

# Turnaround

How to Change Course When Things Are Going South

by **Lisa Gable**



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## THE SUMMARY IN BRIEF

Is your once-thriving organization stuck? Is your team on life support, unable to deliver on its potential? Is your initiative or campaign limping along instead of sprinting ahead? In *Turnaround*, Lisa Gable, turnaround mastermind, offers a clear-headed, straightforward method for getting you back on track.

For more than 30 years, Lisa Gable has been called to turn around failing organizations and solve seemingly intractable problems. From Silicon Valley to Washington DC, she's seen it all. Over time, she's learned that the key to course-correct when things go south is applying the discipline of process engineering—carefully re-evaluating everything your organization does and how it does it—with diplomacy and humanity, taking care of relationships, and forging strong partnerships.

At a time when dizzying innovation cycles, hyper-competition, and a global pandemic have made survival more challenging than ever, Gable's time-tested and industry-proof method in *Turnaround* will give you the tools to turn your ship around and chart a course to success.

## IN THIS SUMMARY, YOU WILL LEARN:

- A simple, powerful four-step method for breathing new life into the most troubled ventures.
- Why a successful turnaround requires breaking down the past.
- Strategies for mapping out critical decisions and actions.
- To set aggressive goals and form the partnerships you need.

## Introduction: The Turnaround Method

You are sitting in a conference room at eight o'clock at night, and you can't see the light at the end of the tunnel. The engineers in your team are reworking the timeline, and once again, the product will not be shipping on time. You keep running the numbers, but they don't add up. Your boss is going to be upset.

Every day, projects, teams, and organizations find themselves stuck with a seemingly intractable problem. The product is on life support and bleeding money. The team is exhausted by never-ending drama. The organization is hobbled by competition. A revolving door of project leads, managers, consultants, and leaders tried to fix the problem. No one seems to be able to turn the situation around.

### Why Things Go South

To solve a complex problem, you must turn it on its head. You should ignore the popular recommendations or knee-jerk reactions for how to solve it. Instead, you must try relentlessly to understand the underlying cause of the problem—especially if no one has been able to fix it after many attempts.

Here are the seven most common reasons why projects, teams, and organizations go south:

- They are built on haphazardly designed processes and structures.
- Those in charge believe more money can solve everything.
- The economics of the business make the end goal impossible.
- They are stuck in a cookie-cutter approach to culture and management.
- Their leaders make self-interested and empire-building decisions.
- Their founders overstay their welcome.
- Their leaders don't recognize the project, team, or organization is at an end point.

In 2020 and 2021, the COVID-19 pandemic caused massive disruption, exposing organizations and projects that were suffering from these seven problems and leaving them in even more perilous shape. When your project, team, or organization is built on haphazardly planned systems and processes, when you are stuck operating in outdated ways, and when your leaders make decisions from a place of ego

and not with the entities' best interests at heart, a disruption of this kind can be the nail in the coffin. Sadly, for many, the pandemic was just that.

But it doesn't have to be this way. If your project, team, or organization is worth saving, you can turn it around, even in the direst situations.

### The Turnaround Method

There are four straightforward but rigorous steps that you must take to pull off a successful turnaround:

- **Step 1. Visualize the future.** Stop thinking of the problem and tweaking what's already there. Instead, focus on where you want to end—on your future perfect scenario.
- **Step 2. Break down the past.** Analyze what is working today and can help bring your new future to life—and what is not and needs to go.
- **Step 3. Create a path from present to future.** Map out the critical decisions that you need to make—and build the right team to move forward with them.
- **Step 4. Execute with speed, confidence, and heart.** Set aggressive goals and partner well so you can speed ahead to your goal. You've got a plan—now run with it.

Although this method may appear simple, it demands strength and conviction. It's not easy to point your compass in a new direction and change course. It requires making bold decisions, adhering to a process that many around you will resist, and being open to collaborating with others. If you commit to the method, it can work for you.

### How to Lead a Successful Turnaround

You may be the CEO of a for-profit or nonprofit organization, the head of a major division or program, the manager of a team, or the lead on a project tasked with heading its turnaround. Or you may be an individual contributor who sees an opportunity to make things better.

Regardless of your title, this is your moment to assume the mantle of leadership and become a driver of positive change. Stop looking over your shoulder for someone else to save the day. You may be the hero. As you begin leading a turnaround, consider these five recommendations:

**Start the turnaround process without assumptions.** If you go into a turnaround with a predetermined

Stop thinking about your present problems and start imagining where you want your project, organization, or team to end up in the future. . .

outcome in mind, you might miss what really is making your project or organization fail.

