

# CONTENTS

<b>FOREWORD</b> – Richard Lophthorne Chairman of the Board Cable and Wireless Plc	xiii
<b>INTRODUCTION</b>	xvii
<b>PROLOGUE: THE FLIGHT OF THE PHOENIX</b>	xxv
<b>PART I: THE CEO, THE HINGE OF THE CORPORATE TRUST- AND CONFIDENCE-BUILDING MECHANISM</b>	1
<b>1 DRIVEN BY VALUE</b>	5
Trust and confidence building: a value-driven mechanism	5
Trust comes with truth	6
Business story 1.1: A mirror for being at ease with oneself	9
Disruptive behaviour prolongs the momentum	11

Business story 1.2: A chair and two flipcharts	12
Perpetuate value through symbols	15
Business story 1.3: A library of symbols	17
<b>2 IT WORKS BOTH WAYS</b>	<b>21</b>
Building trust and confidence operate in both directions, upwards and downwards	21
A board and a CEO on the same wavelength	21
Business story 2.1: A necessary evil or the right person?	23
Building trust and confidence downwards, beyond enthusiasm and talent, through discipline	27
Discipline to constrain any deviants	28
Discipline to decode the trap of the inherited structure	29
Discipline to promote collective performance	31
Business story 2.2: 'I manage this company like a hedge fund'	32
Business story 2.3: 'Good news stories are one-offs, bad ones reoccur'	34
<b>3 TAKE IT STEP BY STEP</b>	<b>37</b>
Major corporate evolutions determine the lifespan of the trust- and confidence-building process	37
One specific trust-building approach per scenario	38
Business story 3.1: Today's success does not guarantee tomorrow's	39
The CEO's role in major events influences the survival of the initial efforts	40
Question 1: Who is promoting the next corporate evolution?	40
Question 2: Is the interpretation of the key corporate challenge sufficiently engaging?	41

Question 3: How does the next corporate evolution affect the staff?	43
The primary mission is complete, as is its trust- and confidence-building mechanism	43
<b>BEAR IN MIND</b>	45
Practical reflexes to gauge your trust- and confidence-building approach	47
<b>COMMENTS AND OBSERVATIONS – Sébastien Bazin, CEO Europe, Colony Capital</b>	49
<b>PART II: THE DRIVERS OF A TURNAROUND STYLE</b>	55
<b>4 CLOSE AND CONCENTRATED</b>	57
Building the right context	57
Story 4.1: El-Alamein	58
Closeness precedes context building	59
Who is the context for?	60
A context to transform losers into winners	62
Context requires dialogue	63
Don't waste limited corporate energy, concentrate on a suitable challenge	64
Too early for a corporate-wide mobilizing theme	65
'Never been done before' fitted the context better	67
The choice: A different kind of customer survey	67
Senior management in the field	69
Easier said than done	70
A fruitful crop	72

<b>5 PRACTISE EVERY DAY</b>	75
Daily exercises to consolidate the right context by micro-management	75
Speed of execution with a sense of urgency	75
Mental representation eases the transformation process	77
Looking for the silver lining: A disruptive management attitude	79
No miracle, but prevent panic	86
Bury the ghosts, turn the page	88
One gospel and only one: Different'	89
<b>BEAR IN MIND</b>	91
Practical reflexes to gauge some key aspects and to develop an ad hoc turnaround style	93
<b>COMMENTS AND OBSERVATIONS – José Zurstrassen, Founder of Skynet, Keytrade and Keytrade Bank</b>	95
<b>PART III: IN THE HEART OF THE TURNAROUND</b>	103
<b>6 APPLYING THE WORD 'DIFFERENT' IN THE AREA OF PERFORMANCE MEASUREMENT</b>	107
The trap of performance derivatives	107
Business story 6.1: 'I just look at the white paint'	108
Business story 6.2: 'We welcome twice as many players'	112
Avoiding the trap of performance derivatives	114
<b>7 A NEW MANAGEMENT TOOLBOX</b>	119
Basic tools	119
Business story 7.1: 'What have you done with the basic test?'	121
Basic tools are irritating!	122

