UK’s Corporate customer business in May 2008. The operation had, up to that point, been led by two senior managers – one responsible for sales, the other for billing, customer service and debt management. Corporates consisted of two main customer segments, and the HQ of one of them was in the final stages of being closed and the work moved to a new location in the country. The gross margin outturn for 2008 was set to be 72% below the 2005 level. At the same time as margins had declined, debt levels had risen and stood at £175m in May 2008. Adrian’s brief was to merge the two departments and get the Corporates business into a fit – and then sustainable – position.

This session will use this situation to draw out insights over methods for taking on such a challenge within a large organisation – one that perhaps does not have such an urgent imperative for change at a company-wide level as is required in the problem area. As this is very much a “live” case, we will discuss what has and hasn’t worked well in the first year and a half, and what dilemmas Adrian is currently facing. To do so, please skim the case which provides you with the background and will make for good class discussion!

Assigned Readings Changing the fortunes of E.On’s Corporate Customer Business Parts (A) and (B), LBS Case

Session 3-2: Turnaround of a non-for-profit: The UCLH (w. Pelham Allen)

In this final session, we will look at turnarounds for another important sector in need of transformation. Pelham Allen will talk about the turnaround of University College London Hospitals NHS Foundation Trust, which took place between April 2005 and May 2007. UCLH is a major London teaching hospital, which encountered serious financial problems following the consolidation of two separate hospitals into a new hospital building. Pelham, credited with the turnaround of the Royal Opera House earlier this decade, was appointed Turnaround Director to implement a recovery plan which stabilised the situation and laid the foundations for long term operational and financial success. This case will bring us up close to one of the largest, most sensitive and most successful UK public sector turnarounds in recent years, highlighting the similarities with and differences from private sector turnaround. In the session, we will have built in two “in-class case discussion” opportunities, where you’ll be expected to contribute your own views about the key issues at in the story as it unfolded. While no pre-reading is required, your active engagement in the discussion is!

Session 3-3: Turning around IBM: How the Big Blue became obsolete and then re-surfaced

This session takes us through what might be the most spectacular turnaround in corporate history. IBM, a dominant player in the mainframe and minicomputer sector find itself marginalized, making heavy losses and in the brink of extinction – or at least dissolution. In our session, we start by focusing on a common pattern that underlies the need for turnarounds: the transformation of the structure landscape. (For those curious for more, refer to the instructors article), having considered
why and how the sector changed, why and how profit migrated, and why IBM was left in the worst part of the sector, we will turn back to the organisation itself. We focus back to IBM, and consider what managers did to try to reverse the situation. We’ll consider both the substantive changes, but also the process through which Lou Gerstner and his team changed the organization, thinking about both business decisions and the way to manage a turnaround in a complex organization, where we need to use all sorts of levers – re-shaping value propositions, target markets, but also, and crucially, changing the way the organization is set and structured and ensuring we transform the culture. The Gary Hamel reading for this session provide some extra depth (and we’ll return to leadership in Day 5), and those thirsty for more can also read Lou Gerstner’s interesting memoir on the turnaround, *Who Said Elephants Can’t Dance?* We’ll conclude by an update on where IBM is today, in class, and how it tries to ensure it keeps being successful.

**Assigned Readings**

IBM Corp. Turnaround, HBS Case

**Background Readings**


M. G. Jacobides, *Shape your Industry and Win: Working Draft*

**Preparation Questions:**

- What was IBM’s strategy that made them so successful in the 1970’s and 1980’s? What changed in their industry environment to turn this into a disadvantage?

- What actions did John Ackers take to resolve the problems? What worked, what didn’t (and why) and what is the situation facing Lou Gerstner as he comes in the job?

- What did Gerstner do differently to tackle the problems? What were his key objectives? What were the upsides and downsides of his approach?

**Session 3-4: The investor’s perspective (w. Stephan Keating)**

In this session, John Havranek will share his views on turnarounds, providing the perspective from the investors, and Private Equity –as well as of the more recent involvement of Hedge Funds in the sector of turnarounds. He will share some of his experiences as an investor in turnarounds, as an observer, and a participant. He will also briefly discuss how changes in the types of investors (and by the recent credit crunch and collapse of several new modes of financing) affect the turnaround and restructuring world.