**Take the time to engage in shuttle diplomacy.** The turnaround method requires a radical restructuring of your organization, team, or project. Change does not happen overnight; you'll need people on your side to get this done!

**Find like-minded people to help achieve your vision.** Find people who not only are process-driven and energized by the turnaround method but also have compassion and lack ego—traits that will inspire loyalty.

**Don't treat every step like a battle.** Turnarounds are a process, not a war. You definitely want to become the best-in-class, but your actions should focus on improving your competitive capabilities through aggressive, sustainable goals, not by pummeling your competitors with back-channel maneuvers.

**Keep your commitments.** You show up when you say you are going to show up—no matter how tired you are. You do everything you said you would do—no matter how inconvenient it is.

Change is hard. Leading change is even harder. You'll have to be tough to get through likely bumps along the way. But the reward—leading a successful turnaround with grace and resolve—is worth it.

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## Step 1: Visualize the Future

### Stop Thinking About the Problem and Focus on Where You Want to End

As things are going south on a project or organization, we often get stuck, even obsessed, on specific issues or problems. We think that if we could only fix this or that, we would be able to turn this ship around. So we tweak what's already there to make it work better. When that doesn't work, we tweak another thing. The churn continues.

Although it is always good to pinpoint what's not working, focusing on fixing existing problems is not the best start-

ing point for a successful turnaround. You can become so focused on resolving the issues in front of your nose or pointing fingers at each other that you never resolve the underlying issues affecting your results.

Stop thinking about your present problems and start imagining where you want your project, organization, or team to end up in the future—then design a path to this new vision. To visualize the future, you must

- Describe your perfect world scenario.
- Identify Job 1 (. . . and 2 and 3).
- Reframe success.
- Evangelize your future vision.

### Describe Your Perfect World Scenario

If you could wave your magic wand, what is the future you would want to see? In other words, describe the perfect world scenario you want as your end point. This scenario can be as bold as you'd like.

This scenario typically leverages and maximizes a core competency that your project or organization is uniquely qualified in and that drives your position of strength. The first step to describe a future perfect world scenario is, paradoxically, to go back to the past. Understanding your project's or organization's genesis can be the key to rediscovering its core competency.

Your project, organization, or group came into existence for a reason. Whoever founded it came together around a particular purpose. Zero in on what you can do that others cannot. This is your core competency—and the key to your perfect world scenario.

To visualize a new future, it often helps to focus on your customers' or constituents' pain points. Often, in an effort to build something great, we fail to appreciate what they truly want and need—and therefore what will lead to our success.

Once you've visualized this new perfect world scenario, describe what it would look like in three years or five years or whatever time frame the scope of your turnaround de-

mands and allows. Analyze the level of investment that will be needed to get there. Clearly identify all who would be affected by this new scenario.

### Identify Job 1 (. . . and 2 and 3)

Your journey to delivering your perfect world scenario is possible only if you focus everyone on your team or project on a clearly articulated and easily understood objective.

In a turnaround, you have a limited number of plays in which you can invest time and resources heavily to execute your scenario. Job 1 is your big play, the boldest objective. For Intel in the early 1990s, Job 1 focused on getting the tech industry to standardize around its platform.

For Salesforce software, Job 1 was to change the way organizations managed and tracked relationships by building a company “around one main idea: that software should be delivered 24/7 to people over the cloud.”

If Job 1 is the big-ticket item, you also will need to define Jobs 2 and 3, the key deliverables that will create the change. Think of them as the backup singers to your vocalist.

### Reframe Success

If you are in the middle of a turnaround, that means the old standards of operating, measuring, and defining success are no longer working. It is time to hit the reset button. To do that, you need to define new basic operating standards for your organization, project, or program.

Increasing deliverables while reducing costs is table stakes in a turnaround, no matter your industry or sector. If you are a tech company, you need to increase the value of your tech offerings while reducing costs. If you are running a project within your organization, you need to increase its effectiveness while reducing costs or resources, such as time invested.

When you are in the middle of a turnaround, it is also important to establish basic operating standards for how you conduct business. That means identifying values that you want to incentivize to achieve your goals and translating those values into an established norm or a code of conduct for how you engage and treat each other, your partners, and your customers.

