

# A Turnaround's Fundamentals

## De-Mystifying the Strategic Planning Process

### How exceptional leaders use planning to strengthen their competitive advantage

An interactive workshop for owners, executives & leadership teams

November 11, 2004 featuring Greg Bustin, author of *Take Charge! How Leaders Profit From Change*.

Administaff and ERG are offering this session valued at \$350 for just \$75 per person - or \$300 for a management team of five persons - plus you'll receive Bustin's new book as part of your investment.

The Dallas Cowboys are now moving forward again under new coach Bill Parcells. It's too early to pronounce the Cowboys perennial winners. But a 2004 *Sports Illustrated* poll shows the Cowboys are America's favorite pro football team and the third favorite professional sports team overall. So it's instructive to examine the business factors that prompted Jerry Jones to bring in an experienced turnaround pro to fix the problems. What did Parcells find when he arrived as the new sheriff at Valley Ranch? What steps did he take first? What must Parcells do to make the Cowboys a Super Bowl contender?

### Pain Drives Change

As with any business, there's a progression of events that points to signs of increasing trouble.

Trouble starts with the loss of competitive advantage: in the Cowboys' case, three consecutive 5-11 seasons. It moves to worsening financial results – difficulty selling tickets and suites – and advances to additional financial pressure: the loss of prime-time TV revenue. Ultimately, sustained trouble leads to the realization that drastic action must occur in order to relieve the pain of losing – games, money and stature. It was this pain that drove Jones to do what many said he would never do: hire a strong-willed football coach.

There's no question Jerry Jones is the CEO of the Dallas Cowboys. And now there's no question that Bill Parcells is the COO. The two men share a vision of winning, and winning big. Parcells' job is to execute on that shared vision, and he's using time-tested turnaround principles to make the Cowboys winners again.

### Seven principles of successful turnarounds

Jones brought Parcells into the Cowboys organization to change the game.

"When there's a coaching change," Parcells has said, "things change. Players change. Systems change. Philosophies change. Work habits change. The whole place changes."

But even amid all this change, there are seven principles for engineering the successful turnaround of a troubled organization that never change. Bill Parcells is applying all of them. Here's his perspective based on *Dallas Morning News* reports thus far:

1. Establish vision – Workers involved in a turnaround must know the goal. The Cowboys are a legendary franchise – one Parcells compared to celebrated teams like the Yankees and Celtics – with a commitment to winning. The vision is simple: Restore the team's winning ways and take the Cowboys back to the Super Bowl. "I'm looking for guys who are willing to do whatever it takes to win all the time," he says. "I'm not coming back to coach practice."
2. Be honest – Never sugarcoat the facts in a turnaround. Parcells doesn't. He has made it clear he wanted players participating in his off-season program. "I want the team in condition. We've got guys I want to lose weight." He made it clear that players that can't play injured won't make the team. "The late George Young had an expression that I remember well. He said, 'It's football season, and football players usually play football.'...When it's football season, whatever reason that comes up that's a deterrent to you playing is problematic." Parcells also made it clear that players that can't perform will be cut. "Parcells is an honest man," says one player. "He tells you exactly what he wants, and then he expects you to do it."

3. Set clear expectations – Whether you're losing games or market share, discipline (or the lack of it) is usually one reason why. It's been said Parcells' biggest mission is to change the Cowboys' recent culture of losing to one of winning. "You don't get medals for trying," he tells players, "you get medals for achievement." He's posted signs in the locker room, saying "Prove you can win on the road," and "Dumb players do dumb things. Smart players very seldom do dumb things." "You may think something's too simple," says one player, "but when you think about it, nobody has gone over this stuff in a long time. They just expected you to know it."
4. Move quickly and boldly – A new leader's early actions are watched closely. For Parcells' first players-only meeting set for 1 p.m., Parcells locked the doors at 12:55 p.m. Later, a memo appeared on the Cowboys' team bulletin board covering rules and regulations. "Players' parking lot: Each car will be towed if not parked correctly. All cell phones must be turned off when entering the locker room area. No outsiders in the locker room area at any time. Update your address and telephone (must be able to be contacted – 24 hours). NO FOOD. In the locker room. Meeting rooms. Training room. Weight room." Parcells wants players taking a workmanlike approach to their careers.
5. Construct realistic strategies – Faced with mediocre talent and salary cap limitations, Parcells instructed his offensive coordinator to design plays that give his players an advantage by creating confusion and mismatches. He wants a grind-it-out running game to control the game's tempo, a defense that can keep games close in the fourth quarter, and enhanced performance from special teams
6. Reorganize people and reallocate assets – Superstar Emmitt Smith is gone, taking with him his all-time NFL rushing title and hefty salary. Many other players unwilling or unable to meet Parcells' expectations have been cut. "We've all had players, if you've been in this league for any time, that they're not going to go where you hoped they would, says Parcells. "When you get to that point, it's a waste of everybody's time to continue the relationship." Smart draft picks have enabled rookies to start and make an impact. The addition of proven veterans through free agency has shored up other weak spots. And smart preparation – particularly repeated drilling on game-day scenarios with zero tolerance for mistakes – has improved execution.
7. Focus everything on winning – In business, it's pleasing customers. In football, pleasing customers (fans) means winning games. "There are a lot of ways to win," says Parcells. "Your team has to understand that the opportunity to win a game is always going to present itself during the course of a game. What separates the teams that know how to win from the ones that don't is the ability to recognize that opportunity."

The turnaround effect of Parcells is showing up in more places than the win column. For the 2003 season, the Cowboys sold 511,224 tickets to its eight home games, and filled the stadium to 97.5 percent of its capacity – up from attendance during the 2002 season and well ahead of the league average of 94.9 percent capacity.

Thanks to Parcells, and a 10-6 finish for the 2003 season, expectations are high for the 2004 season.

The fundamentals of a turnaround – whether you're leading a company, a college, a church or a sports club – never change. ■