



THE LEADER'S FALL FROM "WHO'S WHO" TO "WHO'S THAT?" IS FULL OF STIGMA AND SHAME. BUT THE STORY DOESN'T HAVE TO END THERE.

BY JEFFREY A. SONNENFELD AND ANDREW J. WARD

FIRING BACK

HOW GREAT LEADERS REBOUND AFTER CAREER DISASTERS

AMONG THE TESTS OF A LEADER, few are more challenging—and more painful—than recovering from a career catastrophe, whether it is caused by natural disaster, illness, misconduct, slipups, or unjust conspiratorial overthrow. But real leaders don't cave in. Defeat energizes them to rejoin the fray with greater determination and vigor.

Take the case of Jamie Dimon, who was fired as president of Citigroup but now is CEO of JPMorgan Chase. Or look at Vanguard founder Jack Bogle, who was removed from his position as president of Wellington Management but then went on to create the index fund and become a leading voice for governance reform. Similarly, there's former Coca-Cola president Steve Heyer, who was surprisingly passed over for the CEO position at Coke

but then was quickly named head of Starwood Hotels. Most colorful, perhaps, is Donald Trump, who recovered from two rounds of financial distress in his casino businesses and is admired today both as a hugely successful estate developer and as a producer and star of popular reality TV shows.

These stories are still the exception rather than the rule. F. Scott Fitzgerald's famous observation that there are no second acts in American lives casts an especially dark shadow over the derailed careers of business leaders. In our research—analyzing more than 450 CEO successions between 1988 and 1992 at large, publicly traded companies—we found that only 35% of ousted CEOs returned to an active executive

society. If Campbell were writing today, he might want to include business leaders in his study, as they must confront similar trials on their way to greatness.

This article is intended to help leaders—or anyone suffering from an unexpected setback—examine their often abrupt fall from grace and to give them a process through which they can recover, and even exceed their past accomplishments. From our 22 years of interviews with 300 fired CEOs and other derailed professionals, our scholarly study of leadership, our consulting assignments, and our own searing personal experiences, we are convinced that leaders can triumph over tragedy, provided they take conscious steps to do so. For

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role within two years of departure; 22% stepped back and took only advisory roles, generally counseling smaller organizations or sitting on boards. But 43% effectively ended their careers and went into retirement.

What prevents a deposed leader from coming back? Leaders who cannot recover have a tendency to blame themselves and are often tempted to dwell on the past rather than look to the future. They secretly hold themselves responsible for their career setback, whether they were or not, and get caught in a psychological web of their own making, unable to move beyond the position they no longer hold. This dynamic is usually reinforced by well-meaning colleagues, and even by family and friends, who may try to lay blame in an attempt to make sense of the chaos surrounding the disaster. Sadly, their advice can often be more damaging than helpful.

In every culture, the ability to transcend life's adversity is an essential feature of becoming a great leader. In his influential 1949 book, *The Hero with a Thousand Faces*, anthropologist Joseph Campbell showed us that the various stories of great leaders around the world, in every culture and every era, are all essentially the same story—the “hero myth.” This myth is embodied in the life stages of such universal archetypes as Moses, Jesus, Muhammad, Buddha, Aeneas, Odysseus, and the Aztecs' Tezcatlipoca. Transformational leaders follow a path that entails a call to greatness, early successes (involving tough choices), ongoing trials, profound setbacks, and, ultimately, triumph as they reintegrate into

a start, they must carefully *decide how to fight back*. Once this crucial decision has been taken, they must *recruit others into battle*. They must then take steps to *recover their heroic status*, in the process proving to themselves and others that they have the *mettle* necessary to *rediscover their heroic mission*.

Few people exemplify this journey better than President Jimmy Carter. After his devastating 1980 reelection loss to Ronald Reagan, Carter was emotionally fatigued. As he told us sometime later, “I returned to Plains, Georgia, completely exhausted, slept for almost 24 hours, and then awoke to an altogether new, unwanted, and potentially empty life.” While proud of his achievements—his success in deregulating energy, for example, his efforts to promote global human rights, and his ability to broker peace between Israel and Egypt through the Camp David Accords—postelection, Carter needed to move past his sense of frustration and rejection, particularly his failure to secure the timely release of the American hostages in Iran.

