

BU Director restructuring after Chapter XI of mother company

Background:

As BU Director of the European safety division of a major US household appliance manufacturer, I initially had to grow the business across Europe. However, when the mother company in the US had to file for chapter XI, the operations had to be downsized again. Note: the European business was healthy, but very dependant on the US for product supply and R&D. **Challenges:** Keep the organization from panicking, Retain the confidence of suppliers and distributors, Ensure a continuous supply from our factory abroad (controlled by the US), Develop and execute an orderly plan to downsize.

Ability to integrate into the client company:

Had to act like a chameleon. First two years were focused on steadily building the business, but suddenly had to reverse everything. Was able to convince the US that I was the right man to do this as well.

Impact on the business / bottom line:

Rationalized product range by almost 50% and launched three new patented product lines, despite tight budgets. Limited the loss of sales (which had been growing by 8% per year) to +1% of starting point.

Achievement of objectives

Managed to retain customer- and supplier confidence despite Chapter XI proceedings of the US mother company. Restructured from a matrix- to a vertical organization and relocated the head office. Closed down several sales offices and replaced them with distributors. Was able to retain key staff, despite the difficult situation. However, I had to sacrifice my own position, since what remained was not worthwhile managing.

Working style

Flexibility and humility. It was not easy to switch from an offensive to a defensive strategy overnight and to downsize – knowing that what remained would be too small for me to manage. Remained rational when downsizing, based on figures and not emotions. This way people understood the situation and had less resistance to change,

Leadership / people management skills

Very hands-on approach once we got into the chapter XI situation. Had to exercise all my persuasion skills to convince suppliers that Europe was much less affected than the US and could pay the bills. Kept the people well informed of the situation and retained a positive spirit - “yes, we will survive”.