MSI Turnaround - Insights

- When John, the founder/CEO, called me on our RTW trip in Australia to tell me the company was out of money I said I could not come back for 4 more days.
    - It was the first time in the two years since I had left IBM I did not have to immediately respond to a crisis (we had them constantly)
    - I remember riding the train from Brisbane to Sydney and thinking what should I do when I get back to the Bay Area: take over as President, stay as CFO & help him turn company around, help turn it around & leave, just leave.
    - I remember feeling I can run the company better than the founder and I am ready to be a President. But at that time I did not understand once you are a President you are trapped, there is almost no way out of the President job (other than being fired, it is hard to quit)
- I did a very good job of leading the company out of the mess we had gotten ourselves in.
    - Part of it was analysis (my strong suite) and part of it was intuition (which I have trouble trusting).
    - I got a management team who did not like me taking over to agree on a Turnaround Strategy
- You should not take a President job if you don't have the support of the people who work for you, unless you can fire them
    - I should have realized taking over a company where the VPs don't support that move is not going to work out well
    - In about a year they rebelled and I was fired as President by the main investor (but rehired 3 days later as the CEO by the same investor). I did not learn from my previous experience and accepted the CEO job, with the VPs still not supporting me and the founder upset I was rehired and given an employment agreement.
- I liked getting back into a sales role
    - I realized I like sales, when it is not my only job
    - I also like creating sales support material, e.g. the Total Solution Strategy
- I really liked the variety of tasks I got to perform as a CEO
    - Many of them were projects, e.g. go help close the Hancock deal, raise some capital
- I enjoyed working with the management team and especially the employees on how to improve the morale given we had to lay off people and reduce salaries.
    - I learned it was better to do one large lay-off. I promised there would be no more and when four people quit we hired four people to replace them. That gave the management team a lot of credibility.
    - Our employee committee idea worked really well. No employees' complained about the events any longer because they knew next quarter they might be in charge of the events. Instead the quarter teams started to compete with each other to make the events more fun. I learned to trust the employees rather than try to do it top down. We used that at Frame.
    - It also reinforced what I had learned when I turned around the morale in my last job as the controller of the software development lab at IBM. You need to listen to the people and then take some action based on their input.