**Background material**

The future of private equity, Video Library, The New York Times (optional)

Day 4 (March 5th): Financial Turnarounds: When deals get big (and complicated)

Session 4-1: Turnaround Ecosystem: Players, strategies, and market update (speaker TBC)

In this session, we will get an overview of the turnaround world as it stands today. We will consider the different types of participants, including financial institutions holding underperforming debt, capital providers including private equity, distressed debt traders, the Big Four, specialized boutiques and turnaround professionals. In the past year the multi-layered capital structures used by European companies have been tested as consensus amendments to debt facilities have had to be negotiated across core banks, other banks, US private placement holders, eurobonds. This session will give us a sense of the perspective from each type of industry participant, how the business models have evolved as the financial markets had become more liquid and companies have taken on multi-layered capital structures. The importance of a company’s business case to any restructuring will be stressed.

Sessions 4-2 & 4-3: Turning around at a large scale with Don Featherstone (AlixPartners)

In this session, we will look at the turnaround and restructuring of Stolt Offshore, a case led by AlixPartners where they took the role of CRO. The crisis started in Autumn 2003 after the company had breached lending covenants and was suffering from lack of access to critical performance guarantee facilities, which severely impacted its ability to win new contracts. The case initially considers the position of the newly appointed CRO. On the basis of the background information provided, consider what the CROs’ immediate priorities might be and what difficulties they may encounter. In class, we will expand this to consider what issues would influence the restructuring solution and the new capital structure and what would be the critical factors in winning support for a restructuring from the perspective of the different stakeholders.

Assigned Readings
Background information from AlixPartners that provides the relevant information

Sessions 4-3 & 4-4: Super Luxurious Auto (SLA) with Anthony Rosen (Alvarez & Marsal)

Super Luxurious Auto (SLA) is a fictitious company case study based on an actual A&M engagement that involved a complete financial and operational restructuring. Anthony Rosen will lead a case study based on this situation. The case revolves around a company that has deteriorating financial performance and is therefore unable to meet its debt obligations. Once the issues have been identified, students will take part in a role playing exercise based on the key stakeholders/roles in a typical financial restructuring scenario (senior lender, junior lender, private equity owner, distressed debt hedge fund, and turnaround advisor). The case material will highlight the issues and concerns faced by each stakeholder, and students will determine (in groups) what negotiation strategy they would pursue in this multi-party scenario. The second part of the class will focus around a discussion of the company management role in the process, how an operational turnaround is linked with a financial restructuring and why the outcome of negotiations may be very different in different situations.

We want you to read all the material, although you will be assigned a group for the purpose of the discussion in class- asked to take the very concrete perspective of one of these industry participants as they try to ensure they both create / salvage as much value as they can and that they keep a good share for themselves. So come prepared for an interactive session where we will consider how to restructure the firm: Do your homework and prepare to negotiate (or not).
Assigned Readings
Debtwire Articles #1 and #2
Description of Roles (Senior Lender, Mezzanine Lender, Private Equity, Hedge Fund, Turnaround Advisor)
Company Financials (7-Year Business Plan with Actuals through Year 4-H1)

Preparation Questions:

• Why has SLA’s financial performance deteriorated (what are the key drivers) and how will the business plan going forward likely be revised?

• What would each of the key stakeholders/roles be thinking about before negotiations commence and what would their strategy be (i.e. what are their likely gives and asks?).

• What is the role of the turnaround advisor (such as A&M) in a financial restructuring process? What position / stance would they take in the negotiation process (note: consider that A&M is employed by the Board and must keep the best interests of the Company in mind).

• Which party do you think has the strongest position at the negotiating table? Which has the weakest?

• What are the major risks and opportunities faced by each stakeholder, and how might these change as the financial restructuring process evolves?
Day 5 (March 19th): Leading the Turnaround Process

**Session 5-1: Recap, general strategies and Q&A**

This brief session of our final day starts with the review of what we have seen to date, including but are not limited to, why companies go bad, who the major stakeholders are, how stakeholders should be managed, what it takes for a turnaround to be successful, etc. This discussion will help us recap and digest what we have learned in the class, devise a laundry list of actions for turnaround situations in general, and clarify any questions that you might have.

