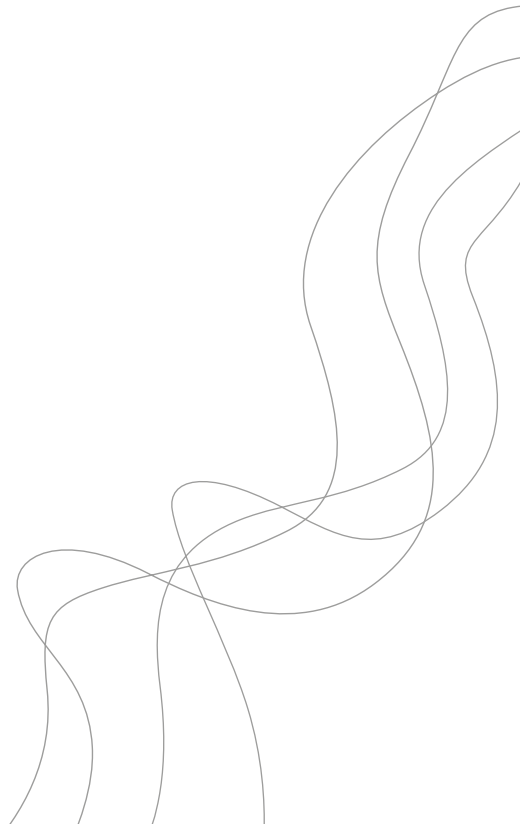
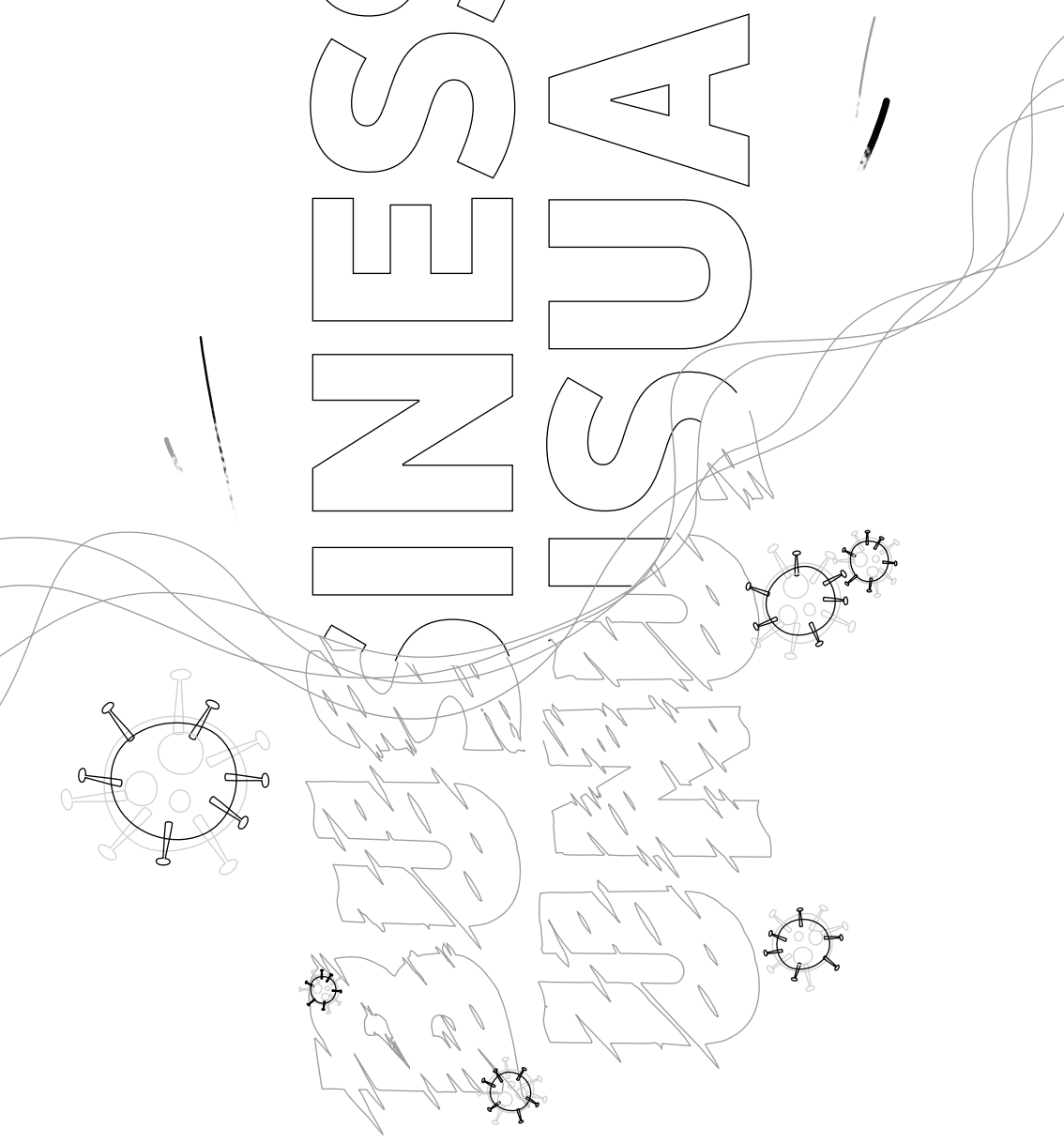


