

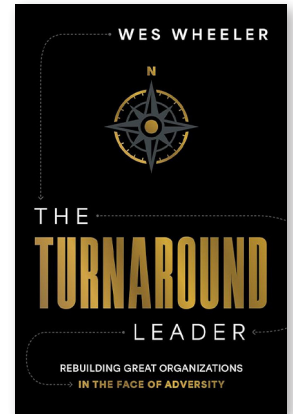


Executive Book Summaries[®]

The Turnaround Leader

Rebuilding Great Organizations in the Face of Adversity

by **Wes Wheeler**



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THE SUMMARY IN BRIEF

In the volatile and cutthroat world of business, adversity is inevitable, but failure is not. Wes Wheeler's *The Turnaround Leader: Rebuilding Great Organizations in the Face of Adversity* offers a valuable blueprint for reviving struggling companies and creating sustainable success through disciplined leadership, hard work, and practical strategies. Drawing from his own remarkable career, Wheeler explains how even a business on the brink of collapse can recover with the right mindset, work ethic, and integrity.

Rooted in his formative experiences, from delivering newspapers to managing major projects or leading reputable pharmaceutical firms, Wheeler's journey is one of resilience and constant reinvention. His leadership during economic uncertainty, strict regulatory scrutiny, hostile takeovers, and the COVID-19 pandemic offers a useful guide for entrepreneurs and aspiring leaders alike. With a refreshing blend of realism and optimism, the book not only shares Wheeler's personal evolution but also equips readers with the necessary tools for overcoming hardship in any industry.

IN THIS EXECUTIVE BOOK SUMMARY:

- Identify and address systemic issues that lead to organizational failure.
- Valuable strategies to guide companies through financial, operational, or reputational crises.
- How strong work ethic and integrity can ensure long-term success.
- Real-world lessons from turnaround efforts in high-stakes industries like pharmaceuticals.

Preface

I wrote *The Turnaround Leader* for two reasons.

First, as a lifelong reader of histories and biographies, I have always found immense value in seeing past events documented and described so that others can remember them and understand how they led to where we are today.

Second, I hope to present current and future business leaders with case studies they might find useful in their decision-making. The challenges I faced in my business career have been unique, but the solutions I implemented as a leader are universal.

Chapter 1: Beginnings (1963–1978)

Turning Around Family Failures ... and Finding a Path to My Purpose

My childhood years were defined by two major failures: one in business and, shortly after, one in a marriage. The business failure came when I was seven.

My family and I had lived in Spain for two years, returning to Clason Point, New York, in the spring of 1963 to witness the tail end of a disaster—the still-smoking embers of the Wheeler Yacht Company. The shipyard had burned to the ground.

The fire devastated my dad. His lifelong dream—taking over the family business—had turned to ashes. When I was twelve, he divorced my mother and went on to remarry twice.

I helped Mom at home. Wanting to be responsible, I started working at age ten, washing cars, shoveling snow, and mowing lawns. At twelve, I got lucky. I nabbed a paper route.

My first job as a paperboy led to a lifetime of work and discipline. My paper route established habits for a life of hard work that I continue to keep to this very day. It's where my work ethic was born.

I earned my mechanical engineering degree from Worcester Polytechnic Institute (WPI) in 1978.

I graduated with distinction, the WPI equivalent of cum laude, and then I got several solid job offers. I said yes to one of the world's largest oil companies, Exxon.

LESSONS LEARNED

Failures can lead to opportunities. Struggling through early failures—even those not of one's own doing—often instills a natural instinct and a burning drive to make the future

better. Working hard at a real job from an early age will establish a healthy, lifelong work ethic.

Chapter 2: Exxon (1978–1989)

A Whole New World

I like to refer to my time at Exxon as “career bootcamp,” where I learned professional discipline. From 1978 to 1989, I absorbed management lessons—and life lessons—at Exxon Research & Engineering Company (ER&E). In five of those twelve years, I worked overseas on assignments in the United Kingdom, Japan, South Korea, and Italy. Stateside, I held posts in New Jersey and California.

