



## Robert D. Katz of Executive Sounding Board Associates, Inc. discusses: What makes a great leader in distressed times?

After spending 20 years in dealing with restructurings and corporate renewal as a managing director at Executive Sounding Board Associates Inc., I am often asked this question and, while space is limited here, there are three characteristics that always come to mind. In managing through adversity, great leaders and great managers:

- ▶ Possess great vision coupled with humility,
- ▶ Have an ability to “catch a breath” for the good of the organization,
- ▶ Remember to appreciate employees’ efforts (by saying thank you) and reward excellence

### Great Vision Coupled with Humility

There is nothing more exceptional and nothing more important to an organization navigating its way through a turnaround or a company going through strong growth than people who have great vision... somebody who can look beyond the day to day and see what will make the company successful not only today, but far into the future. Would you have purchased millions of acres of swampland in a rural area of Orlando in the ‘50s like Walt Disney? Would we have “I”-anything without the foresight of Steven Jobs?

In a time where “you can get famous for being an idiot as easily as getting famous for being brilliant” (Alexander Samuel) and where people will tell you how brilliant they are and, in case you forgot remind you every half hour or so; finding those leaders with great vision and humility are rare occurrences, but worth the effort.

### An Ability to “Catch a Breath” for the Good of the Organization

Managing through daily pressures, stress and turbulence and understanding that you may hold the fate of a company as well as the lives of employees in your hands is a large responsibility. Being able to synthesize the aforementioned, knowing that time is of the essence, but not being pushed into a rash and hasty decision, is critical. There is always a fine line between confidence and arrogance and knowing when to take action and when to say “when” truly can mean the difference between distress and success. We’ve all seen entities with decades of success and pristine reputations and histories wiped out in a very short time.

Would it have made a difference to their profitability, cash flow and longevity if they had a leader who had vision, humility and the ability to synthesize more effectively? Probably!

### Remembers to Appreciate Efforts and Reward Excellence

While it may not seem significant, there are few characteristics as important to excellence than remembering to say thanks and rewarding excellence, beyond just an increase in pay. I am always reminded of a story about famous Philadelphia athlete and probable future hall of famer Charles Barkley. Barkley was raised by his grandmother and she told him: “Charles, when you are going up that elevator of success, don’t forget to get off on the

floors and say thank you to those who helped you along the way.”

Don’t confuse this with giving a pay raise because, once the raise is given, in most cases it is immediately now part of the base. When a meal doesn’t meet expectations, there is no shortage of people waiting in line to speak to the manager to complain. How many times have you called the manager over to tell him how great the meal was?

Try it; the positive impact it has is immeasurable. When you find ways to reward, especially when resources are limited; a gift certificate for a fine meal; a weekend at a resort; a paid day off; not only will that particular employee remember it, but all news good and bad travels fast and it will permeate and resonate throughout the organization.

There is nothing sweeter, once you have seen the abyss, than reveling in the success on the other side. When looking for executives and managers who can lead your borrowers through times of trouble, think about those who you have come across who possess the above traits...it may not be the “be-all-end-all”...but it is sure a good place to start.

See you at this year’s CFA convention in New York! I would be happy to debate and discuss the above opinions with you. **TSL**

Robert D. Katz, a Certified Turnaround Professional, is a Managing Director at Executive Sounding Board Associates Inc. He has led numerous operational and financial turnarounds and substantially increased cash flow for both publicly traded and private companies and acted as an interim financial and restructuring officer in a broad spectrum of industries. He sits on and his firm is a member of the Commercial Finance Association’s Education Foundation. He is a past member of TMA’s Executive Committee and National Board of Directors. He can be reached at (215) 568-5788 or at [rdkatz@esba.com](mailto:rdkatz@esba.com).