**Business Unusual**



# ESSENTIALS



**Anyone can draw a bridge. You are a hero when you can  
build a bridge as you walk on it.**

*Robert E. Quinn, 2004*

# **BUSINESS UNUSUAL**

**Help! My company is a burning platform!**

*Klaas Wagenaar*

Management **IMPACT**

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Editor: Business Unusual is written in cooperation with Nart Wielaard

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Klaas Wagenaar



# FOREWORD

*Spring 2020. The world is in the grip of the COVID-19 virus. Medical professionals are working until they drop, tending to huge numbers of patients. Governments are putting emergency measures in place. There is much fear, misery and uncertainty.*

*These emotions concern people's health and welfare, but also the economy. Will it recover following the sweeping lockdowns? Will perfectly healthy companies fail, as a consequence of the unprecedented impact of this unique crisis? Will a 'new normal' emerge in the way we work? And what about employment?*

**BOLD** helps companies to manage a crisis and find the path to a healthy future. We do that with strategic, operational and financial expertise and by employing highly experienced (interim) managers. We also help companies through the transformation of their business model – by developing digital solutions for instance, and building an IT

*infrastructure that supports such solutions and makes them successful.*

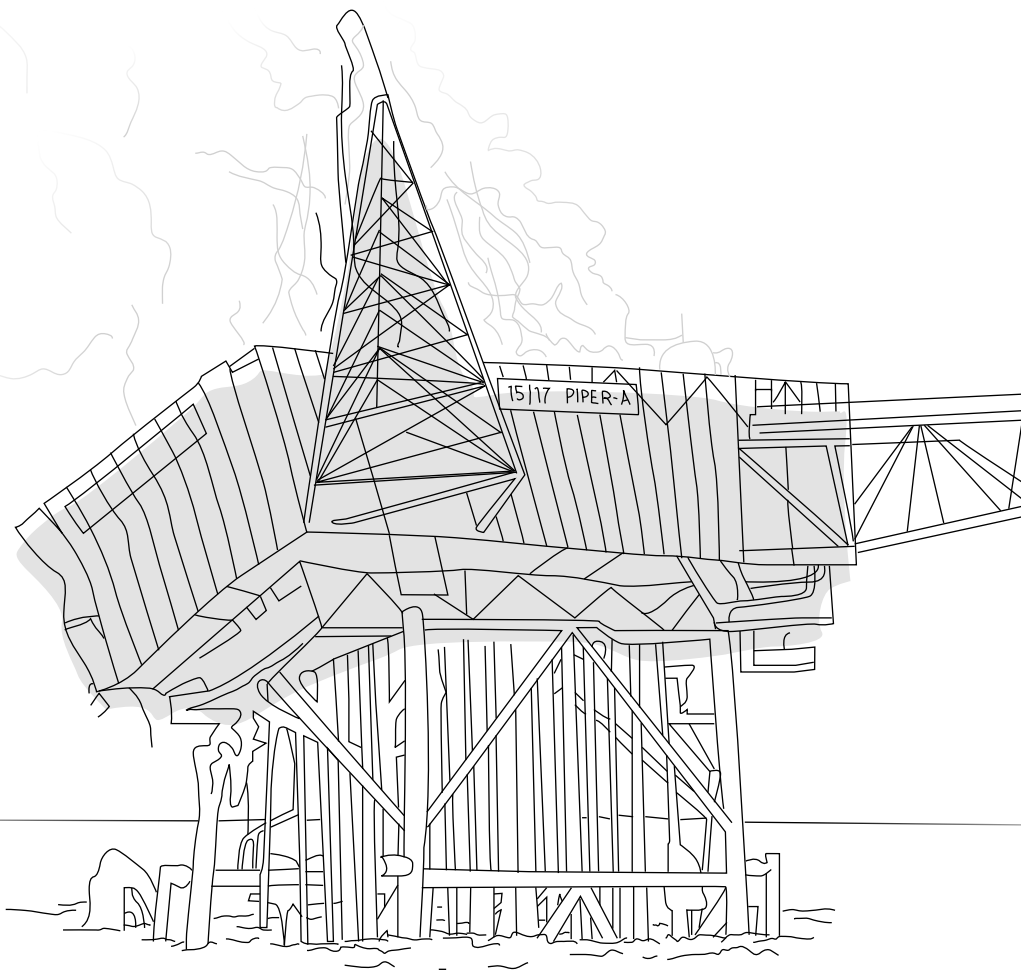
*Predictably perhaps, in a time of crisis such as COVID-19, a team like that quickly goes into analysis mode. We started by charting the influence of the pandemic on companies and how companies and their leaders can take sensible decisions despite unprecedented uncertainties, where a return to normal doesn't seem possible and we are forced to return to the drawing table for a response to the 'new normal'. We wrote down what we learned and within a short while, a trend began to emerge. Just a few months prior to the crisis, I had completed a book about my decades of experience in turnaround management. In conjunction with writer-adviser Nart Wielaard, I decided that it would be worthwhile collecting our experiences and insights together in one place. That place is this book.*

