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Graziadio School of Business and Management

Dean's Executive Leadership Series - 2008-2009

Transcript of Presentation by Sheri Miksa, former CEO, President and Director of Robeks Corporation – Part 1

About DELS: The Dean's Executive Leadership Series at the [Graziadio School of Business and Management](#) features in-depth audio or video interviews with today's top business practitioners and thought leaders. [Listen](#) or [subscribe](#) to the podcast to hear their views and insight on the current challenges and opportunities facing the business community.

Start

Narrator: The Graziadio School of Business and Management at Pepperdine University proudly presents the Dean's Executive Leadership Series. This podcast invites top business practitioners and thought leaders to share their view on the real world of business.

Dean Linda Livingstone: Well, good evening, everyone. I'd like to welcome you to our second Dean's Executive Leadership Series in Orange County. We began bringing this program down here a year ago and so we are glad to be back again this evening and really appreciate all of you being here and being a part of the evening. Now I want you to know there's lots of bright lights and so you just look like kind of a haze of people out there, so I'm doing my best to see all of you and welcome you. I do want to mention just a couple of things before I introduce our speaker this evening, just some updates on some interesting things going on in the school and some that I think will be of interest to you as alumni since we have many alumni in the audience.

First, we are rolling out this fall a program called MBA Plus, and this is a tremendous opportunity we believe for our alumni. It gives you the opportunity to come back to school at Pepperdine and sort of refresh your skills, develop new skills in any of the emphases tracks that we have within the school so whether it's marketing, finance, entrepreneurship, organizational leadership and change, you have that opportunity and we do it at a rate that is discounted in terms of the tuition that will pay for those classes. And so the first class--The one class a year at a 75% discount and then classes after that in the same year at a 25% discount so you'll be getting more information about that, but if you want to refresh your

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skills in an area or develop skills in a new area be thinking about that as a tremendous opportunity for our alumni beginning next fall.

We have some really interesting events coming up at the school that I want to mention to you. On March 14 we have our annual business planning competition. This is the fifth year we've done it. It's actually hosted at our Malibu campus and we have four teams that are finalists among our student population. I believe we have students from our full-time program, from one of our executive programs, and from our fully employed program all represented in the finalists, and so it will be a wonderful day. We have about \$25,000 in prize money and it's just a tremendous opportunity to see businesses develop. We had over 60 students submit preliminary plans for this before we narrowed it down to the finalists so that's an exciting opportunity we have coming up soon. We also have on April 6...our--is it 7th?--6th annual Friends of George Graziadio Golf Tournament that will be at Trump National so if you would like to participate in that be sure-- Mike Simms is down there. He's organizing that. He'd be glad to visit with you about that and we would love to see you there. It's a beautiful venue and a wonderful day together with others from Pepperdine. And then I also want to be sure and remind you as alumni and friends of the university and of the business school to be sure and-- Clearly, during these difficult economic times we have lots of folks looking for job opportunities, looking for internships whether they are students or whether they're alumni, and so if you're in a position where you have those opportunities available certainly think about Pepperdine, think about posting your jobs and your internships on Graziadio Talent Online so that we can help one another to get through some of these challenging times ahead. We've got a whole new group of full-time MBAs graduating in the next couple of months as well as those looking for internships and then certainly some among our alumni that are looking as well so keep that in mind.

I also want to note if you are an alum you probably very recently got or will soon get a letter from me and whoever's the associate dean of the program you happen to go to encouraging you to refer students to our programs. Our data shows us that students who are referred to us by alumni or by fellow students are more likely to come to our program and perform better on average than do students who come to us through some other means. And so it's- we love having referrals. They're great students and we encourage you to do that, if you have a friend or a colleague that you think would be well suited for one of our programs in the business school or certainly any program at Pepperdine that you think about that and encourage them to come to us. And the letter that you got actually explains a scholarship program we have for prospective students who are referred to us by alumni so it's a tremendous opportunity right now to encourage people to come.

