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Smart Leaders Creating hope

How to restructure your organization when it's lost its way

By **Kristy J. O'Hara**

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In 2004, when Robert Post joined TravelCLICK Inc. as chief financial officer, he faced a huge challenge.

The company — which provides interactive distribution solutions and marketing services to hotels — needed to be restructured. It fell to him to do it, and one of the first things he looked at was performance.

"Performance is the one thing you can't hide," Post says. "You can hide a lot of silly things inside organization structures, but when the revenues have become flat and the profitability isn't there, and you're not hitting the objectives that the company set for itself, then something is wrong, and that's when you know you have to restructure."

In the years to follow, Post moved up to the president and CEO roles, and he put the company back on track, allowing it to earn \$154.4 million in revenue last year — up from \$52.3 million just three years before.

Smart Business spoke with Post about how to get your business back on the path to profitability.

Create a plan. First, look at the assets and decide, do we have something of value here?



Robert Post
president and CEO, TravelCLICK Inc.

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That's when you have to go back to, what's your core value proposition?

If what you're doing doesn't track to that and you've gone off the track, then you have to get back on it.

Always go back to basics. If you're in a particular business and you experience success, somewhere in there, you know what your core competency is. Focus on that core mission, and you have to constantly be looking at everything you do and bring it back to it. Then once you come back to your core principles of why your business exists, it's not hard to connect the dots.

Look at your objective facts. Your financial numbers tend to be your most objective facts. You have to look at it from an analytical standpoint. Sometimes for founders, that's hard to do because they're very emotionally tied to their business. If they can't do it themselves, bring in somebody — maybe a local CPA — to look at their business with an objective eye.

You have to go back and look at, where's the market, how good is the market, where do we fall in it, how is it we can compete? It tends to be a financially oriented view.

Establish hope. Restructuring is pretty straightforward, but the real art form is that you need to get the management team and people in the company behind you.

First, there has to be a sense of hope. Companies don't get restructured unless there's a reason, so you have to give people hope that there's a future there.

No. 1, you have to believe in it yourself. People have great radars. They pick up on the B.S. factor pretty quick out of their leaders. If you don't believe it, there's no reason they have to.

The second thing is, you can't lead from behind. You can't shove people out in front. You have to go out there and take the bullets and show the group what you want them to do and what things you believe in. It's not what you say but what you actually value. If you value engineering in a company but you don't make those people the center of the world, then they know that's not the case. Your actions speak louder than words.

Once you outline where you want to be, if you're true to what you say, people catch on quickly what's really the key here. At some point, you see the transformation where the CEO doesn't need to be saying it — it just becomes part of the culture, and they go off and do it on their own.

Transform hope into belief. Over time, you have to make that hope turn into a belief system, and they have to believe that they can do it.

Part of that is a leader can't take someone along that journey. They have to do that themselves. What you can do is create scenarios for them to experience success because success begets success. When you're struggling or in a restructure, you've got to take that and give them the opportunity to start with small wins. As they build small wins, they build that confidence level, and then they're willing to stretch and reach, and you keep stretching them further than they think they can go but far enough that you think they have a chance to get there.

Slowly, over time, you build it and you build it. Suddenly, what two years ago may have seemed an insurmountable problem is just a given now — 'Of course, we can do that because we've done it before.' In an effective restructure, if you do it right, it takes some time because you have to build that confidence level and that belief in themselves, and that's just a function of time.

Lead change for the future. Hopefully, that's something the leader is doing every day. If you're not, you're not being much of a leader. One of your primary jobs — of course, you have to worry about the day-to-day — but the CEO has to be looking forward down the road.

And when companies get into trouble, it's not what they did in the last quarter that's the problem. It's what they didn't do a year, two years, three years prior that's the problem, and that falls on the shoulders of the CEO. If you're not thinking that you're supposed to be figuring out how to change your business every day, then you're not doing your job as a leader.

You've got to be the eyes that are looking down the road here.

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