**Sessions 5-2 & 5-3: Turnaround in Action: Paul Levy and BIDMC**

This session builds on all we have seen to date, and asks us the question of “how would you go about turning around if you were running the show?” It’s a case of a real turnaround, based on extensive video-footage and interactive material we will see in class. It’s about Paul Levy’s challenges -- and we will ask you to get in Paul Levy’s shoes and consider how to deal with the many facets of a turnaround assignment. The story itself is fascinating: On January 7, 2002 Paul Levy became president and CEO of the Beth Israel Deaconess Medical Centre (BIDMC) in Boston. He faced many challenges: a deteriorating financial situation, several years of flawed implementation, and intense pressures from public officials for a rapid turnaround. Despite a national reputation for high quality teaching, research, and medical care, the BIDMC, with 1,200 physicians and annual revenues of $788 million, was on the verge of being sold to a for-profit chain. Drawing on the paper case (to consider the background) and interactive material (to be shown in class) we will consider what Levy should do as he leads the turnaround during his first six months as CEO.

Assigned Readings Paul Levy and the Beth Israel Deaconess Medical Centre Part (A), HBR case

**Preparation Questions:**

- What were the problems that led to the BIDMC getting in trouble? What could be a way out?
- What were the main issues an aspiring new CEO would need to tackle?
- How would you describe the situation Levy inherited at the BIDMC? What challenges did he face? Why did previous turnaround efforts fail?
- If you were in Levy’s shoes as a new CEO, which would be your objectives for the first week and first month? And, what would you do in day 1, and why?

**Session 5-4: Opportunities, skills and career choices in the turnaround arena:**

Panel with John Havranek (Henderson Global Investors), Ian Gray (Baronsmead Consulting), Keith Beattie (Alvarez & Marsal) and Christine Elliot (IFT)

This session is about the possibilities of breaking into the rather closed world of turnarounds. As the credit crunch and economic contraction puts substantial pressures on organizations small and large, and as unwieldy capital structures lead companies to the need for financial and then real restructuring, and as distressed debt traders change the landscape for the turnaround profession, getting a foot in this sector is becoming increasingly interesting, and options are likely to be on the rise. But, how can one enter this secretive world? What are the usual “career paths” associated with
each of the different types of players in the sector? And what are the different skills that are needed in different stages of the turnaround process? A panel of experienced professionals (including a director of Alvarez & Marsal, a former PwC turnaround specialist who is now in a fund that identifies opportunities for high returns from turning around companies, a seasoned turnaround professional and the CEO of the Institute for Turnarounds, the UK turnaround industry association) will share thoughts on skills, opportunities, careers and pitfalls in the world of turnarounds writ large.
Biographical Information: Instructor and Guest Presenters

Michael G. Jacobides

Michael is tenured Associate Professor of Strategic and International Management at London Business School, where he holds the Sir Donald Gordon Chair on Entrepreneurship and Innovation. He is also Sumantra Ghoshal Fellow at the Advanced Institute for Management Research. He has been on the faculties of Harvard Business School and the Wharton School (U. of Penn), and taught at the joint Columbia Business School / LBS Global Executive MBA.

Michael has studied economics, strategy and organization in the Universities of Athens, Cambridge, Stanford, and at the Wharton School where he received his MA and PhD. Prior to re-joining academe, Michael was a strategist (with Sanofi Pharma and Titan Cement) and a consultant (with Ernst & Young in Paris and Guildhall Ltd in the City of London). He is actively involved in executive development, facilitation of meetings or consulting to senior executive or board level (such as Zurich London, Finland’s YLE, KPMG-DK, TV2, Orange,RICS) and talks in major corporate or industry events. His executive development interests revolve around strategic innovation; weaving strategic decision making in the organizational fabric of a firm; in helping them identify the dynamics of their business environment; and in helping revisit their resource and capability positions. He has worked or is currently engaged with companies such as Zurich Financial Services, RBS, Barclays, HSBC, Abbey National / Santander, Dexia, Pirelli SpA, Intel, BT, EDS, Nokia, Bertelsmann, ACE, IBM, PwC, Saatchi & Saatchi, Lufthansa and EADS, in Europe and the US. He also teaches the Global Fellows at the World Economic Forum, and is involved in the New Financial Architectures project of the WEF, as well as various projects with major firms.

Michael is a Senior Fellow at Wharton’s Financial Institutions Centre, and an International Fellow at Bocconi U. He has been a Professeur Invite at the U. of Paris, a Distinguished Scholar at Singapore Management University, as well as a NATO Science Fellow and a Leverhulme Trust Principal Investigator, and has given talks to all major Universities in Europe, the US and Asia. His research recently earned him, among others, the Sloan Foundations’ Prize for Industry Studies (2006). His research focuses on industry / value chain evolution and profit migration, identifying the new strategic dynamics of changing “industry architectures”: He looks at how technology, competition and de-regulation re-shape sectors, changing “who does what” and, as a result, “who takes what”. For instance, he studied how the mortgage banking sector dis-integrated and how securitization emerged, and how sectors such as media, telecom and computers are changing, re-shaping the landscape for all involved, and leading to new business models. He also studies strategic design, looking at how to restructure and reconfigure value propositions and value chains to cope with domestic and global forces.