When you reframe success by establishing new basic operating standards, you also are providing guidelines for how everyone in the organization can do well and contribute to accomplishing Jobs 1, 2, and 3.

### Evangelize Your Vision

Once you’ve visualized the future, you have to bring everyone into the vision. You will be more effective speeding toward your goal if you don’t have to battle people along the way. Focus on winning hearts and minds, and get people to buy into the future that you are visualizing.

As you recruit more people and partners to support your efforts, evangelizing your vision requires three strategies:

- **Getting buy-in from as many people as possible.** To get buy-in, first you must identify the needs of every key player.
- **Engaging new allies, including those who in the past might have been competitors or detractors.** Identify the allies you need to publicly support your vision. Those allies might be peers or other organizational leaders. Assess them carefully.
- **Carefully building trust and relationships with those who will be affected by your actions.** Building trust is never easy nor quick. It requires consistent due diligence in your dynamics and a fundamental shift in behavior as you develop a relationship over an extended period.

## Step 2: Break Down the Past

### Figure Out What Still Works and What No Longer Does

No matter what turnaround you are managing, once you’ve visualized the future of the project, group, or organization you are transforming, you need to break down the past. You must examine the project’s or organization’s current assets—the products, services, programs, tools, processes, campaigns, etc.—and identify those pieces that no longer fit and those that are critical to filling any gaps.

All too often, we are brought in or find ourselves in a position to turn around a problem project that everyone knows is heading south, but no one seems able to articulate why. Instead, we say, “It’s a mess” or “It’s losing money.” We can see the symptoms but haven’t dug deep into the level of detail required to diagnose correctly what’s wrong or to prescribe the right treatment. Conducting an audit of a project’s or organization’s assets helps us do that.

### Conduct a Thorough Audit of All Assets

To break down the past, you first must conduct a thorough

audit of all the assets you are working with. Perhaps this seems like an unnecessary step. After all, you know the products, services, fundraising, and marketing campaigns in your organization or project inside and out.

Go deeper. Identify all the efforts that your project, team, or group currently engages in. That can be a long list: Yes, it includes every product or service, campaign or program, as well as your processes (how you handle your sales); initiatives (what initiatives you make to reach a certain audience); external communication efforts (via websites, email lists, and social media); customer support (how you help your internal or external clients); and tools (what software keeps track of your products launch).

Group the assets by the outcome they are involved in producing. For example, you might have a bucket of assets focused on attracting a particular type of customer. This bucket might contain advertising collateral, social media posts, and descriptions of customer service processes focused on that customer demographic.

### Assess the Value of Every Asset

Analyze the value of your assets, and determine how well they support yours. You'll need to

- Quantitatively rank and rate assets based on whether they generate revenue or expenses and on their cost inefficiency.
- Evaluate how the assets are perceived or valued internally and externally.
- Benchmark the performance of your assets against similar ones you consider best-of-class.

As you redesign and reimagine how to deploy your assets, understanding their true financial impact, their perceived value inside and outside the organization, and how well they stack up against the competition will help you decide what assets are worth keeping and which you need to ditch.

### Keep or Toss: Decide What Stays and What Must Go

Once you've made a comprehensive list of all the assets—the products, services, programs, tools, processes, campaigns, etc.—and have assessed their financial impact, how they are perceived internally and externally, and how they measure up against those from competitors, you need to identify which of these assets will help you achieve Jobs 1, 2, and 3 and which will get in your way.

To do so, classify each asset as

- **Must-have**—assets that will be critical to realizing your new vision;
- **Nice-to-have**—assets that align with your new vision but are either too resource intensive or relatively more expensive than must-haves;
- **Must-go**—assets that are too expensive and cost inefficient or simply don't help you achieve your new priorities (Jobs 1, 2, and 3).

Of course, deciding between the nice-to-haves and must-goes is not easy. Every project, group, or organization has at least a few assets to which people feel a strong attachment internally or externally. But you can't keep inefficiencies or assets that dilute your effectiveness or the ability to realize your new future. If an asset does not allow you to increase your outputs while reducing costs, then you should let it go.

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### Reassure Employees, Partners, Customers, and Your Community

As you make decisions about what assets to keep and which to let go, it's important to understand how these choices affect others and how they are perceived by employees, partners, customers, and the community.

Change brings anxiety. People feel bounced around as their reality shifts, and uncertainty grows. They become cynical and wary. They are fearful about maintaining their livelihood or losing a project that made them love their job. Any party with a vested interest in your project's, team's, or organization's success will need to trust that the tough, sometimes draconian decisions you're making will truly lead to a better future.