And then the last item I want to mention just in the Dean's Executive Leadership Series: We have begun to move this around and so we go from southern- or from Orange County up to northern California on

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April where we're going to have our Dean's Executive Leadership Series up there featuring Robin Washington who is with McKesson Pharmaceuticals so there's a lot of wonderful things going on in the business school, and we are glad that you have chosen to be a part of what we're doing here in Orange County this evening.

So I would like to right now introduce our speaker for this evening, and I think you're going to really enjoy what Sheri has to say. You'll learn a lot from her, and I know we had an opportunity earlier today to tape the podcast that you will have available via the web site at Pepperdine and through iTunes University later on and you should listen to that. It will be very interesting in addition to what Sheri's going to share with you today, but Sherman has Sheri-- Sheri's right here so you can see her. I can't see her but maybe you can. She has over 25 years' experience in the food service and hospitality industry and really has a reputation for transforming and turning around companies. Most recently, she was chief executive officer of Robeks Juice Corporation, which is a national chain of franchised premium fruit smoothie locations. Prior to Robeks she was the chief executive officer of Rubio's restaurants and then before that she also worked for the Seattle Coffee Company, has a very strong background in operations and brand management in her career, has an interesting early career story. Her first position was actually on Alaska pipeline running a hotel so she has some very interesting experiences in her background. In addition, she's served on several corporate boards and that's an important part of her experience right now, and she's also been very involved in some women's leadership issues with the Women's Food Service Forum and she and I actually have gotten to know each other a little bit through the women corporate directors program. So it's my pleasure to introduce Sheri Miksa to you. She's going to share with you some remarks and then we will sit here and have a continued conversation and certainly look forward to questions from those of you in the audience this evening. So Sheri, it's a pleasure to have you with us.

Sheri Miksa: Well, good evening. These are definitely turbulent economic times, and I was speaking to some of you earlier this evening at the reception and I asked a group how they were doing and they said, "The stock market is up. We're doing well," and that really is our reality. So one of the things that I wanted to speak with you about tonight was the idea that in these difficult times people everywhere are being called upon to transform or turn around their businesses. And as I have been most recently a CEO and president, many of you may feel different roles in your organizations and may be called upon to turn around your division, your region, part of your organization or even a full company at some point, and I think more and more with the face- the things that we're facing today in terms of the economy this is a skill that is very good to have and something that I have a lot of experience with that I want to speak with you about this evening.

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So I believe that as you look at a potential turnaround or transformation opportunity the fact is business as usual just isn't good enough anymore, and so people really have to go in to their business either as a new leader or even in an existing organization in an existing role and look at how to shake it up, how to change the paradigm or, as I like to say, how to take it out of the box and look at it from all sides before you put it back in, in a bold new way. And I think that's very important today, probably more so than ever before. Now the fact is as a CEO you do have a duty to shareholders and to make sure that your objective is filled to mitigate risk. Having said that though, you have to be willing to take calculated business risks particularly as you need to take the opportunity to transform or if you have the opportunity transform or turn around an organization. I can tell you that I've been doing that since my first management job, and the dean mentioned my first role was running a hotel on the top of the Alaska pipeline, not exactly a traditional role that you'd see on most resumes but certainly one that's interesting, and I've always said that if I could do that I could do anything.

The fact is I ran a 1900-bed all union hotel operation at the top of the Alaska pipeline in Prudhoe Bay, Alaska, and as we like to say it's not the end of the world but you could see it from there. Now we had polar bears and arctic fox and caribou that roamed wild and it really was a remote location, and my guests that lived in my hotel were the oil field workers that worked 24/7 six or seven days a week for anywhere from six to 12 weeks at a time before they left for an R&R to meet with their- to be with their families. And so when you say they were hungry and they were active guests they absolutely were so when it was three o'clock in the morning or midnight and it was lunch or snack time to them you can be sure that it was important that they had hot, healthful and plenty of it food. And in fact I can actually tell you that while I was running this hotel I introduced the largest salad bar in the state of Alaska and everybody said, "They won't eat salad bar," and I said, "Yes, they will because it's good for them, it's nutritious and it's filling."