Michael has published in the Academy of Management Review, Academy of Management Journal, Strategic Management Journal, Organization Science, Organization Studies and Industrial and Corporate Change, where he is an Associate Editor. He has written in and provided podcasts for the Financial Times, and his work is used by Wall Street analysts and regulators, and is reported by industry publications such as “The Banker” and “Strategy & Business”. He has given keynotes to firms such as Wintertthur / Credit Suisse, PwC, Finmeccanica, McKinsey, industry associations such as the British Bankers Association or MBAA in the US and NGO’s such as the UN / UNCTAD. He serves on the judging panel of the turnaround of the year award for Institute for Turnarounds (IFT).

Michael has received distinctions both for his research and for his executive work and teaching, including the Innovation in Teaching Award in LBS, and the Teacher of the Year Award at the Wharton School, and the European Management Development Award for custom Executive Education Programme (for Lufthansa). He has taught strategy in the MBA, executive and senior degree programmes, such as the Sloan Fellow’s Masters and the Senior Executive Programme. He is responsible for the turnarounds teaching portfolio and teaches an elective on Managing Corporate Turnarounds, LBS’s most popular strategy elective.
**Guest Presenters’ Brief Biographies**

**Richard Millward**  
*(Turnarounds and Restructuring 101 – Session 1-3)*

Richard Millward is a managing director at Rothschild, and responsible for restructuring corporate’s across UK and Europe. He has been at Rothschild since the beginning of 2001 and has led a number of debt advisory assignments assisting companies to restructure their debt facilities in the light of changing economic environments and the impact on the companies' business plans.

He has worked in UK, Germany and France on a range of sectors including retail, house building, financial services and construction. Clients include Arcandor, Conergy, Barratt, TaylorWimpey, Kensington Mortgages, Mowlem, Jarvis. The advice has ranged from strategic capital restructuring, implementation of financial systems to improve reporting, negotiation of term sheets and implementation of new financing deals.

Prior to his time at Rothschild, he was at Kleinwort Benson for 17 years, where from 1990 - 1994 he ran the UK work out group, which was responsible for managing a loan portfolio of leveraged loans to a range of Entrepreneurial and property businesses.

**Iain MacRitchie**  
*(Managing the relationship with capital providers – Session 2-1)*

After completing the sale of his first investment and helping turnaround 3 other Private Equity backed companies, Iain set up MCR Holdings in 1996 to take on the challenge of transforming underperforming businesses. In a portfolio of investments he has operated as Chairman or CEO in businesses with combined sales of up to £1bn in consumer, retail, business services, technology, healthcare and manufacturing. Iain has led and completed 10 turnarounds in the last 5 years, returning just under £300m, improving profitability 6 fold and helping protect over 7,500 jobs. As a contrast to his turnaround work, he has also started up 3 businesses in the UK and US and is invested in at least one high growth scenario at any one time. Iain is a Fellow of the Institute for Turnaround and has been recognized with the UK’s Turnaround Professional of the Year award and also Private Company Turnaround of the Year. In addition to his company side roles, he advises a number of Banks, PE Houses and Hedge Funds. Last year he launched the MCR Holdings Foundation to provide advice, support and capital for community based sports, education and welfare initiatives in deprived inner city areas.

**David Hoare**  
*(Target Express: People management in turnarounds – Session 2-3)*

David started his career in 1977 as a consultant with Bain & Co, serving clients such as Mosanto, Shacklee, Banque Rothschild, and Guiness. He then served as a CEO for a decade from 1987, in companies such as Cope Alman, Asquith Court, Thorn, Paragon, and Laura Ashley. He has then been involved in turnarounds, principally as a Chairman, in companies such as Virgin Express and Fairline Boats. He is an experienced turnaround professional, responsible, among others, for the turnaround of Target Plc. He is also the Chairman of V.Group Limited, Chairman of Sparck Holdings BV, Chairman and Co-founder of Duncton PLC and Director and Co-founder of Talisman Management Ltd.
Adrian Merrick  
(Turnaround in an established organization: success drivers and career issues – Session 3-1)

Adrian was brought up in Australia and joined the Royal Air Force shortly after moving to the UK. During his time in the military he worked as an HR manager both in the UK and internationally, including nearly a year in Belize. After eight years in the RAF he joined a small marketing agency that specialised in product placement, helping clients such as Whitbread and Cadburys get their products placed in television programmes and films.