Despite his pain and humiliation, Carter did not retreat into anger or self-pity. He realized that his global prominence gave him a forum to fight to restore his influential role in world events. Accordingly, he recruited others into battle by enlisting the enthusiastic support of his wife, Rosalynn; several members of his administration; academic researchers in the sciences and social sciences; world leaders; and financial backers to build the Carter Center. He proved his mettle by refusing to remove himself from the fray. Indeed, he continued to involve himself in international conflict mediation in

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Ethiopia and Eritrea, Liberia, Haiti, Bosnia, and Venezuela, demonstrating in the process that he was not a has-been. He regained his heroic stature when he was awarded the Nobel Peace Prize in 2002 “for his decades of untiring effort to find peaceful solutions to international conflicts, to advance democracy and human rights, and to promote economic and social development.” And he has rediscovered his heroic mission by using the Carter Center to continue his drive to advance human rights and alleviate needless suffering.

Let us look now at how some great business leaders have followed the same path to recover from their own disastrous career setbacks.

Decide How to Fight Back

The first decision you will face in responding to a career disaster is the question of whether to confront the situation that brought you down – with an exhausting, expensive, and perhaps embarrassing battle – or to try to put it behind you as quickly as possible, in the hope that no one will notice or remember for long. In some cases, it’s best to avoid direct and immediate confrontation. Home Depot cofounder Bernie Marcus, for example, decided to sidestep the quicksand of litigation against Sandy Sigoloff, the conglomerateur who fired Marcus from Handy Dan Home Improvement. Marcus made his battleground the marketplace rather than the courtroom. Thanks to this strategy, he was free to set the historic course for the Home Depot, which now under his successor is approaching \$100 billion in sales, with several hundred thousand employees.

Other comeback kids also began with a graceful retreat. Jamie Dimon was sacked as president of Citigroup by then chairman Sandy Weill following 16 years of partnership in building the institution. When he spoke to us and to others, he did not dwell on his disappointment or sense of injustice. Monica Langley in her 2003 book *Tearing Down the Walls* describes what happened when Weill asked Dimon to resign. Dimon was shocked but replied, “You’ve obviously thought this through, and there’s nothing I can do.” As he scanned the already-prepared press

release, Dimon saw that the board agreed with Weill. The firm offered Dimon a generous, nonrestrictive severance package, so a battle with Weill seemed pointless.

While he was unemployed, Dimon read biographies of great national leaders who had truly suffered. He also took up boxing – another way, perhaps, of dealing with the stress and pain. After a year of this, Dimon decided he needed closure, so he invited Weill to lunch at the Four Seasons to thank him. As Dimon recounts in Harvey Mackay’s 2004 book, *We Got Fired!*: “I had mellowed by then. Sandy wasn’t going to call me.... I knew I was ready to say thank you for

what he did for me. I also knew he and I should talk about what happened. I wanted to get this event behind me so I could move on. Part of me said I had spent sixteen years with him. Twelve or thirteen were pretty good. You can’t just look at one side and not the other. I made my own mistakes; I acknowledged I was partly to blame. Whether I was 40 percent or 60 percent to blame really didn’t matter. I felt very good about my meeting with him.” In this way, Dimon was able to turn his ouster into an event that yielded both helpful perspective and reassuring resolution.

About six months after that lunch, in March 2000, Dimon became CEO of Bank One, a huge Chicago bank that survived the merger of First Chicago and the original Banc One. That year, Bank One posted a loss of \$511 million. Three years later, under Dimon’s leadership, Bank One was earning record profits of \$3.5 billion, and its stock price had soared 85%. Adding to the sweetness of vindication, the following year Bank One merged with JPMorgan Chase,

an institution with which Weill had long wanted Citigroup to merge. Dimon became CEO of the new company and is now widely regarded as one of the most influential financial executives in the world.