And so we did everything that we could to make it a great place for them to be and take good care of them because they worked 12-hour shifts in well-below-zero temperatures. It was dark for nine months out of the year and then it was light for three months out of the year, so not your traditional corporate role to start out in but it was a great opportunity for me. And I was faced with my first transformation opportunity when I found that in fact my food service operation wasn't meeting my customers' needs, and for them, food was solace, food was comfort, food was fillingness and it was actually what in many cases kept them warm against the cold which they had to face a lot of. So I was faced with the opportunity and the need to turn around the food service operation very quickly. So knowing that you could be asked to do that, I want to give you some things that I looked at as I was going through this process, and I will tell you that I always look at a turnaround or transformation opportunity through the eyes of the customer, whoever the customer may be.

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In this case again it was my oil field workers, but I've always believed that if you can offer a satisfactory or even exceptional product or service, one that ideally exceeds your customers' expectations, I believe you'll have a successful business in the short and the long term. You may just have to turn around or transform your business to get there, and that's what I found with my food service operation when I first took on this role. Now what I have found over time is that there are a number of questions that you should ask and I have six key questions that as the new leader or as an existing leader going in to a transformation or turnaround that I would suggest that you ask.

The first one is where is your business in its life cycle. Whether it's the BCG model that you use or whether you just look at it simply and say is it a new business, is it a mature business, is it a growth business, understanding where you're starting from in terms of where your business is today in its life cycle is the first of the six questions that I ask.

Second, what tools do you have in your tool kit? You may have people, you may have budget opportunities, you may have other resources like a supportive board or consultants on board or consultants that you can hire, so the second question is what tools do I have in my tool kit? The third question is what's your target? What are you trying to hit when you're looking at transforming or turning around your organization? Is it enough just to make your boss happy, is it enough just to make your customers happy or do you in fact have a larger challenge like getting to profitability, getting to cash flow positive, turning your operation into a growth engine for your company?

So that third question is what's really your target? The fourth question is how big is the gap and what will it take? Once you've identified the need to transform or turn around your organization, this is a critical one. How big is the gap? Do you need money? Do you need time, retraining? Do you need to change the culture? Do you need to replace or add people? Do you need new systems and processes? Do you need to acquire something or do you need to sell something? How big is the gap? What will it really take and how long do you have? Talk to your boss, and your boss may be in my case the board or the shareholders or a private equity firm as it has been. You want to ensure that you're aligned on how long do you really have to make this change, and be sure you're focused on the need-to-haves and then, or maybe never, the nice-to-haves depending on how much time you have. And remember particularly if you're running a public company as I have that your world is measured in quarters and your clock may be very different. So probably the two toughest of these questions, the ones that are really reality ranch, are how big is the gap and how long do you have, and these are the places that most leaders choke. They either underestimate what it will take, they underestimate how large the gap is or they underestimate how long they have to fix it, and it's really critical that you get closure quickly on those questions.

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And finally after you've asked those questions you can identify what are you really facing. You can be really clear here after you've asked those five other questions, and this will drive whether you are just tweaking, can you make some small changes and get to where you need to get to, are you just in a transition because you're the new leader going in to a new role and the opportunity is for you just to put your stamp on the business or are you in fact in a transformation where maybe you have a good concept or a good brand or a good product line that just needs updating or is it a full-scale turnaround. Either you went far astray, you've got a huge competitive issue to deal with, you've got major marketplace changes or something substantial that's happened to your business. In the case of my Prudhoe Bay hotel operation, it was definitely a challenge that was a turnaround and it required everyone to get behind it.

And once I'd identified it as a turnaround, it helped me to see what I needed to do. It took me many months to get back on track but they did get back on track and we were able to successfully satisfy our customers again, but I had to put some pretty serious consequences in place so that there were consequences for nonperformance and everybody knew that. That's another of the things that you need to put in place. So together with my team we got it turned around and, as you'll hear, starting with my first management job I was well on my way with this turnaround thing. My next stop was a Stanford MBA. This time it was a personal transformation. I wanted to make a big change from the oil fields of Alaska to being a corporate executive and this was the first step. Now here's a key learning. Reinventing yourself is good. I recommend doing it periodically especially when you're moving in to a new role or a new phase of your life so it can be a personal transformation.

