



# GROWTH THROUGH ADVERSITY: TRANSFORMING DISASTER INTO UNTOLD SUCCESS

An interview with turnaround expert John Jastrem

BY STACEY CLOSSER

**“When you’re going through hell, keep going,”**

Winston Churchill famously told embattled British citizens during World War II. Enduring a disaster in the business world may not be as intense as German bombing raids, but the parallel in leadership techniques and the need for a positive attitude are undeniable.

experience in the executive suite, he’s been regularly called into companies during times of crisis and charged with right-siding them.

Jastrem was recently named CEO of North American activities for Arcadis, a European natural and built-asset design and consultancy firm that acquired Callison

Business leaders are called on to not only get through troubled times but also to do so in a way that positions their companies for recovery and growth. It’s a difficult feat, for sure, but there are those who have proved it’s possible over and over again.

John Jastrem is one of those people. A turnaround expert with decades of



Architecture Holdings, of which Jastrem served as chairman and CEO. Other companies he's led include Exhibitgroup/ Giltspur and GES (merged and rebranded into Global Experience Specialists), several subsidiaries of Omnicom (Rapp Collins and The Marketing Arm), Acme Holdings (rebranded RSC), and Colt's Manufacturing Company. The industries he has worked in range from architecture and publishing to rental equipment and firearms. They have included public, private-equity owned and entrepreneurial companies — and he has been successful in every post.

Jastrem says he's enjoyed his years working in the turnaround field, but he's glad to be applying his business know-how to a healthy organization like Arcadis. He describes his earlier days as "terror-filled" but eased by good mentors and advisors. For example, he recalls a time walking out of a planning meeting at 11:30 p.m. on a Wednesday and not knowing how the company would make payroll on Friday. For those organizations currently facing similarly

dire times, and those who want to avoid it at all costs, Jastrem offers some candid advice.

### REALITY CHECK

What unifies the failing companies that Jastrem has worked with is that they were once leaders in their industry but for various reasons had faltered. Often those reasons were external — market forces, the economy, disruptive technology, or loss of competitive advantage. But no matter how outside the influencer, the internal refusal to address the situation heightened the challenge.

Jastrem believes leaders must know where the market is going and what that means for their future. What worked two years ago doesn't matter; what are the growth opportunities of tomorrow? Companies that innovate and leave the door open for growth in alternative directions can actually slingshot through trying times and even come out on top. For example, Jastrem refers to the publishing industry, which

has been undergoing change for the last 10 years. “The smart companies have found a way to reinvent themselves,” he says.

It’s tempting to think that success begets success, but that’s not really true. “If you’re not careful, and not thinking about why you’re successful and how you’re going to be successful tomorrow ... you tend to get complacent,” Jastrem says.

This, in turn, can lead to problems, a lack of growth, and the kind of crises Jastrem is accustomed to stepping into. Focusing on past success, executives may have blinders on when it comes to significant issues. Leaders need to keep a critical handle on reality. Not acknowledging — or worse, not knowing — the magnitude of a problem will profoundly impact a company’s chance of recovery from it.

## A CULTURE OF CONTINUOUS IMPROVEMENT

The term turnaround is a bit misleading, because it suggests recovery will involve some sort of U-turn. In fact, any kind of fast change that leads to quick results might make the stock bounce, but it won’t set up the company for sustained growth. Jastrem prefers the term “continuous improvement” and strives to embed the philosophy into the culture of every company he works with.

Most in-crisis companies that call on Jastrem have cultures that are either extremely tarnished or weren’t good to begin with. When Jastrem evaluates a company’s culture, he first goes to its customers — what do they think about the company? Then he approaches high-performing employees — what are their thoughts and how consistent is their performance?

Jastrem says the worst culture scenario is one of complacency and politics. “Politics is the exact opposite of facing reality and [going] in the right direction,” he says. A positive, productive attitude has the ability to get a team through the worst of situations.

Every employee should be asking: How can I do my job better and more efficiently? What am I doing to add value? Should I be doing these other things that are not adding value?

“When employees start answering these questions and seriously engage, I’ve seen great results,” he says. “Clients notice it, the energy level goes up, and people get excited about doing something different.”

## THINK LIKE A SEAL

When people ask him how they can be expected to perform well during tough times, Jastrem points to the Navy SEALs as a prime example of attitude and teamwork.