*The earlier book FIRE – written in 2019 – turned out to contain valuable lessons that can also be applied to the COVID-19 crisis. It is the tale of my experiences of some thirty medium-sized 'burning platforms' in which I've been involved. Two of them didn't make it in the end. As far as I'm concerned, that's two too many. One important failure factor is often the behaviour of the relevant stakeholders, burying their heads in the sand. As a consequence, specialists are called in only when it's too late. For a long time, parties will deny that there's a structural problem and believe, against better judgement, that they can make a comeback if they only repeat the 'we try harder' mantra over and over. They focus on treating symptoms rather than*

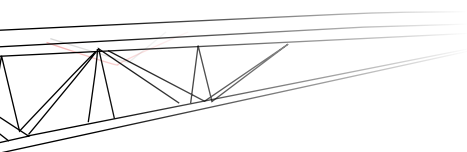
*addressing the root of the problem.*

*In times of COVID-19, too, burying your head in the sand is the worst-imaginable option. Instead, it is crucial to arrive at well-informed decisions and deal with the real pain. I hope that the observations in this book will inspire the financial stakeholders, turnaround professionals, management boards, director-shareholders, lenders and others who are involved in the dynamics of turnaround operations. Because one thing can be said for sure: we must rise to a unique challenge in a period of extreme uncertainty and possible radical change, and those who make the right choices now will be the winners of tomorrow.*

*It's Business Unusual*



# *So there you are, on your burning platform*



## **INTRODUCTION**

On 6 July 1988, at 22:30, a gas leak started on the Piper Alpha oil rig in the North Sea, 193 kilometres off the northeast coast of Scotland. What followed was an explosion and a huge fire.