Of course, it’s not always a good decision to sit on the sidelines and presume that justice will prevail. The highly respected Nick Nicholas, outmaneuvered as CEO of Time Warner by his skilled rival Gerald Levin, never challenged his old firm. He went off to Vail to ski at the time, awaiting a call



back to service, soon becoming a very successful investor in new businesses, a professor, and a board director. But he never regained his role as the leader of a great public enterprise. Other deposed CEOs, such as Ford's Jacques Nasser, Hewlett-Packard's Carly Fiorina, IBM's John Akers, United Air Lines' Richard Ferris, and Apple's John Sculley have similarly failed to return to lead major public firms. They were considered brilliant leaders by many and were never accused of plundering the shareholders' wealth, like some rogue CEOs of recent years. But they never fought back, and they disappeared from the corner office.

The key determinant in the fight-or-flight question is the damage (or potential damage) incurred to the leader's reputation—the most important resource of all leaders. While departed CEOs and other leaders may have enough other resources and experience to rebound, it is their reputation that will make the difference between successful career recovery and failure.

Fights that will result only in a Pyrrhic victory are best avoided. Battles of pure revenge can resemble Shakespearean tragedies, where all parties lose. Hewlett-Packard board member Tom Perkins, for example, in trying to defend his friend and fellow director George Keyworth from allegations of leaking confidential board discussions, not only brought down HP chairman Patricia Dunn but also caused his friend far greater humiliation, forcing him off the board as well. A leader must consider whether fighting the allegations will exacerbate the damage by making the accusations more public.

When, however, the allegations are not only sufficient to cause a catastrophic career setback but would also block a career comeback, then leaders need to fight back. Consider former Israeli prime minister Ariel Sharon. He was a triumphant commander on the Egyptian front in the Six Day War of 1967. Fifteen years later, as minister of defense, Sharon initiated an attack on the Palestine Liberation Organization in Lebanon. Christian militias seized the opportunity to massacre hundreds of Palestinians in acts of revenge against the PLO in the Israeli-controlled Sabra and Shatila refugee camps.

In a February 21, 1983, cover story, *Time* magazine reported that these massacres were the result of a plot between Sharon and the militias to avenge the killing of Lebanon's Christian president Bashir Gemayel. Sharon sued *Time* in Israel and in New York in lengthy litigation. In both places, juries found *Time*'s accusations to be false and defamatory. The magazine settled and apologized. "It was a very long and hard struggle and was worth it," Sharon said publically at the time. "I came here to prove that *Time* magazine lied: We were able to prove that *Time* did lie."

A ferocious warrior, Sharon took on this carefully calculated battle for his reputation and executed it with focus and determination. He knew that if he did not vigorously defend himself, no one else would be able to help him. Sharon could

not have regained his honor and returned to public office if he had not challenged these false charges and then moved on with his life.

Recruit Others into Battle

Whether you fight or tactically retreat for a while, it is essential to engage others right from the start to join your battle to put your career back on track.

Friends and acquaintances play an instrumental role in providing support and advice in the process of recovery. Those who really care for you can help you gain perspective on the good and bad choices you have made. You are also more likely to make yourself vulnerable with those you trust. Without such vulnerability, you cannot hope to achieve the candid, self-critical perspective you will need to learn from your experience. Still, although family and friends can provide invaluable personal support, they may be less effective when it comes to practical career assistance. Research has shown that slight acquaintances are actually more helpful than close friends in steering you toward opportunities for new positions in other organizations.

In an acclaimed study, Stanford University's Mark Granovetter discovered that of those individuals who landed jobs through personal contacts, only 16.7% found them through people they saw at least twice a week; 55.6% found positions through acquaintances seen at least once a year. But 27.8% of job candidates found work through distant acquaintances,

GETTING BEYOND RAGE AND DENIAL

One of the most important steps on the route to recovery is to confront and acknowledge failure. This can be as simple as understanding the Machiavellian politics of others. So as you set about rebuilding your career, make sure you:

- **Remember that failure is a beginning, not an end.** Comeback is always possible.
- **Look to the future.** Preemptive actions are often more effective than reactive ones—even if they only take the form of standing back and reflecting on what to do next.
- **Help people to deal with your failure.** Even close friends may avoid you because they don't know what to say or do. Let them know that you are ready for assistance and what kind of aid would be most useful.
- **Know your narrative.** Reputation building involves telling and retelling your story to get your account of events out there and to explain your downfall. Be consistent.