“Spend the day with a Navy SEAL,” he says. “They believe they can make it happen, they process information and make quick decisions, and they work together as a team. I can’t think of a tougher job than theirs.”

Jastrem offers an example from his own experience: He received a call from the bank at 8 a.m. on Friday, and was told that the company would be put into bankruptcy by Monday unless he came up with a very good plan, he says. In that moment, he needed a team of special forces. “You probably don’t have a team of Navy SEALs, however, the people you do have on your team need to possess a Navy SEAL attitude.”

If there are those on your team who are unable or unwilling to be part of the solution, make it clear that they can bow out as soon as possible. “I can’t deal with pretenders and those who behave like complacent politicians,” he says. “You just can’t have them on the team.”

Many times, the culture issues start at the top, and wholesale leadership change is required. If that’s the case, Jastrem says it should happen within the first six months of the recovery effort. Those employees who are sitting on the fence and waiting for something remarkable to happen will quickly become adversaries to achieving success.

## IS THE TICKING TIME BOMBS

One of the benefits of a crisis is the ability to harness the sense of urgency and use it to prioritize and focus. Jastrem follows the advice of his late mentor Sandy Sigoloff, a pioneer in the turnaround business: First identify and



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prioritize the “five ticking time bombs.” These are critical issues that unless addressed, will get much worse. Stay focused on that list and add to it as items fall off, he says.

“Focus and prioritization are really, really critical,” Jastrem adds. In other words, under no circumstances should leadership try and “boil the ocean” by taking on all the problems at once.

One of the first indicators of a successful turnaround is that the organization has turned a problem into an opportunity, says Jastrem. For example, a real estate company that had several contaminated sites saw them not as a detriment but as a potential asset. By cleaning them up and finding developers to pay top dollar, the company turned liabilities into cash-generators.

Jastrem says that companies can be distracted by a relatively new innovative product or side business as both are perceived as assets. But such items can only provide revenue given the right financial investment — which struggling companies may not be able to do. Instead of holding on to 100 percent of that business, leaders should consider partnering with another company. The idea is to maintain a controlling interest, but let someone else in on the deal to create more revenue in the long run.

“Eventually time works against you,” says Jastrem. “If you have an innovative product, someone else out there is going to catch up.” So unless you can support the product all the way, finding a partner to share in the effort is the next best thing.

## FORGET THE MAGIC WAND

There’s a fine balance between moving too fast and moving too slow. “Speed is an advantage if you know what you’re doing,” cautions Jastrem.

Looking for the perfect person, scenario, or decision will likely put you on the slow track. Know that there is no magic-wand formula that will fix everything and allow you to kick back with a cigar, he says. Instead, leadership has to make the best decision possible with as much quality information available, get behind it 100 percent, and carefully watch to ensure it delivers the desired results. If it doesn’t, they must quickly regroup, learn from the mistake and move on to make a better decision.

Companies today often face challenges that are external and unforeseen such as dropping oil prices, currency swings, and fluctuating interest rates. What a company does have control over is its culture — which can benefit from a turnaround philosophy of continuous improvement.

Jastrem encourages leaders to stick to the fundamentals. What are you best at? What are your customers looking for? How do you provide best-in-class solutions? Closely evaluate your risk profile, keeping in mind that not taking risks can put you in just as precarious a situation as taking on too much risk. And most important, arm yourself with a positive attitude and be ready for anything.

## THE U.S. NAVY SEAL CODE:

Up until a few years ago, the U.S. Navy SEALs code was unwritten and defined by culture, experience, and training. Leaders decided to formalize it into a comprehensive code that could stand the test of time and inform behavior in times of war and peace. Not surprisingly, many of the tenets can be applied to business.

- 1 LOYALTY TO COUNTRY, TEAM, AND TEAMMATE**
- 2 SERVE WITH HONOR AND INTEGRITY ON AND OFF THE BATTLEFIELD**
- 3 READY TO LEAD, READY TO FOLLOW, NEVER QUIT**
- 4 TAKE RESPONSIBILITY FOR YOUR ACTIONS AND THE ACTIONS OF YOUR TEAMMATES**
- 5 EXCEL AS WARRIORS THROUGH DISCIPLINE AND INNOVATION**
- 6 TRAIN FOR WAR, FIGHT TO WIN, DEFEAT OUR NATION’S ENEMIES**
- 7 EARN YOUR TRIDENT EVERY DAY**