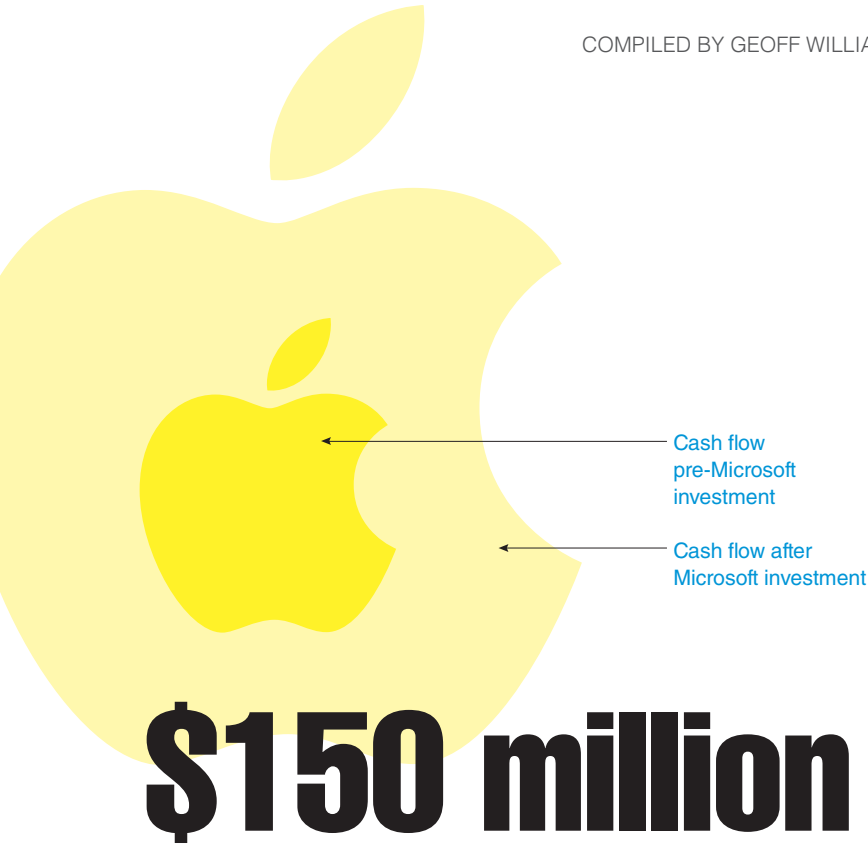


# TRANSFORMATION BY THE NUMBERS

COMPILED BY GEOFF WILLIAMS



The amount of money future rival Microsoft invested in Apple in 1997, when the company was on the verge of bankruptcy and Steve Jobs, co-founder of Apple, needed an infusion of cash to help transform the company from producing PCs to restructuring the entire product line. We hear the company is doing pretty well now.

“IF WE HADN'T IMPROVED THE RELIABILITY OF HARLEY-DAVIDSON PRODUCTS, THE COMPANY WOULDN'T BE HERE TODAY.”

— Richard Teerlink, in 2003, commenting on the turnaround the company had after 1982 when it was \$90 million in debt.

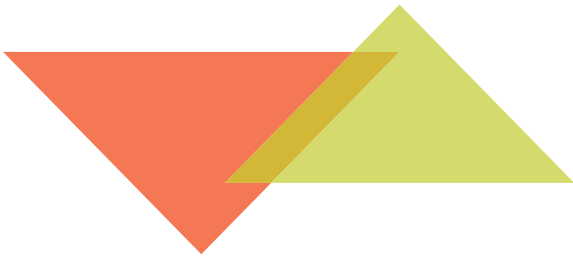


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Transformation of an enterprise begins with a sense of crisis or urgency. No institution will go through fundamental change unless it believes it is in deep trouble and needs to do something different to survive.

◀

Former IBM CEO Lou Gerstner, who took a company on the verge of bankruptcy in the 1990s and transformed it into a powerhouse. It's currently No. 35 on *Forbes'* list of the largest companies in the world.



800,000

The number of subscribers that Netflix lost in the third quarter of 2011.

610,000

The number of subscribers Netflix gained in the fourth quarter of 2011.

“THERE IS A DIFFERENCE BETWEEN MOVING QUICKLY — WHICH NETFLIX HAS DONE VERY WELL FOR YEARS — AND MOVING TOO FAST, WHICH IS WHAT WE DID IN THIS CASE.”

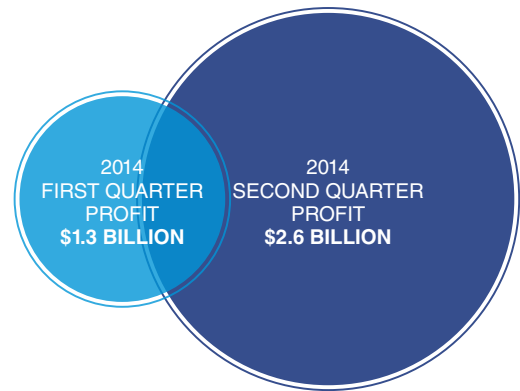
— NETFLIX CEO REED HASTINGS



In the aftermath of major changes in 2011, in which the company attempted to spin off its DVD mail service into a new business called Quikster, and instituted a 60 percent price hike.

## ARE YOU LOSING, OR MAKING, MONEY?

According to a 2002 industry study, when an organization’s change management is implemented successfully, ROI is 143 percent. That is, businesses can expect to make 43 cents for every dollar spent on OCM.



# \$2.6 billion

Ford Motor Company’s profits in the second quarter of 2014. CEO Alan Mulally transformed Ford by simplifying the company’s organizational structure, cutting operating costs, and improving efficiency — as well as offering a simpler, more innovative product line.

# \$83 MILLION

Amount Ford Motor Company was losing in 2008 — each day. But the company was already working on a comeback. Mulally was named CEO in 2006 and that year mortgaged all of Ford’s assets for \$23.6 billion in loans. Believed to be a desperate move at the time, it’s now seen as a shrewd one.