“I was drowning in my sorrow,” Bernie Marcus told us, “going several nights at a time without sleeping.” But Marcus had an unexpected resource.

whom they saw less than once a year—old college friends, former workmates, or people known through professional associations. In other words, more job contacts will come to you through people you see less than once a year than from people you see twice or more a week. That’s because close friends share the same networks as you do, whereas acquaintances are more likely to introduce you to new people and contacts. Indeed, through the power of acquaintance networks, you can reach almost anyone within a few steps. Thus, distant acquaintances that don’t appear to have any connection to you may prove key to your recovery when you are trying to get back on your feet.

But it’s not enough to have a wide network of acquaintances. The quality of the connections, even the more distant ones, matters as well. That was the case for Home Depot’s Bernie Marcus. Marcus was devastated when he was fired as CEO of Handy Dan on what he felt were trumped-up charges made by Sandy Sigoloff, the threatened boss of the parent company, Daylin. “There was a lot of self-pity on my part,” Marcus told us. “I was drowning in my sorrow, going several nights at a time without sleeping. For the first time in my adult life, instead of building, I was more concerned with surviving.”

Marcus, however, had an unexpected resource. Whether they were close friends and colleagues with whom he worked or acquaintances he dealt with on a casual basis, Marcus treated others with uncommon honesty, respect, and trust. This consideration was reciprocated by people in his network when he needed help; it was one of his less frequent acquaintances, Rip Fleming at Security Pacific National Bank, who made it possible for Marcus to launch Home Depot.

Marcus had raised \$2 million in seed money for the Home Depot venture, but this was not enough to get his new company off the ground. He applied to several banks for a line of credit but was turned down every time. Eventually, he knocked at Fleming’s door at Security Pacific National. Both Marcus and Fleming believed that the relationship between banker and client should amount to more than just the business transactions they conducted. Consequently, Fleming had become an adviser to Marcus at Handy Dan. Despite these strong professional ties, though, Fleming was initially reluctant to issue a line of credit until Marcus flew out to Los Angeles and sold Fleming on the idea. In the end, Security Pacific National provided a \$3.5 million line of credit, which enabled Home Depot to get up and running. Unbeknownst to Marcus, the proposal was repeatedly turned down by the bank’s loan committee and was approved only when Fleming marched into the president’s office with his resignation letter in hand.

How you build relationships has a huge impact on your prospects for career recovery. Marcus had a way of building relatively strong relationships even in circumstances when most people would settle for weak acquaintanceships. This capacity for affiliation is a litmus test of a leader’s ability to bounce back. People who can create connections are much more likely to engender the kind of help they need when fate turns against them.

Recover Your Heroic Status

It’s not enough for you to recruit others to advance your career. To launch your comeback, you must actually *do* things to win back the support of a wider audience. To manage this, you must regain what we call your heroic status.

The great leader has a heroic persona that confers a larger-than-life presence. You can achieve this status by developing a personal dream that you offer as a public possession. If your dream is accepted, you achieve renown. If for whatever reason your public vision is ultimately discarded, you suffer the loss of both your private dream and your public identity. After a career disaster, you can rebound only if you are able to rebuild your heroic stature—that is, the public reputation with which you were previously perceived. An intrinsic part of recovering this heroic status involves getting your story out. This calls for a public campaign to educate and inform.

When a CEO is fired, the true causes for the dismissal are often deliberately hidden, as the board seeks to protect the reputation of the firm and itself. The organization often engages in elaborate face-saving activities to disguise the real nature of the exit. Euphemistically, the press reports that the CEO resigned “for personal reasons” or “to spend more time with family.” In our interviews with dismissed CEOs, we found that their greatest frustration stemmed from not being able to rebuild their heroic stature by telling their side of the story. We have interviewed several people who had seven-figure separation agreements that were contingent on their toeing the party line when they left. That’s a problem when CEOs are publicly sacrificed even though they are not guilty of the accusations that led to their ouster. In such cases, CEOs’ inability to challenge and set the record straight can lead to destructive speculation in the press, which can damage their reputations so much that it becomes all but impossible to recover.