After several projects and relocations, and after twelve years of being in the top 10 percent of my peer group, I wanted a promotion. But the promotion I felt I'd earned for more than a decade of outstanding service would not come, I was told, for at least a few more years.

That frustrated me. I lost my patience. A phone call changed my life. A North Carolina area code. A man named Tim Tyson. A chieftain in the pharmaceutical industry. Tim asked me if I might consider a career change. Yes. Yes, I would. Boot camp was over.

LESSONS LEARNED

I believe it's valuable to start a career with a large, established company. Why? It teaches you how to work with leaders and colleagues of all types—brilliant, demanding, lazy, or loser. It creates structure in a work life. You learn how to navigate the labyrinth of rules, policies, mood swings, deadlines, and dramas the business world presents.

Chapter 3: Glaxo (1989–2002)

Acquisitions, Mergers, Launches, and Carving Out a Global Operation

I had never heard of Tim Tyson before his call. I had never heard of his company. I learned that Glaxo was a century-old player in the pharmaceutical industry. Tim Tyson was a leader there. He needed help with a big project—a massive \$350 million (more than \$700 million in today's dollars) new greenfield R&D campus in the RTP in North Carolina, and he heard I might be the man for the job.

I took the job. That decision would prove to be one of the most consequential of my life. Against all odds, the build-

Do the hard stuff. The impossible stuff. Fill the voids.
This is how you differentiate yourself from the others.

out of the Glaxo R&D project met the October 18, 1991 deadline. The project was a success. It came in on time and under budget.

This brought my long sought promotion. I took a new title as director of engineering for all Glaxo's RTP facilities. I now had a team reporting to me.

My Move from Engineering to Marketing

In July 1993, Glaxo had rewarded Tim for his vast campus construction oversight with a long-sought promotion of his own. He then received a second promotion, to vice president of sales and marketing, an even bigger position. Tim asked me to take the title of group director of marketing services.

This was a pivotal moment in my career. I went to work mastering this new trade. I read, talked to marketing experts, and experimented. I learned everything there was to learn about marketing and drugs and how the development-to-launch cycle worked.

From Marketing to Manufacturing

Unexpectedly, GlaxoWellcome had come under major scrutiny with the FDA relating to the manufacture of sterile drugs in the United Kingdom. It was a massive crisis.

Tim picked up the phone—again—and called me. Tim Tyson, the fixer, needed his own fixer. I took the job and was promoted to senior vice president of GlaxoWellcome manufacturing strategy. I had no idea how to develop a strategy for manufacturing. But by this time in my career, I knew I could figure it out.

GlaxoWellcome operated some sixty-five manufacturing sites in dozens of countries. Its manufacturing was a complicated mess. The factories were not centralized. As Tim busied himself politicking and resolving the FDA issues, I began to work out a global restructuring strategy for manufacturing.

More Kingdoms to Merge: The Creation of GSK

GlaxoWellcome would join with another big pharmaceutical firm, SmithKline-Beecham, to create a new entity, GlaxoSmithKline (GSK). For me, the merger meant

suddenly managing the restructuring of a manufacturing system with 109 factories instead of 65.

Every week, in plain sight, I saw political backstabbing between the legacy Glaxo people and the legacy SmithKline people. If anything, my disillusionment felt deeper than it had at the end of my Exxon service. I grew so frustrated that I began to brood over my next move.

Then something happened. Déjà vu, all over again. My phone rang.

LESSONS LEARNED

It is possible in a large company to make a real difference. Find a way to break out of the pack. Take on the tasks and the work that nobody else has the guts or energy to do. Do the hard stuff. The impossible stuff. Fill the voids. This is how you differentiate yourself from the others.