Above all, building trust requires

- **Acting with transparency.** When you are making decisions about what assets to keep and what has to go, be prepared to talk openly about the changes and why they are necessary.
- **Leading with numbers.** When communicating about the assets you'll need to abandon, focus on the financials. Numbers do not lie and often speak for themselves.
- **Being direct.** Once you've identified an asset that needs to go—say, an expensive program that no longer delivers as much value as it used to—rip the bandage off. Don't let people build false hopes that the asset can be saved.

## Step 3: Create a Path From Present to Future

### Map Out Critical Decisions and Actions Needed

Now it's time to decide how you will use your remaining assets and evaluate whether they can perform at the levels needed to get Jobs 1, 2, and 3 done. This requires making critical decisions about where to invest resources, what to promote, and what is your baseline requirement to operate.

While you may have a clear picture of these assets and their moving parts, your team members who focus on keeping the fires burning and the trains running on time while you are out evangelizing your new vision may not. You need to systematically bring them along on the journey, helping them understand the role the assets play and giving them clear direction on how to move forward.

A decision tree is a visual tool that helps you and your team make decisions about the remaining assets and lets everyone see clearly the assets that you don't have and that need to be developed to reach your goals. They also help you determine where to allocate your most valuable resource—your people—and where those people might no longer be needed.

### Create a Decision Tree

A decision tree is essentially a flow chart, a yes/no visualization process. The idea is to group the assets you were left with after your audit in categories and run them through three essential questions. Each question forces you to answer “yes” or “no.”

The answers help you (1) make decisions about which cat-

egories to pursue more strongly; (2) determine which assets have the most potential to provide value and where you should invest the most resources; (3) identify opportunities where you can extend the value or revenue generation of an asset. As you answer these questions, your new business framework will begin to emerge.

Here's how to create a decision tree, step by step.

**Step 1: Group assets in categories.** The first step to building a decision tree involves grouping your remaining assets once more. This time, however, you will group assets that are alike. Some typical categories for your groupings include products (all products, services, and offerings); media and marketing exposure (your logo, website, promotional campaign, etc.); and joint ventures (your partnerships).

Next, identify the target market and the size of that market for each asset. Once you've identified the categories and listed the corresponding assets under each, start asking the following questions.

**Step 2. Does the asset meet baseline requirements needed to compete?** Understand where you are now with each asset and what investment levels are required for you to own the space they operate in. In addition, determine whether your assets meet baseline operational needs, that is, to support the day-to-day tasks necessary to carry out the basic activities of your project or organization.

As you are accelerating toward your new vision, you still need to meet these baseline requirements and customer obligations to get your product or offering out the door.

**Step 3: Does the asset continue to be cost effective?** As you consider the goals for your project or organization (Jobs 1, 2, and 3), you'll find that some assets that survived the first round of audits will accelerate you toward your future, while others will not. The ones that don't might look less attractive as you perform deeper cost-benefit analysis. Start by analyzing whether each asset can operate at the baseline performance level. Then determine if your operational prowess will enable you to set new strategic growth opportunities.

**Step 4: Can you or should you add a new capability or new feature to existing assets?** As you create your decision tree, you may determine that by rearranging or building out your assets by partnering with another organization, team, or project, you can introduce a new capability or asset that significantly increases either the revenue or

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impact of your project or organization and allows you to realize your vision more quickly.

Analyze the core of what you are doing to determine if you are truly creating a new asset that provides a new product, service, or value—or if you are just improving the original asset or providing the same value or service in a different way.

**Step 5: Is the asset a market differentiator?** In each category, consider whether the asset is expected to generate significantly greater revenue or value than the cost of branding and marketing it. If it is, you have an opportunity to make several strategic moves, from extending your offerings or brand to differentiating certain product lines as premium ones.

The exercise of creating a decision tree will help you home in on your top assets. As you do, you'll have to keep tossing those that are nice-to-haves but not necessary to fulfilling your perfect future scenario.

More important, whenever you cut assets—whether they are must-goes cut during the auditing phase or nice-to-haves cut during the decision tree phase—you often have to make another set of heart-wrenching decisions: determining who in your team has the business experience that will be needed in this new business framework and who does not.