Next was with Sceptre and Aspen Crest, which were two hospitality services companies, one part of the nation's largest hotel management company, and as director of marketing I turned around the mindsets of major hotel operators. They viewed what they did as selling rooms, and with my brand management experience that I got out of my MBA- post MBA program I helped them understand with a new strategic process that what they were in fact doing was marketing a brand, not just selling rooms. And so I transformed their mindset as they were approaching their businesses and soon I had hotel general managers as brand stewards, which was a really critical shift for them in terms of how they drove their business success, and I got the opportunity to work with some great properties like the Broadmoor Hotel and Pinehurst Resort and Country Club. Soon after that I had the opportunity to go to work for Taco Bell, and there I transformed myself again in this case in to line management in one of corporate America's best companies. PepsiCo has long been known for being a great training ground for business leaders, and I went in to multiunit restaurant management from being a corporate marketing consultant in the hotel industry and right out of business school.

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As I had mentioned, I had gone in to consumer products marketing and had worked for Frito-Lay selling fun in a bag as I like to call it and had great experience there as a PepsiCo company as well so twice I had excellent training in that regard. Now as I was at Taco Bell after being promoted to run a 50-unit market from an original 35-unit market in my management, I took a skip-level promotion to become a senior director of operations and I was leading then 210 restaurants, up from 50. I had turnarounds in ten of 13 markets. Key learning: Fix one or two things first and then replicate like crazy. Many of you are too young to remember the spinning plates on the Ed Sullivan show, but if you do remember it the idea was that you put a plate on a stick and you got it spinning before you then got the next one going and so on and so on, and pretty soon you had all of these spinning plates. Well, it's much the same when you have multiple turnarounds, and I learned that the very best thing that I could do was get one or two markets running well, bring people over from those well-run markets to assist in the next turnaround market and so on. So in this case that was a key learning.

So other key learnings from running Taco Bell operations for over six years: Experience your restaurants; use your own product; reward greatness when you see it. My husband is actually a saint. While at Taco Bell he accompanied me on Taco Bell weekends, and I do mean weekends, where we visited Taco Bell after Taco Bell, going through the drive-through, going in the restaurant. Now I also have to say that it was tough to do it as a true mystery shop because the phone began to ring pretty quickly after the first stop and they all said, "She's out there." Now the good news is the reason they generally knew I was out there was because I also like to recognize greatness, and so whenever I would have a particularly wonderful shop at the drive-through we would park, we'd go in, we would celebrate greatness together. And in those days it came down to publicly recognizing excellent service and giving some free movie tickets to recognize the team who had done such a good job, but it was a wonderful opportunity and certainly I had a number of turnarounds to keep me busy for many, many months. Now after that I also had the opportunity still at Taco Bell to transform how the company rolled out the annual operating plan. How many of you have sat in the corporate meeting at the beginning of the year and that many, many executives gave the big presentation and you got the big notebook and you went back to your office and you put it on the shelf? Right? Yes, I went through the annual operating plan meeting. Yes, I got it. Well, that's how most people go through the process.

While I was at Taco Bell I had an opportunity to roll out a whole new program using a concept called learning maps, and it was an interactive process to help operators and corporate staff understand the company's strategy by experiencing it in round-table groups facilitated by executives. And we did the first ever annual general managers meeting and took thousands of people through this process at one time, transforming the annual operating plan process. Following Taco Bell, I had the pleasure of working with LSG Sky Chefs, an international airline catering company, as vice president of operations, and there I was tasked with the turnaround of operating union flight kitchens and really driving a change in how they

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drove results and how they measured their success. I was really brought in for the professional management, put the systems and processes in place, and they knew how to make gourmet food but they didn't know how to effectively run the business side and that was really my orientation. Now we just happened to manufacture fresh food to be served at 30,000 feet, but I was running a major manufacturing operation and here I imposed financial discipline, scorecards, metrics, weekly and quarterly kitchen reviews since oh, by the way, once you do the transformation or turnaround you also have to keep periodic checkpoints in line so that there's no sliding backwards.