The communication challenge	124
Business story 7.2: Counting in physical units	125
Business story 7.3: Taking the physical pulse	126
<b>8 THE BUSINESS MODEL REVISITED</b>	<b>131</b>
The elementary level of strategy execution	131
Drawing out a business model	134
Business story 8.1: Substitute Avro 100s with 85s	138
Approximately correct now	139
<b>BEAR IN MIND</b>	<b>145</b>
Practical reflexes to develop for jumping into the heart of the turnaround	149
<b>COMMENTS AND OBSERVATIONS – Pierre Henry, CEO, Sodexho Pass International</b>	<b>151</b>
<b>PART IV: TAKING THE CORPORATE PULSE</b>	<b>157</b>
<b>9 LEVERAGING THE VALUE OF THE HERITAGE</b>	<b>159</b>
The asset base must be strategically appropriate	159
Business story 9.1: Same assets, used differently	160
The competitive situation of the route defines the strategic groups	162
Ad hoc joint-venture business model booster	166
<b>10 REWIRING THE PERFORMANCE ASSESSMENT SYSTEM</b>	<b>173</b>
From seat to flight	173
From YEP to RoDoC	176
Business story 10.1: All the outlets sales advisers also become controllers	182

<b>BEAR IN MIND</b>	187
Practical reflexes to develop a corporate pulse	191
<b>PART V: SPEAKING THE NEW LANGUAGE FLUENTLY</b>	193
<b>11 LEARNING HOW TO SPEAK RoDoC</b>	195
From project to skills	195
Business story 11.1: An aircraft must fly to cover its costs	196
From skills to structure	202
From structure to style and shared values	207
An effective driving range	207
No more emotion or passion but facts	210
One route, one binder	212
Business story 11.2: ‘What about a route binder quiz to warm up today?’	213
Performance measurement can even become a theme for jokes	215
<b>12 IMPROVING THE WINNING FORMULA</b>	219
Lessons of the performance management transformation	219
Business story 1.2: Dregs of Iberia	225
Monitoring the origin of performance improvements	227
<b>BEAR IN MIND</b>	231
Practical reflexes to speak the corporate pulse fluently	233
<b>COMMENTS AND OBSERVATIONS – Arthur Lok Jack, Chairman of Neal and Massy Holdings, Guardian Holdings and Caribbean Airlines, Founder of Associated Brands International</b>	235

<b>PART VI: SEEING THE FUTURE FIRST</b>	243
<b>13 FROM BUDGETING TO FORECASTING</b>	247
Budgeting: Not an appropriate tool for developing a future-centric dialogue	247
Business story 13.1: ‘Now let’s go for a beer’	248
Forecasting: A symptom of genuine corporate health	252
Business story 13.2: ‘From now on only once a week’	252
Assimilating the lessons of the past is a prerequisite	254
Focusing on the uncertainty side of performance building	255
Developing a forecasting driving range	257
Piloting the forecasting approach	259
Which timespan?	259
A first draft	260
Business story 13.3: Thunderstorm at 6 p.m.	261
Forecasting: A means to consolidate performance-building confidence	264
Deviation analysis in real time	266
<b>14 PLUGGING DAY-TO-DAY PERFORMANCE     INTO THE FUTURE</b>	269
From forecast to end-year final estimate	269
Business story 14.1: ‘One swallow does not make a summer’	271
Macro-economic perspectives dictate micro management reactions	275
Business story 14.2: ‘The dollar was a better cost cutter’	275
<b>BEAR IN MIND</b>	285
Practical reflexes for seeing the future first	288

**COMMENTS AND OBSERVATIONS –**

Magnus Welander, Former CEO of Envirotainer,  
Currently Business Area President (Europe–asia)  
President of Thulé Car Accessories 289

**CONCLUSION 293**

Leaping the macro-economic hurdles 293  
Using the toolkit 295  
Forecasting brings superior lucidity 300  
A CEO committed to hands-on communication 302

**EPILOGUE: ABORTED TURNAROUND 307**

Don't break the recovery tempo, even unwittingly 308  
Mission impossible is not a management practice 308  
Enforce a relentless sense of performance improvement 308  
Don't become a theme of market conquest for the  
    competition 310  
Don't transform a risk into a fixed cost 311  
Keep your eye on the ball 311  
A delayed restructuring remains a restructuring to be  
    executed 312

**AFTERWORD: BERNARD CHARLES,  
CEO DASSAULT SYSTÈMES 315**

**INDEX 321**