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## Step 4: Execute with Speed, Confidence, and Heart

### Set Aggressive Goals and Foster Effective Partnerships

Competitors will always be at your heels, ready to catch up to you. Being slightly better than them is not going to cut it anymore. Otherwise you'll find yourself in a perpetual game of cat and mouse with your competition. That's why you need to run. Really fast.

Once you have a plan for how to best deploy your assets and move forward, you need to quickly and confidently execute your turnaround strategy. If you take too long debating your executional path, you will lose.

Three tools will help you move with speed and agility: setting aggressive goals, partnering with others, and leading with confidence and diplomacy.

### Set Aggressive Goals

The decision trees that you created will help you identify the moves and investments you need to make to get Jobs 1, 2, and 3 done.

But to succeed, you'll also need to set Big Hairy Audacious Goals (BHAGs) for each of these jobs. Introduced by Jim Collins and Jerry Porras in their best-selling book *Built to Last*, BHAGs are long-term goals designed to get everyone energized to meet a target that is clear and exciting. The goals themselves don't need to be audacious on the world stage. They just need to be bold in the context of your project, program, or organization. A sales manager's goal might be to increase her team's revenue by 50 percent.

To successfully set aggressive goals against your Jobs 1, 2, and 3, you must make them quantitative and public, inspire everyone in your team and beyond to achieve them, and constantly communicate progress against them.

### Look for Opportunities to Partner

Great turnaround leaders know that you don't reach a major milestone on your own. No one person, team, or organization has the capacity to do everything. If you are leading the turnaround of a project within your company, you might need to partner with other departments or peers outside your group. If you are an organization, you might need to partner with another one to reach a bigger audience.

A good partner often can help you move more quickly by (1) providing a capability that you need but is too expensive to develop or acquire on your own; (2) helping you reach a market, a customer base, or a set of constituents that you don't currently have access to; (3) being better at executing in one of the areas that is not a core competency of yours.

The key to a good partnership is to identify partners who are willing to align their objectives with yours to achieve a common outcome. You need to understand your partners'

needs and find common ground. This isn't always easy, but it works. Here are some ways to ensure that your partnership succeeds and helps you meet your goals:

- Be generous in your relationships.
- Be a committed partner, but set clear boundaries.
- Celebrate collective wins.
- See the world from the partner's point of view.
- Don't move so fast you leave your partner in the dust.
- Don't take yourself too seriously.

## Lead with Confidence and Diplomacy

When you set aggressive goals and partner with others to execute your turnaround strategy as quickly as possible, you are bound to hit some bumps along the road. You will be learning as you go, so there will be situations where you inadvertently make mistakes. When that happens, recognize your mistakes and own them.

This is the time when it is critical to be transparent. When you make a mistake, let your boss and other necessary stakeholders know, and lay out the actions you'll take to address them. Mature businesspeople know that some things go south, but will appreciate your transparency. Sacrifice a bit of your ego because a leader needs to be willing to take the hits in order to move everyone beyond the immediate problem.

The art of diplomacy—gentle nudging, looking for avenues to move another party to “yes”—is critical to moving quickly and nimbly. It's also exhausting. Creating and maintaining goodwill means never letting your guard down and always displaying a positive presence despite any personal frustrations you might be feeling.

To move forward confidently, avoid these pitfalls:

- **Perfectionism.** Don't let perfect be the enemy of the good.
- **Consensus.** It's important to have enough supporters on your side to execute your strategy. However, once you bring an issue to the table, talk about it, and make a decision on it, do not reopen the discussion.
- **Blinders.** Acknowledge the good things proposed by another team member, a critic, or a key stakeholder. Identify the common denominator which you can agree on as the measurement of success.
- **Opportunism.** As you execute with speed and desperately need to show progress, it is tempting to go for the quick or opportunistic win. But don't sacrifice a sustainable solution for a short-term win.

The Turnaround method not only helps you execute a turnaround but also promotes a pattern for the future. It helps you embed a new vision, core competency, and decision trees in their DNA and set them up to weather changes positively for many years.



Lisa Gable is currently the CEO of FARE, the world's premier organization fighting food allergies. She is recognized worldwide as a turnaround mastermind. As CEO of several organizations and as a former U.S. ambassador, United Nations delegate, and advisor to Fortune 500 companies, she has orchestrated and executed the successful turnarounds of well-known private and public organizations in many industries and sectors. She is highly regarded in business, political, and philanthropic circles for her ability to tackle difficult issues directly with discipline and diplomacy.

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