I had the opportunity at Seattle Coffee Company as COO to lead a transformation as well on multiple levels. Many of you know Seattle's Best coffee, which was one of my brands, and Torrefazione Italia, which was another of my two brands, and those two concepts had just been bought by AFC Enterprises, a major franchisor. And I had the opportunity there to transform those two concepts from founder-driven companies into AFC companies--they were a global franchisor--and really reposition them in the marketplace, got them focused on franchising and developed the grocery and food service channels. Specifically on the SBC side, I had the chance to transform a 30-year-old concept and take it back to its heritage. As so often happens with concepts over time, they slip and they slide and they move a little bit closer to looking like the competition and farther away from what they started out being. And the big opportunity if you think as your focus is on your customer is really to think about how to differentiate the brand so I actually had an opportunity to really re-engineer and re-concept.

We brought back the signature red and the red cup that many of you have seen for Seattle's Best coffee in Seattle in the early days, we added food, and we really tried to make it the un-chain. There were a lot of people that didn't want to go to a chain coffee concept and the specialty coffee business was really heating up, so we made it the neighborhood coffee café and we tried to call everybody by name and we tried to memorize their drinks and we tried to make it comfortable and casual and warm. And that was really how we differentiated ourselves but we transformed that concept from looking like all the other coffee cafes into being very different and being very special. Now I got a taste of that running Seattle Coffee Company, and so when I had the opportunity to lead Rubio's, a concept that many of you know as the fresh Mexican grill concept, I had the chance there to also transform the concept. And we actually did a skunkworks, creating a new prototype, and then tested it with great comp sales and ultimately the look that you see today in a Rubio's is from the work that we did to re-concept it and take it back to its heritage so that guests in a Rubio's felt like they were actually on the beach in Baja enjoying a fish taco, and we gave them that experience.

And I've always said about the restaurant industry that the food will bring people in but it's the service experience that will bring them back, and people have so many choices today that that's really what we

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focused on was making sure that it was a very differentiated experience. So while we were changing the look and feel of the restaurant we had to make sure that everything else supported it so we rolled out a new two-tiered menu, we created some great new products that some of you have probably tasted over the years, street tacos, which were little palm-sized tacos with lots of protein, all the way up through a line of enchiladas, and importantly we retrained people at the store level. And with the concept transformation I also embarked on a full turnaround of Rubio's because you had to have all of the supporting metrics there as well so I instituted increased financial discipline at all levels, focused on improving the operating and financial and business model, really changed the culture and rolled out an accountability culture, which I'll talk a little bit about.

So a couple of key learnings from that: That was a transformation and a turnaround. One key learning: The best way to increase the bottom line is to build the top line. Now that's not saving your way to prosperity, which is the way that a lot of companies do it. I'm very big on focusing on building the brand, building traffic, which is frequency, and finding those guests that love you and getting them in more often. Another key learning: Talk frequently to your guests. Again my husband was with me many evenings in a Rubio's where we ate dinner. In fact, when we weren't traveling we were in the restaurant having dinner, and after dinner I would take my business cards and my smile and I would go introduce myself to my guests. And first people were so surprised that the CEO of Rubio's was introducing herself as they were having dinner with their family, but then they got over it and they began to talk about why they loved the concept and what brought them in and how many years they'd been coming. And the whole idea of it was to really connect with our customers to make sure that as we were transforming and turning around the company we were also still connecting with those guests and we were still bringing them in a frequent basis. So talking frequently with your guests is absolutely critical.