When it happened, there were 226 workers on the platform. They faced an impossible choice. Jump dozens of metres into the abyss, knowing full well that surviving the rough, cold waters was highly unlikely. Or stay on the platform in the knowledge that they'd probably not survive that either, if only because of the poisonous fumes that were being released and the fact that the rig would at some point collapse anyway. A few dozen

workers survived, all of them jumpers who were pulled out of the water by helicopters or ships. 167 perished, making the incident the worst offshore disaster in history.

The disaster was not just of historical importance to the offshore industry, it wasn't long before it introduced a new term into the corporate vocabulary. 'Burning platform' is a term heard a lot in management, executive and consultant circles, where it is used to demonstrate that a crisis can have a purging effect on the health of an organisation. If an entire organisation is fully conscious of an acute crisis afoot, then that's the perfect foundation for organisational change. Good circumstances under which to plot a new course and pull people out of routines. And that's actually quite odd - shameful, almost.

” *And that's actually quite  
odd – shameful, almost*

Firstly, because according to that approach, change is initiated by instigating fear in people, which is not a particularly reassuring strategy. At best, fear can temporarily provoke the desired reflexes or motivations in people. Fear is only very rarely the structural solution.

Secondly, because the crisis/burning-platform analogy doesn't really instil much confidence in the business community either. You see, a burning

platform holds little prospect for the future, as became painfully clear after the Piper Alpha disaster. There are only losers. That's in stark contrast to how the corporate world now often talks about burning platforms: a convenient excuse to plot a new course that will lead to greater success.

These important preliminary remarks should have made one thing perfectly clear, the term 'burning platform' has nestled itself in business-speak and is here to stay. Thankfully, though, when you hear the phrase 'burning platform', there usually is an action perspective. It's not just a matter of choosing between different ways of going bankrupt; other routes are available. Even in times when other routes seem blocked, like during the COVID-19 crisis.

The secret is to find such a route, to convince people of its potential and to move them to explore it. The manager who can do that brings an end to the panic in the organisation - or even better, prevents it from occurring in the first place. For panic helps no one.

Instead of panicking, it's better to devise a plan to address the root of the problem, which shows, once again, that the comparison to Piper Alpha is deeply flawed. On the rig, there was no opportunity whatsoever to address the root of the problem. Fortunately, in most situations of corporate crisis, there are ways of going from panic to plan. That's what this book is about. Don't expect a recipe for successfully dealing with burning platforms, because one doesn't exist. Each situation requires an appropriate response.

But with years of experience in many separate cases, I do see a number of principles that deserve (more) attention. This book will address them.

Oh, and I'm keeping it brief for a reason; I know how little time you have in this situation. Let's start with an analysis of the COVID-19 crisis and the things that need to be done in order to pilot companies through it. In the subsequent chapters, I will go into more detail about the roles of a crisis manager.

