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Leading in the B-Suite

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This Crisis Is A Crash Course In Leading Turnaround Efforts. Build These Muscles.

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With each passing week, I'm hearing more leaders talk about the need to maintain the faster speed of decision-making and innovation that they are seeing in their companies since the crisis hit. I spoke to Barbara Khouri, one of my colleagues at The ExCo Group, who has deep experience in turnarounds, about her playbook for restructuring companies, and how they apply to leading in this crisis.

Q. Barbara, you've led through six turnarounds. What lessons are relevant for the challenges we're facing now?

A. Turnarounds put all other corporate problems in perspective. People are experiencing that for the first time with this crisis. The first challenge is finding yourself in survival mode. It's fast-paced. You've got to make decisions without a lot of data or time. You've got to be aware of and support your people so that they'll be there for you. The culture has to be very positive, with everybody cooperating and feeling that they're in this together. Forget silos and job descriptions. If there's a mistake, let's make sure it's not a big mistake and don't repeat it.

As a leader, you live a dichotomous life during these times. One minute you have to be calm to help everyone else calm down, but the next

minute you have to be excited to help inspire people. One minute you have to empower people to be creative and try things on their own, and the next minute you've got to instill discipline and say, "This is what we're going to do, and everybody has to line up."

"In crisis mode, leaders have to be the best they have ever been."

A lot of it is about trusting your gut. You might make 30 decisions in a day during a turnaround compared to the 30 you used to make over the course of a month in quieter times. You don't need as much data. Data is important, of course, but do you need it all? You have to be willing to let people try different things.

In crisis mode, leaders have to be the best they have ever been. It is a time for them to prove and exhibit all aspects of their leadership abilities. They have to be the linchpins. They have to be the role-models. They have to be the cheerleaders. They have to deliver bad news and be demanding, and know when to pull back and when to move forward. You have to know when to laugh and when to take things seriously. This is the test of true leadership.

Q. There are so many balancing acts and dichotomies.

A. Another is the idea of more versus less. In turnarounds, you need more prioritizing, more connection with others, more humanity, more

trust, more communication, more clarity, more transparency, and more willingness to be there for people. But there is also less of a need for perfection and for having all the data before you make a decision.

That requires bone-deep self-confidence and flexibility and adaptability. If you don't have that in a crisis situation, it's all over. You have to maintain discipline while adapting minute-by-minute, and you can't worry about the things you might have missed. If they're critical, of course you have to worry about them. But if you do something wrong, you take a moment to analyze it, determine how you'd do it differently, then you've got to let it go because you've got too many other things to worry about. You can't obsess about things that you can't control. This crisis is a perfect example. We have no control over this.

> *"You can't obsess about things that you can't control. This crisis is a perfect example."*

If people trust you, it's okay to change course when you have to do so. I had no problem, during the turnarounds that I led, saying, "Boy, did I blow that decision," or "Sorry about this, guys. I know I just said this yesterday, but this is why I'm changing my mind." If you give people the reasons behind the shift — "I slept on this decision, and some new information came in" — they will accept them as long as they trust you. You're human, and it's okay to change your mind. Rather than thinking it's a sign of weakness, I believe it shows courage.

You also have to have that trust and humanity when you deliver bad news. Two weeks into one of my jobs as a CEO, the private equity firm that hired me decided to shut down a manufacturing facility we operated in New York City. They were going to bring in somebody from the outside to deliver the news to the workers and shut down the operation.

But I said to the firm, "If I'm your CEO, then I'm going to do this." I went to the plant with a Spanish translator and said to everyone, "You don't know me, and I am so sorry about this. No one in this room has caused this to happen, but this is the situation that is beyond our control. I wanted to be here and I wanted to tell you the news myself and I'll answer whatever questions you have. I just want you to know that I'm so sorry, but we have to do this to survive in other ways.'

People came up to me and
shook my hand or gave me a
hug and went back to work. I just tried to be as honest with them as I possibly could be, and I think that authenticity can come through.

Q. There are so many pressures in turnarounds, and yet you kept putting yourself on that hot seat. Why?

A. I like to fix things, and it was a test of my abilities. For whatever reason, I have within myself the ability to be objective in those stressful situations but also to lead humanely.

You can be professional and achieve performance goals and yet also be

respectful of people and compassionate. That's where the dichotomy comes in again. It's not about making a choice. You can and should do both.