Adrian then did a spell in the dot-com industry, working as Head of Content for ShopSmart.com, a firm bought by Barclaycard as the dot-com bubble began to burst. He joined TXU Europe with the brief of developing their online sales capability. TXU was acquired by Powergen (now E.ON) and Adrian has undertaken several roles during his 6 years with the firm: he led residential sales strategy & planning before heading to India to manage the output of the outsourced customer service providers. After recommending the return of the outsourced work to the UK, Adrian took on a 450-person credit management department with responsibility for the residential and small business debt books.

In May 2008 he took on general management responsibility for E.ON UK’s Corporate customer business, with 400 staff managing the sales, customer service, debt and P&L for large business customers. Adrian graduated from London Business School with an MBA from the Executive programme in July 2008.

Pelham B. Allen  
(Turning around the UCL Hospital – Session 3-2)

Having trained as a Chartered Accountant, Pelham has worked as a Company Doctor for nearly 20 years, taking executive positions in troubled businesses. He has particular experience in the professional services sector, and specialises in focussing management and stakeholders on the decisions and actions necessary for the business to survive and prosper.

During 1998 Pelham was Chief Executive of the Royal Opera House Covent Garden, at a time of crisis and intense public criticism. He led the stabilisation process and the negotiations with public and private funders to increase capital and revenue grants sufficiently to complete and open the new opera house, on time and on budget. Other recent experience includes hospitals, consulting engineering, architecture, property development, major arts organisations, non-governmental public bodies, education, and fashion wholesaling and management consultancy.

Pelham’s most recent turnaround assignments have been as Turnaround Director at University College London Hospitals NHS Foundation Trust and Director of Strategic Planning at Moorfields Eye Hospital NHS Foundation Trust. He remains a non-executive director of Scott Wilson Group plc, and is providing advice on restructuring and management issues to a number of private and public sector organisations.

Pelham has recently been appointed as a Senior Adviser to McKinsey & Co. to work with them on the implementation of turnaround and restructuring in the Health Service. He is a Fellow of the Society of Turnaround Professionals, and was Chairman of the Society for the two year period to September 2006.
Stephan Keating  
(The investors’ perspective – Session 3-4)

Stephen is the founding partner of Privet Capital, a private equity firm focused on investing in mid market turnaround/distressed opportunities. Privet has recently invested in Lombok (furniture retailer) and Silver Spring (soft drinks manufacturer). Prior to Privet, he spent 20 years in restructuring and private equity. His career started at Deloitte in London, working first in Insolvency, then moving into the restructuring team. He then moved to 3i’s workout / restructuring team. In this role he drove change to recover value in a range of underperforming businesses across a wide variety of sectors. He holds an MA in Theoretical Physics from Cambridge University, is a Chartered Accountant and a Director of the Institute for Turnaround (the professional body for the turnaround community).

Don Featherstone  
(Stolt Offshore SA – Session 4-2)

Donald has 17 years of experience working in finance, consulting and industry. He is experienced in leading multi-national turnaround and restructuring engagements and has served as CEO, CFO, Chief Restructuring Officer and lead advisor in complex turnaround and restructuring situations in the UK, US, Europe and the Middle East. His expertise is working with companies, management teams and stakeholders to negotiate and implement restructuring programmes that enhance corporate value and performance. He has assisted both public and privately held companies with establishing stability during finance crises, completing balance sheet restructurings, closing complex M&A transactions, and leading stakeholder negotiations. Some of his experience include CRO of Bluewater Holding, Interim CFO of Schefenacker plc, CRO of a €200 million food company with operations in 10 countries, among others.

Andrew MacCallum  
(Super Luxurious Auto (SLA) – Session 4-3)

Andrew brings more than 20 years of credit-intensive experience in cross-border debt financings, debtor re-structurings and turnarounds, and crisis management in the UK, continental Europe, Canada and Australia. He has experience on both the buy and sell-side in European loan markets across a variety of industries and business sectors. Prior to joining A&M, Andrew was a senior credit analyst with a leading European hedge fund and was European head of leveraged loan portfolio management for seven years with Goldman Sachs in London.