Popular wisdom holds that a deposed leader should sign the nondisparagement agreement, accept the noncompete clause, take the money, and run. Our strong belief is that

such agreements are a mistake. In the end, your cash will disappear, and you won't be able to get your story out. If you agree not to speak out, be prepared to be unemployed for a number of years.

A lesser-known player in the Enron saga, Daniel Scotto, comes to mind. Scotto was the financial analyst who headed up the research department for the large global investment bank Paribas. Early on, Scotto said that Enron was losing money in all its mainstream businesses and that it was only

just and valiant quest against the Goliath of government. Her fans, far from abandoning a fallen star, rallied around her. The astounding strength of this sentiment is measured in the stock price of Martha Stewart Living Omnimedia. Even at the midpoint of Stewart's prison sentence, the stock had not merely rebound—it was 50% higher than before anybody had heard of ImClone and the ill-fated stock transaction. Upon her release from prison, the share price neared an all-time high, ad revenue at her magazines picked up, and she

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through offshore finagling that the company was creating the image of profitability. Paribas, which was underwriting a large part of the debt, asked Scotto to recant. When he wouldn't, Paribas put him on an imposed medical leave for three weeks and then fired him. He was forced to sign a non-disparagement agreement that hurt his ability to get his story out. Scotto has been unemployed for five years.

Martha Stewart is the best reminder that it doesn't have to be that way. As the most public example in recent times of a CEO who got her story out, Stewart is a model for how to regain your heroic status. She did it by carefully orchestrating a multitiered campaign to restore her reputation.

The day after she was indicted for obstruction of justice in the federal government's insider-trading investigation of ImClone stock, Stewart took out a full-page advertisement in *USA Today* and the *New York Times*, and launched a new Web site, marthataalks.com. In an open letter to her public, Stewart clearly proclaimed her innocence and her intention to clear her name. She understood intuitively that when a hero stumbles, constituents have to reconcile two conflicting images of the person—the larger-than-life presence the hero once commanded and the hero's new fallen state. In her letter, Stewart managed to eliminate the confusion by making sure that people knew her side of the story. She openly denied any charges of insider trading and hammered home the unreliability of the three witnesses upon which the government based its case. Stewart very proactively helped others continue to believe in her heroic status.

Stewart's open letter was supported by a statement on her Web site by her attorneys, Robert G. Morvillo and John J. Tigue, Jr., who challenged the media to investigate why the government waited nearly a year and a half to file the charges. "Is it because she is a woman who has successfully competed in a man's business world by virtue of her talent, hard work, and demanding standards?" they asked.

With the aid of her attorneys, Stewart ingeniously—and successfully—portrayed herself as a David struggling in a

launched two national network TV shows. The more Stewart got her story out, the more loyal her public became.

Stewart managed to provide a reassuring account of what really happened in her case. But what if you can't? What if you have truly stumbled? If you cannot refute the facts of your dismissal because they are so condemning, show authentic remorse. The public is often enormously forgiving of genuine contrition and atonement.

Prove Your Mettle

Protecting your reputation by knowing how to fight unjust accusations and bringing others on board are both essential precursors to relaunching a career in the aftermath of catastrophe. Ultimately, however, you will recover fully only when you take on that next role or start a new organization. When you show that you can still perform at a credible or superior level, others will begin to think of you as having the mettle to triumph over your career calamity.

Showing mettle is not easy. Fallen leaders face many barriers on the path to recovery, not least of which are doubts in their own ability to get back to the top. As one fired CEO told us, "I'd never sit here and say, 'Geez, all I have to do is just replicate and do it again.' The chances of doing it again are pretty small." Yet leaders who rebound are unfailingly those who get over this doubt about their ability to do it again. Even when forced from familiar arenas into totally new fields, some leaders remain unafraid of trying new ventures. This capacity to bounce back from adversity—to prove your inner strength once more by overcoming your shattered confidence—is critical to earning lasting greatness.