Another key learning: Focus on retraining your people on big cultural change. I introduced an accountability culture and one of the things that often happens in a concept that's been around for a long time is that people get out of the mode of being responsible and accountable and get in to being able to blame or be victims. We don't do it that way, corporate won't let us, those kinds of things, and so I introduced a concept called the Oz principle, which some of you may have experienced, and the Oz principle really talks about putting that accountability back on people, which is absolutely critical during a transformation or turnaround. It can't be the leaders' turnaround. It has to be everybody's, and so you've got to capture hearts and minds and you've really got to change the culture of the organization. My final big key learning: Rally your troops early and often during a transformation or a turnaround. I initiated breakfasts with the CEO so that people from different departments could come in on a periodic basis and have breakfast with me and talk about the things that were on their mind.

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I also introduced monthly company meetings and we reviewed our progress. Because we were a publicly traded company there were certain things that we couldn't talk about until the end of the quarter until I had gone public with our actual results, but we could talk about our progress, we could talk about what was new and exciting that we were introducing. And one of the things about going through a transformation or turnaround is you've got to have the passion. People have to see you, they have to hear your confidence, they have to hear how excited you are about where you're going together, and these meetings were a great opportunity for us to taste food, which is always a good thing. So we'd roll out our new products and give everybody a chance to sample and we'd also talk about our new marketing programs, let them hear our new advertising and again get people engaged at the grassroots level, in this case at our restaurant support center.

So all of those things are important as you're going through that process, and most recently as the CEO at Robeks I transformed the organization into a growth engine. We went from 90+ stores to 140+ stores in about a year and a half so it was a major transformation putting all of the systems and support in place to grow at that pace and do so in a fully franchised organization. So with ten different experiences that relates to transformations and turnarounds I'd have to conclude that I'm certainly experienced with them if not an expert. So what's that old saying? The first time is an accident, the second time is a coincidence and the third time is on purpose. I guess with the number I've had I'd have to say that it was a trend. So I boiled it all down to some guiding principles. I gave you the six questions first that I asked when you started and wanted to know what you were actually heading in to, and I didn't know all these guiding principles in the beginning the first time around but I do now.

And in each executive reward opportunity that I've had I've seen this in action and I've honed them a little bit more so here they are. The first one is get to an 80% solution quickly. You don't have time for perfect information and perfect information probably isn't going to change what you're going to do so get to an 80% solution quickly. Reset the table early, conduct your SWOT analysis, do the assessments with all the key stakeholders, find out where the sacred cows are, make sure that you know what you're working with, and then draft your 90-day plan, one for yourself, one for your organization, and hold yourself to your 90-day plan--it's easy to slip--and get those vision and value changes out there early. Get people's buy-in, get them excited about where you're going and what you're going to do, and before you roll out the 90-day plan vet it with some key stakeholders. Get some key lieutenants on your team, get some buy-in, so you want to make sure that you've got that before you put your plans in place, and then you step back and you let your team execute like crazy. So that's the first thing: Get it to an 80% solution quickly.

The second thing is, and I talked about this earlier: Focus on your customer. At the end of the day, you want to be clear about where your competition is and where the opportunity is for you. What can you do

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to differentiate yourself, and every business of all types, not just the retail restaurant, hospitality and food service organizations that I've been part of but all of them have customers. So you really want to be fact based and have a bias toward action and talk to your customers. I mentioned it earlier about my dinner table visits. That's a great way to talk to your customers, but wherever they are engage them. Ask them what you could do differently. If they were the CEO or the leader that you are, what would you hope that they would tell you, you could do to make your business more successful. Shop your competition. In fact, when I was working at Taco Bell years ago one of the things that I did was I had the opportunity to create a new cashier training program, and we called our cashiers guest service agents, and the very first thing we did was we handed our new guest service agents cash and we said, "Go next door to that fast food restaurant and be a guest, be a customer, buy your lunch, buy your snack, and experience what's that like." And then they came back and they talked about it, and the very best way for them to be excellent as guest service agents was to have experienced what it was like on the other side of the cash register. So definitely shopping your competition and being clear about what they are doing.