Chapter 4: DSM Pharmaceuticals, Inc. (2002–2003)

A First-Time CEO Grapples with an FDA Warning Letter ... and Turns Around a Troubled Company

I accepted the job as CEO for the DSM Pharmaceuticals facility in Greenville, North Carolina. I would become my own boss. With Tim Tyson's blessing, I felt free to reach for the highest rung on the corporate ladder: chief executive officer. That next rung, though, came with splinters.

DSM (previously Dutch State Mines) bought Catalytica for \$800 million in cash and debt. The Dutch bought Catalytica under a tremendous misunderstanding. They thought their acquisition gave them a pharma company with the industry's famously high margins. They didn't grasp that a CMO is a completely different business.

After closing the deal, the new owners in the Netherlands stared in surprise at a document, called a "warning letter," sternly stating that the Greenville site was in multiple violations of the US Code of Federal Regulations CFR 21, Part 11.

Something like a corporate miracle would occur on my brief watch of one year and one month. It only happened, though, through the hardest work of my life so far. Our successful efforts and facility turnaround would ultimately be quantified by two major product launches, a growing revenue base, and the increased output from operational improvements. We got product moving again and our revenues started to grow. Progress also showed on the regulatory front.

I could have spent the rest of my life steering this company into the destiny it deserved after our remarkable turnaround. But then the phone rang. Tim Tyson called. Tim had landed something new, something enticing. The new outpost was a company called ICN Pharmaceuticals, based in Costa Mesa, California. After a lot of hard thinking, I decided to go for it.

LESSONS LEARNED

Dying companies can be saved. It takes grit, determination, good people, and a steady hand.

Whatever the situation, you must win the hearts and fire the enthusiasm of others around you. Set a clear path for success, repeat it often, and the people will follow.

Chapter 5: Valeant Pharmaceuticals International, Inc. (2003–2007)

An SEC Consent Decree ... and Fixing a Broken Company

ICN came to life in a garage in Los Angeles in 1959 when a young graduate of Tulane University's biochemistry program borrowed \$200 to buy equipment to synthesize chemicals he could sell to research labs. Milan Panić would, eventually, grow his little endeavor into a global company named ICN Pharmaceuticals, later Valeant, while also finding the time to serve as Prime Minister of the Federal Republic of Yugoslavia (1992–1993), and to run unsuccessfully for president of that nation (1993).

Panić left one year before I arrived—and with ICN still under the stigma of a stiff SEC Consent Decree. Robert O'Leary, an ICN chair and the new CEO, wanted good and able help to handle such a complicated enterprise. But neither Tim nor I, however, would be completely prepared for the corporate chaos we would enter.

Three Strategies for Change

Tim's reinvention of Valeant would be based on three strat-

egies: Restructure. Transform. Innovate and grow.

- To restructure, Valeant would slough off the parts of its business that didn't make money.
- To transform, Valeant would prioritize efficiency and operational excellence.
- To innovate and grow, Tim and Rob knew the real key to a turn-around—they needed to fill the Valeant pipeline with new products that would create fresh sources of revenue.

I asked Tim for a role leading the North American business unit. I also asked to lead their global marketing team. Furthermore, I asked to lead mergers and acquisitions. Tim said yes to all.

New Branding, New Attitudes

With agency help, I initiated a project to change the company's brand. In 2003 ICN became Valeant Pharmaceuticals International, Inc. The stock ticker changed to VRX. A commanding purple—the historic color of royalty—animated our Valeant logo and all our branded materials.

The leadership team was enthusiastic. Valeant was ready to shed the past and build a strong new image.

Eventually, the acquisition of potential blockbusters, along with the fresh cash, the burgeoning pipeline, ongoing clinical trials, and the growth of smartly marketed portfolio products, made 2005 a pivotal year in Valeant's turnaround. And that continued to show progress through 2006.

Tim had these surging revenues, a new management team, and a new board of directors. Valeant was his now. He yearned to make a bold move that would leave his mark on the pharma industry forever.

However, the involvement of fabled consultancy firm McKinsey & Company, and the hostile takeover by an activist private equity firm would soon spell trouble for Tim and for all of Valeant.