Take Mickey Drexler. When Gap founder Donald Fisher poached Drexler away from Ann Taylor in 1983, the Gap was struggling to compete, since it sold the same brands of clothing as everyone else and was caught in a pricing game. Drexler expanded the retailer beyond the core Gap stores

to brand extension such as GapKids, babyGap, and GapBody, as well as introducing other complementary brands, including Banana Republic and Old Navy. Between the time he arrived in 1983 and 2000, Gap's sales increased from \$480 million to \$13.7 billion, and its stock rose 169-fold.

Then things began to go awry. Drexler was accused of having lost his touch as a prescient merchant; suspicion arose in the minds of analysts and in the media that the goods had become too trendy. Although some people have suggested that the real problem was that Fisher's brother had built too many stores too close to one another, Drexler was blamed for the slump, as same-store sales dropped every quarter for two years, and the stock plummeted 75%. On May 21, 2002, Drexler presented the upcoming season's merchandise to the board, confident that he had a great selling line for the fall. It wasn't enough for the directors, and the next morning Fisher fired him, believing that the com-

pany was now too large for Drexler's hands-on management style.

Drexler was by this time independently wealthy, but he was nonetheless determined to prove that the failures of the previous two years were not primarily his fault and did not reflect his abilities. He knew that the only way to restore his belief in himself, as well as other people's confidence in him, was to return to a role in which he could once again demonstrate his expertise. He turned down a multimillion-dollar severance package from Gap because it contained a noncompete clause. After he explored a few other avenues, opportunity came knocking in the guise of struggling fashion retailer J.Crew.

With only about 200 stores, J.Crew was a small fraction of the Gap's size and consequently much more amenable to Drexler's hands-on style, giving him a greater opportunity to make an impact. Drexler invested \$10 million of his own money to buy a 22% stake in the company from the retailer's private owner, the investment firm Texas Pacific. He took a salary that was less than a tenth of what he had earned at his former employer. "You've no idea how much it's costing me to run this company," he joked in a *New York* magazine article shortly after taking over.

The results more than proved that Drexler still had the right stuff. J.Crew rebounded from a \$30 million operating loss in 2003 to an operating profit of over \$37 million in 2004. Same-store sales per square foot, one of the key metrics in retailing, rose 18% from \$338 to \$400, while at his old employer, sales per square foot dropped 3%. By the summer of 2006, Drexler had increased both sales and profits 20% and launched a wildly embraced IPO to take J.Crew public. The media celebrated his recovery and acknowledged his obvious talent.

For Drexler, as for others, the comeback required him to prove his worth in a situation that was perceived to be enormously difficult. Start-ups or turnarounds are common contexts in which fallen leaders can recover grace. It is in these demanding situations that leaders find the mettle to prove to themselves and to others that they have not lost their magic touch and that no obstacle is too great to overcome in their quest for return.

Rediscover Your Heroic Mission

Most great leaders want to build a legacy that will last beyond their lifetime. This does not mean having their names etched on an ivy-clad university edifice but rather advancing society by building and leading an organization. This is what we call the leader's heroic mission.

Most of the leaders we have profiled in this article were deeply engaged in building a lasting legacy even before they suffered their career setbacks. It is the loss of this mission that really raises a derailment to catastrophic proportions in the leader's own mind, since it puts at risk a lifetime of

HOW TO COME BACK

Our interviews with some 300 derailed CEOs and other professionals, as well as our scholarly leadership research, consulting assignments, and personal experiences, have brought to light five key steps for rebounding from career disaster. Anyone trying to recover from a catastrophic setback can use these steps to match, or even exceed, their past accomplishments:

- **Decide how to fight back.** Pyrrhic victories will hurt you by calling attention to the accusations leveled against you. But when your reputation is unfairly damaged, you must take quick action.
- **Recruit others into battle.** Friends and family can provide comfort and, perhaps, some perspective in your hour of need. But acquaintances may be more important in landing that next job.
- **Recover your heroic status.** Deposed leaders are often advised to sign nondisparagement agreements. Don't do it. Engage instead in a multitiered campaign to clear your reputation and restore your stature.
- **Prove your mettle.** After suffering career disaster, you will probably have doubts about your ability to get back to the top. You must overcome that insecurity and in the process find the courage to prove to others – and yourself – that you have not lost your magic touch.
- **Rediscover your heroic mission.** It is the single-minded pursuit of a lasting legacy that sets great leaders apart. To recover from a disastrous setback, find a new heroic mission that renews your passion and creates new meaning in your life.

achievement. On the day Steve Jobs was fired from Apple in 1985, for example, his friend Mike Murray was so concerned about Jobs' reaction that he went over to Jobs' house and sat with him for hours until Murray was convinced that Jobs would not commit suicide.