Talk to your employees. They know amazing things. They will tell you amazing things about what your customers believe, and then again use your own product. Do it yourself. If you have a retail operation, put your people in a van and go tour your locations. It helps you see how they think and what they do and how they interact with your guests, and it's a great opportunity for you to spend some windshield time as I like to call it with your team. So my belief is that you have to exceed expectations and if you don't know what the expectations are of your guest or your customer or your consumer how can you possibly exceed them? So that's the second thing: Focus on the customer.

Guiding principle number three: Go big or go home, to be a calculated risk taker. Big, bold moves are what you want to do when you're in the midst of a transformation or a turnaround, and you need to do things that are meaningful that people can get behind, so go big or go home. Every day you want to focus on the big stuff. Cash is king in most businesses. There's three things that you want to do with cash. If you don't have it, get it, if you have it, keep it, and you want to focus on building it and throwing off more of it from your operations, so cash is king. And don't get distracted. Put pet projects on hold. Don't get pushed in to considering opportunities that aren't on plan, aren't on point, aren't on strategy with what you're trying to do with your turnaround or your transformation.

Fourth guiding principle: Build your team quickly. Become a great assessor of talent. Make the tough calls early, who's in, who might be in and who's out. You want to fill those open roles without delay with people who will be great lieutenants for you, and you want to build that team and then leverage them quickly because once you have the right people on the bus and in the right seats then it's Katy bar the door. You can do great things in a transformation or turnaround and at the same time while you're

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bringing that team together you want to make sure that you're raising the bar and resetting expectations so that everybody knows what success looks like.

Guiding principle number five: Over-communicate. Clarify expectations and where the boundaries are so you want to make sure that you've checked with your key stakeholders and what they're aligned with you on in terms of what they're expecting and how long you have for this process. So the first and most important person is your boss, who may be the board or the founder, and once everybody's aligned then you want to go live with your employees and really talk about how everybody should know their role and be accountable. I talked about the Oz principle, and make sure that everybody knows through your over-communication what it is that they're focused on. You want to give people the tools to be successful and that new set of vision and values that you laid out early on you want to make sure that that's the screen that everything passes through so that everybody sees congruence and hears congruence from you as the leader. You want to reward greatness and you want to have consequences for nonperformance. If people are truly held accountable, you have to let them do their jobs, and that's hard in a transformation or turnaround because sometimes you feel like you don't have time. You got to do it all or some portion of the team has to do it all. The very best thing you can do is get a great team of fabulous people that are supporting you and that will absolutely drive your turnaround or transformation.

And finally, talk the talk and walk the walk. You are the embodiment of the transformation or turnaround, you personally. Transform yourself. I talked about reinventing yourself. Transform yourself and role model the behaviors that you want to see in your organization, and think about how you want to be viewed. Early on especially everything you do sends a message so be sure that you want to- that you're clear about how you want to be seen. Especially with your key lieutenants over-communicate. Communicate in possible- in person wherever possible so if you have to use a webinar that's fine if you've got a remote group of people, but use open forums where people can see and hear you, where they can see and hear your confidence and your enthusiasm and your passion for where you're all going together and also be realistic. People want to hear honestly and openly where you are in the process and where you believe the biggest challenges will be. Keep your door open. Walk down the hall. I believe in doing informal meetings especially in this day of iPods and texting and e-mail and blackberries. How often in your office do you walk down the hall and you see people texting or e-mailing each other in the office next door? Take it as a great opportunity to have an informal meeting, to continue to increase buy-in, to continue to rally the troops and get people excited and also to hear the issues and opportunities as you're in the midst of the process. So walk down the hall, listen more than you talk especially at first and try to keep listening.

When you see greatness celebrate it. Hold people up as positive examples and leverage best practices. So in closing, seldom will you pull off a perfect transformation or turnaround, but who even knows what

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that is anyway? It's your transformation or turnaround. Through it all you can create something great. One more thing to keep in mind: When you embark on such a journey, a quote that I saw somewhere here recently that really resonates: Having the wisdom to know what's right and the courage to do what's right. Regardless of where you are in your career or your life, may you all have the opportunity to transform something into greatness soon. Thank you.

End