A Momentous Career Decision

My phone rang. Again. JLL Partners wanted to talk with me about the CEO position at Patheon. I said yes. For the second time, I'd leave Tim for my own greener pastures. It was a painful decision. We'd had so much success with the Valeant turnaround. We really had fixed the company, despite all the noise around us.

There are good people and bad people in business, as in all of life. We must learn to identify the bad actors as early as possible.

LESSONS LEARNED

There are good people and bad people in business, as in all of life. We must learn to identify the bad actors as early as possible. If the bad actors work for you, you must remove them. If the bad actors have control over you, there is a choice to be made. Either learn to trust them ... or watch your back. But trust must be earned through deeds and actions. If the bad actors are left unchecked, they can and will destroy you.

Chapter 6: Patheon, Inc. (2007–2010)

Building a Quality Reputation during a Corporate Takeover

I look back on three tumultuous years at Patheon with mixed feelings. The opportunity for me to run a public company on my own for the first time was awesome. But that stint also stands among the toughest professional and personal times in my life.

As Patheon's new CEO, I led a company turnaround that positioned it for tremendous future success. I achieved this goal despite factions at war in a corporate takeover, and in spite of the Great Recession, chilling the global economy like a new Ice Age.

By the time I unwillingly departed at the end of 2010, I had stabilized the fragile and disorganized company I'd first walked into. The organization had skirted financial collapse, and by 2010 all the Patheon financial vectors were pointed up.

LESSONS LEARNED

Sometimes bad things happen. A market crash. A global recession. We have no control over these things, but if we remain true to ourselves and do the right thing for our businesses and people, we can survive and succeed.

Chapter 7: Marken (2011–2019)

Turning a Complete Financial Write-Off into a Global Industry Leader

Soon after leaving Patheon, I launched my own consulting practice, WPWheelerLLC. A company called Apax Partners recruited me as an advisor. After a few months, Apax asked if I would be interested in running Marken, a clinical logistics company it had purchased about a year earlier.

I had no real experience in clinical logistics, but something about Marken intrigued me. It was global, and it had a good reputation for quality.

Marken would test all my skills in leading a company. As it happened, I was equipped with a solid team, and we would lift Marken up from financial ground zero, transforming it into a renowned global player with unrivaled leadership in its sector.

Marken was sold to UPS on the winter solstice, December 21, of 2016. We became one of the best-performing parts of all the vast UPS global businesses, and with margins which were accretive to its parent company.

LESSONS LEARNED

In business, quality and service win. One can take a failing company and turn it into a business that truly cares for customers. Above all, never minimize the value of strong leadership when faced with adversity, ill-willed people, and misaligned board members.

Chapter 8: Bushu Pharmaceuticals Ltd. (2017–2021)

What Not to Do When Hiring a Consultant

In the years I led Marken, I also helped out a Japanese company called Bushu. The story demonstrates the power of experience, partnership, and leadership in solving problems that appear intractable.

My long-ago Exxon assignment in Japan gave me a good working knowledge of how Japanese business leaders thought and reached decisions. That Japan experience, along with previous turnaround work at DSM, Valeant, and Patheon—work that included international engagements in

Japan and other Asian nations—rewarded me with a clear vision of how to get Bushu back on course.

LESSONS LEARNED

Consultants can be helpful but also can be dangerous. We hire CEOs for the ability to set a vision and a strategy. Consultant input is valuable, but a good CEO will know how to use that information, or disregard it, before charting a course for the future.

Chapter 9: UPS Healthcare (2019–2020)

The Design and Launch of a New Vertical Business Unit

UPS, the world's largest and most important logistics company, put up its first pharma facilities in 2005. These nascent UPS Healthcare logistics efforts, though, fell short of their potential.

With Marken going great guns in 2018 and 2019, I found myself in more and more meetings in UPS's C suite. I became central, in fact, to a Big New Idea taking shape.