Jobs did not wallow in despair for long. A week after his ouster from Apple, he flew to Europe and, after a few days in Paris, headed for the Tuscan hills of northern Italy, where he bought a bicycle and a sleeping bag and camped out under the stars, contemplating what he would do next. From Italy, he went to Sweden and then to Russia before returning home. Once back in California, with his passion and ambition renewed, Jobs set about re-creating himself as a

turned his maniacal zeal into a new heroic mission to conquer this disease. Through aggressive treatment and his own dietary research, he survived to build a huge foundation supporting research to battle prostate cancer. He also created an economic research institute that attracts the world's top scientific, political, religious, and business leaders. Milken still argues that he was wrongly accused. Others may disagree, but few would doubt that he has earned restitution. The public has come to accept that he has paid for his crimes, and there has even been some reconsideration of their actual severity.

It is the single-minded, passionate pursuit of a heroic mission that sets leaders like Steve Jobs and Michael Milken and

We all have choices in life, even in defeat. We can lose our health, our loved ones, our jobs, but much can be saved.

force in the IT world. He went on to found another computer company, NeXT, which Apple purchased in 1996 for \$400 million, at which point Jobs returned to Apple and at the same time became the driving force behind the hugely successful computer-graphics studio Pixar. Once back at Apple, Jobs revived and reenergized the company with breakthrough, high-design products, such as the iMac, iBook, and iPod and took the company into emerging businesses, such as iTunes.

Like Martha Stewart, Steve Jobs was able to recapture his original heroic mission. Other deposed leaders, however, must truly start again because the door to their familiar field is firmly closed, and they must seek new opportunities and create a totally new heroic mission.


That's what Drexel Burnham Lambert financier Michael Milken, the imaginative "king of the junk bonds," had to do. Milken's life was almost the incarnation of the American dream. Born on the Fourth of July, Milken had become a billionaire by his mid-forties and one of the most influential financiers in the world. Then it all came tumbling down. He was charged with a 98-count criminal indictment, and a massive civil case was brought against him by the SEC for insider trading, stock parking, price manipulation, racketeering, and defrauding customers, among other crimes. He ended up pleading guilty to six relatively minor counts. In November 1990, he was sentenced to ten years in prison, agreed to pay \$600 million at the time, and ended up paying a further \$42 million over a probation violation. After serving 22 months, Milken was released early for cooperating with other inquiries. But he was barred from the securities industry for life.

A week later, Milken was diagnosed with prostate cancer and was told he had 12 to 18 months to live. He immediately

Jimmy Carter apart from the general population, and it is what attracts and motivates followers to join them. In the worst of cases, to have that life purpose ripped from you and to be prohibited from its further pursuit can leave an unbearable void and doubts as to your reason for being. Finding a new mission to replace your lifelong purpose can be a great struggle, but one that is necessary if you are to recover.

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The tragedies and triumphant comebacks of the leaders we have profiled in this article can seem remote, bordering on the mythological, perhaps. But their stories point to important lessons about recovering from career catastrophe. Stunning comeback is possible in all industries, though the challenges vary according to the leadership norms of each field's culture. For example, clergy ensnarled in publicized sex scandals will probably see their careers dissolve, whereas entertainment figures may not only recover but actually benefit from notoriety. Where one profession values trust, another values celebrity. Thus, recovery plans must be adapted to the cultures of different industries.

Whatever the arena in which your recovery takes shape, the important thing to remember is that we all have choices in life, even in defeat. We can lose our health, our loved ones, our jobs, but much can be saved. No one can truly define success and failure for us—only we can define that for ourselves. No one can take away our dignity unless we surrender it. No one can take away our hope and pride unless we relinquish them. No one can steal our creativity, imagination, and skills unless we stop thinking. No one can stop us from rebounding unless we give up. 

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