Anthony Rosen  
(Super Luxurious Auto (SLA) – Session 4-3)

Anthony brings more than eight years of experience in corporate restructuring and turnarounds. Mr. Rosen has worked on client engagements throughout the UK, Norway, France, Estonia, Italy, Switzerland, Germany, Netherlands and Spain. He has advised both debtors and creditors across a range of industries, including steel, automotive components, oil & gas services (subsea), retail and textiles. Prior to joining A&M, Mr. Rosen was a Market Risk Analyst with Barclays Capital in London and was a Senior Consultant with the Financial Advisory Services (FAS) Practice of Deloitte & Touche in San Francisco.
Ian Gray
(Panel on Careers and Opportunities in the Turnaround World – Session 5-4)

Ian Gray is a director of Baronsmead Consulting, a boutique turnaround practice; Non-Executive Chairman of Scala Collections Limited, a mail order retailer of ladies apparel which operates under the brand names of Artigiano and Spirito; Non-Executive Director of Robert Dyas, where he led the Management Buy Out; and of The Kent Messenger Group.

Ian has extensive international experience of business recovery, undertaking CEO and Chairman roles in the UK, Europe, USA, Africa, Asia and Australasia. Among his wide-ranging assignments, Ian's boardroom experience includes numerous PLCs, and spans many different industry sectors including apparel, biotech, construction, distribution, electronics, engineering, FMCG, healthcare, leisure, manufacturing, media, retail, telecoms and travel.

He is currently a Deputy Chairman of the Institute for Turnaround and Chair of both the International and Fellowship Committees. Ian is a Fellow of the Institute of Chartered Accountants and a Fellow if the Institute for Turnaround.

John Havranek
(Panel on Careers and Opportunities in the Turnaround World – Session 5-4)

John is head of the Active Engagement Fund at Henderson Global Investors. The fund invests in mid-cap companies across Europe that are underperforming and undervalued and acts as a catalyst for change to unlock the value. The fund has a groundbreaking alliance agreement with PricewaterhouseCoopers which gives it a vastly different research/technical capability. The agreement provides investors with the ability to access a wide range of investment opportunities, by employing a deep level of understanding of strategic, operational and technical issues.

Previously, John was part of the business recovery team at PricewaterhouseCoopers where he conceived the idea for the fund. He has over 25 years experience as an investment analyst, company director and in corporate strategy and turnaround consulting. John graduated from Oxford University and is a Sloan 99 from London Business School.

Keith Beattie
(Panel on Careers and Opportunities in the Turnaround World – Session 5-4)

Keith Beattie brings more than nine years of varied experience serving in advisory and interim management roles for stressed and distressed businesses. His industrial experience includes automotive, manufacturing, retail, financial services, technology, media, travel and utilities. He has worked primarily in the UK, but also with multinational firms spending time in Europe, the US and India. He specialises in the development, evaluation and implementation of restructuring plans, strategic business plans, and operational improvements. Mr. Beattie’s previous engagements have included: advising on a $1 billion cost reduction programme in the automotive industry, including the shutdown of a major manufacturing site; a £50 million cost reduction programme for a travel company, coupled with a complete revision of business strategy; delivery of cost savings for a utilities company through improved use of management information to deploy a large field force; and realignment of the portfolio of businesses for a financial services company including exit decisions and portfolio enhancements.
Christine Elliot
(Panel on Careers and Opportunities in the Turnaround World –Session 5-4)

Christine Elliott joined the then Society of Turnaround Professionals (STP) as Chief Executive and Board Director in July 2007. As Director of Bletchley Park, WW2 home of the Enigma code breakers, she led the site’s renaissance over almost a decade. Christine started when its history and science were virtually unknown and left, according to the then Chairman Sir Christopher Chataway, with ‘a huge amount achieved,’ including a £millions financing package.

Since joining the Institute for Turnaround, Christine has led the rebrand of the now financially and operationally independent professional body and has promoted developments that reflect the needs of a market that has greatly changed since the former STP was founded in 2000.

The Institute’s outreach programme gained momentum in early 2009 with the launch of the Hong Kong Association for Turnaround, responding to a desire in the Hong Kong business community to promote recognised standards in turnaround; and crucial work is continuing to help shape legislative and regulatory changes to foster business turnaround in the UK and Europe.