Jim Barber, UPS's chief operating officer, began to lean toward setting up a whole new business vertical within Big Brown that would be dedicated to healthcare logistics. Carved out of an existing UPS P&L, it would become the first independent industry-focused business unit ever within the century-old integrated UPS network.

Jim asked me to be president of the new division. In December 2019, I started work.

Standing Up UPS Healthcare

My new organization would have its own finance function, its own marketing function, its own engineering function. It would have independent departments for information technology, human resources, communication, legal, and sales.

In January 2020 we started with a new brand and a new name for our new division. We were UPS Healthcare. We focused on complex healthcare customers: pharmaceutical and medical device companies, laboratories, hospitals and clinics, diagnostic testing companies, and other companies that supported these.

Audaciously, our team even made a logo change. For the first time in UPS's proud 115-year history, the UPS shield was allowed to use a color other than brown. We made it

blue, to distinguish the new division for our customers and within UPS itself.

UPS Healthcare had 114 facilities in twenty-five countries and seven thousand employees. That's where we started life, in March 2020. And that's where we started saving lives as a great pandemic swept the world.

LESSONS LEARNED

Established companies build cultures that are deeply rooted in the souls of their leaders. Sometimes, such strong company cultures stifle entrepreneurial thinking internally and kill unique ideas. A strong leader is willing to step out of a cultural quagmire and create something unique and different for the greater good.

Chapter 10: UPS Healthcare (2020–2023)

Battling a Global Pandemic

By April 2020, the United States reported one million COVID-19 cases. Stores and institutions shuttered. The economy stalled, except for online businesses. The world was in lockdown.

UPS Healthcare would become essential to three major COVID-19-era logistics efforts, each of unprecedented scale and paramount urgency:

1. Personal protective equipment (PPE): We created a logistics pathway to deliver and store all the PPE that we could.
2. Test kits: We created a logistics program that could deliver COVID-19 test kits anywhere.
3. Vaccines: We built a global supply chain to store and deliver COVID-19 vaccines.

These initiatives undoubtedly saved many millions of lives.

Post-COVID-19 Progress

Meanwhile, life went on for UPS Healthcare, the business. Anticipating the age of biologics, and proven so spectacularly right by our COVID-19 preparation, UPS Healthcare industriously built out our cold chain around the world.

On April 17, 2023, I retired from UPS at the zenith of my forty-five-year corporate career. We had ten thousand employees worldwide and had exceeded all expectations. In

the three years I was president, our growth was triple the rate of industry growth.

LESSONS LEARNED

A global crisis, for all the harm it does, can hold a silver lining. It can drive needed changes by making it easier to break restrictive rules. My advice? Run to the fire, not away from it. Use the power of a leadership position to forge bold new practices.

challenges make you alert and sharp—and keep you busy. They occupy your mind. They occupy your spirit. I gladly move on to that next challenge, whatever it may be.

Chapter 11: What's Next (2023 And After...)

Building Boats and Beyond

I'm certain the next phase of my life will be filled with more business ventures. My top priority, though, will involve reviving a solid family brand and building boats.

My great-grandfather, Howard E. Wheeler, started the Wheeler Yacht Company in 1910. My dad never got over the loss of the company. So it has come down to me to resurrect the Wheeler boatbuilding craft and name. I reincorporated Wheeler Yacht Company in 2011. The Wheeler boatbuilding business is back, albeit at a much smaller scale.

You'll understand by now what drives me. I see that my purpose—my love—is fixing things. Families, after my dad left. Businesses, struggling to survive. Boats, deserving of glory instead of ashes.

Reflections

By the time you read this book, I may be retired. Perhaps not. My approach to life has always been inspired by challenges whether they happen by chance or by design. Life's



Wes Wheeler is a career business executive with deep international experience in nearly all parts of the pharmaceutical industry and a five-time CEO / President / Chairman of several public and privately owned companies. He is known for his ability to lead companies through challenging restructuring circumstances while building productive work cultures. After spending decades fixing other businesses, Wheeler has shifted his focus to Board work and advising private equity firms.

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