# *From Panic*





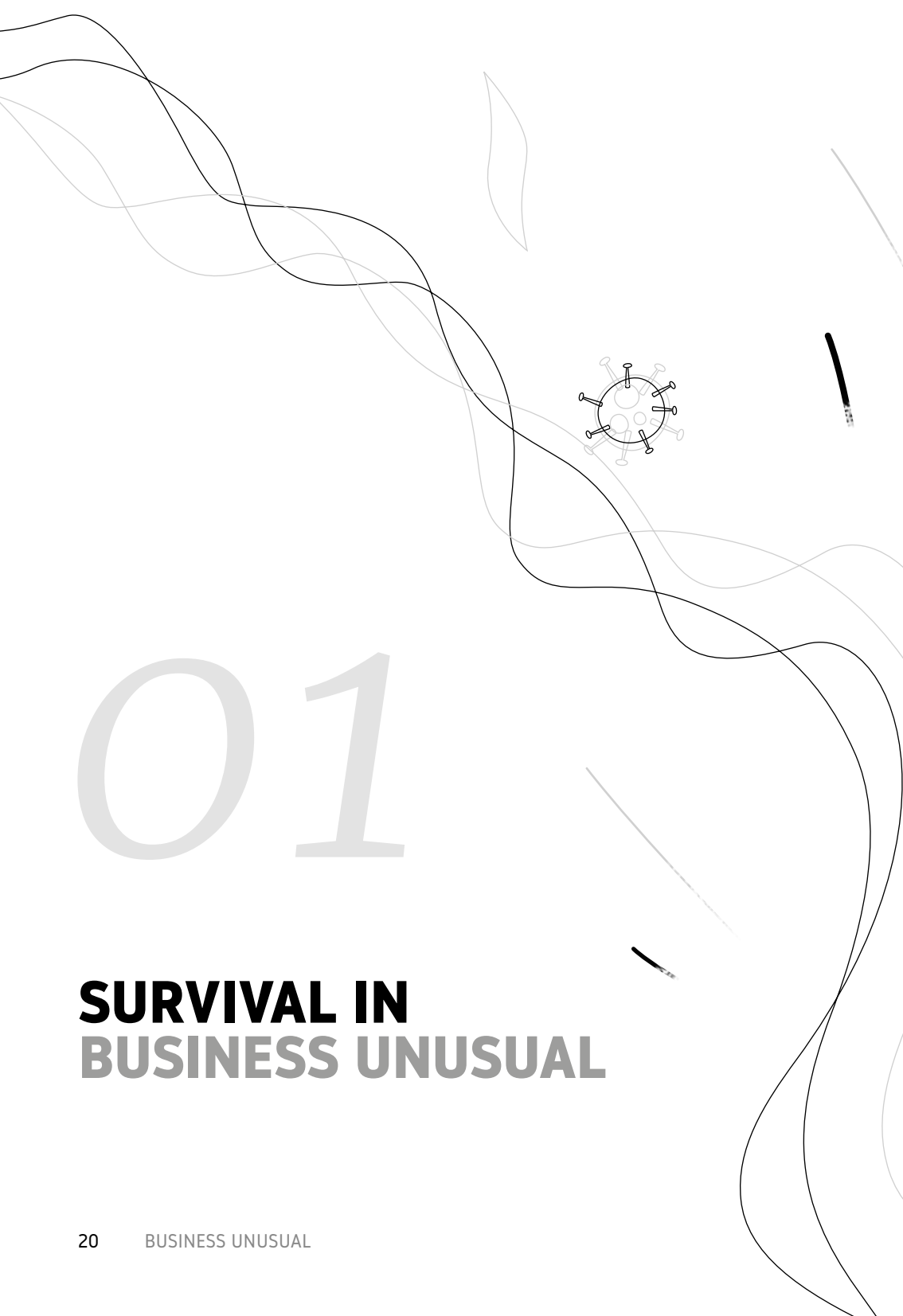
*Plan*

*to*









01

**SURVIVAL IN  
BUSINESS UNUSUAL**

When a company gets into trouble, transforming that burning platform into a healthy business again can be a decidedly complicated task. Embarking on it with the right principles in mind may open perspectives, but only if they are founded upon a relevant proposition. After all, the rationale of any company, lies in delivering products and services that meet the needs and demands of customers. Tackle the task and adopt the right principles, and a few years later, many burning platforms become healthy, profitable companies once more.

In 2020, COVID-19 triggered a huge increase in the number of burning platforms worldwide. One of the enormous challenges facing society - in addition of course to managing the medical aspects of the virus - is to ensure a healthy future for companies that have a solid rationale.

In itself, the challenge is no different from what it has been for decades. But the dynamics in which the challenge finds urgency is of a different order altogether. Due to the lockdowns in society, the financial impact is unprecedented in terms of both magnitude and speed. Uncertainty among stakeholders is bigger than ever before and provokes much emotion. Companies have to anticipate becoming part of a new social reality without knowing how that reality will look. It's like trying to hit

