STOP THE BLEEDING

A MIND SHIFT
THROUGH BUSINESS
CRISIS MANAGEMENT…
THINKING AND
DOING EVERYTHING
DIFFERENTLY

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INTRODUCTION
DEAD MEN CAN'T PAY SCHOOL FEES

Having reversed down the bluestone laneway at the back of our inner-city house, slowly idling through the carpark so as to not wake the neighbours, I considered it odd that there were a couple of guys on motorbikes just parked there. It was 6.30am. But I didn't think too much of it.

It was early 2010, and our construction business had moved on from the depths of the Global Financial Crisis a year or so earlier, or so we thought. When it did impact us a few years later it took us three years to fully overcome.

What the GFC brought to the construction industry was a new normal that halved contractor margins to very low single figures and redefined business sustainability to maintaining short-term cashflow rather than retaining earnings for growth. It created a transient workforce as people looked to shore up their livelihoods. At the next level down, the reduced projects, increased competition and a reliance on monthly cashflows was cleaning out subcontractors at a fast rate. The fight for market share, the competition for cashflow and the concerns around the fundamentals of livelihood had created an increasingly aggressive environment.

The post-stimulus music had stopped.

The day before seeing these guys on their bikes, I had taken a call from a well-known insolvency partner. It was an unusually formal call as we were on a first-name basis, however I soon understood why. He told me that an electrical subcontractor he represented had gone into liquidation because my company owed them $9 million. This was wrong: we now thought that the contractor was a crook. It was alleged by many that he had a drug problem, he was stealing from his own company, ripping off his parents, installing non-compliant products and delaying our projects. I explained all this and more in one breath and hung up.

In the following 24 hours another one of our subcontractors hit the wall, a heating and air-conditioning firm. As a result, we now had an unjustified combined total of $10M alleged against us.

I soon had clients on the phone asking if we were next, with each wanting to meet me urgently to assess our solvency and be convinced of our strategy to complete their projects. Fair enough; I was trying to find those answers myself. I was navigating deep and unchartered waters, and the sharks were circling.

The next morning, I followed the same 6.30am routine. And as with the day before, there were a couple of guys on motorbikes sitting in the carpark.

This time I thought more of it.

At the office the phone didn't stop. Clients, project managers, subcontractors, staff and others. One particular call was quite confronting, to say the least. It was a private number, and all the caller said was, 'You must have plenty of money to send your girls to that private school.'

Needless to say, this gave me quite a scare. For a few days I lost a bit of focus. From that point, my business survival mindset had just ratcheted up a few notches to now be consumed with protecting my family. I couldn't tell – or rather didn't want to worry – my wife. I just had to deal with this … somehow. The problem was that I hadn't worked out how. Or who. Or what. So I said nothing.

I stayed up all night that night. Our bedroom was upstairs over the laneway, so if I left the window open I would know when these carpark visitors arrived, still optimistically thinking that their presence was just a coincidence. I must have fallen asleep at some stage, as my biker friends had returned the next morning without me realising.

I can't remember how long this went on for, but I think it was when they appeared about sleep-deprived day five that I jumped out of my idling car and started ranting at them, along the lines of, 'Are you looking for me? … What do you want? … ' And in a desperate act that appears comical in hindsight, I attempted to hand one of them a business card and shouted at them to 'come and see me in my office'. Funny now I know, but I was trying to get them away from my family, despite them obviously knowing where I lived. They rode away – maybe due to all the noise I had created.

This all might sound like bravado, but it wasn't. I was very worried.

The phone calls were relentless, every day. We were in deep now. The pipeline had dried up, competition had intensified, our reputation was suffering, our contractors were desperately aggressive, and we were bleeding cash.

Later that same day I received a random phone call: 'Dead men can't pay school fees.'

MY JOURNEY

This intense, aggressive and threatening period was the start of a frightening, and then exciting, journey in doing leadership differently. By differently, I mean compared to what we might perceive to be a traditional and perhaps passive evolution of skills among a hierarchy of management.

Traditionally, managing a business is learnt on the job, usually in an active rather than aggressive and distressed market – we experience, we learn, we succeed, we fail, and we progress, in no particular order. We can also learn business management sitting in a classroom 'listening' to the academic approach that informs traditional business planning, financial analysis, sales and marketing, and human resources, for example.

Or we can do both.

I have benefited from a considerable amount of education, yet nearly everything I know has been learnt on the job; it has been a continuous cycle of experience and learning that each time enhances the exposure to equally advancing risk and opportunity. One provided knowledge, the other know-how.

To complement these learnings, the bridge between education and experience was built alongside some great mentors to whom I remain extremely grateful.

As a managing director and major shareholder, I have successfully co-created exponential growth through turnaround, transformation and joint-venture strategies leading a business that constructed more than $1B in projects.

As an advisor, my current portfolio is closing in on $2B intervention value, including global expansion strategies, exit restructuring, dispute management, property development and start-up business strategies.

I started out as a builder's labourer and then completed a carpentry apprenticeship. By 25 I was managing more than 400 construction workers up and down the east coast of Australia, before setting up a business in New Zealand for someone else at the age of 28.

Three years after joining a construction business back in Australia I was offered the opportunity to purchase a 10% shareholding. A few years later at 36 I bought out the founding director and became the managing director and major shareholder of what was then a $34M construction business.

We transformed that construction contractor into a $100M+ business over four years without any external capital, employing over 100 staff and exceeding all benchmark financial metrics. We then transacted this SME into a $250M joint-venture 'side business' with a subsidiary of one of the world's largest construction companies.

A MIND SHIFT TO EXPONENTIAL

What my experiences have taught me is that you must really consider a *first-mover* mindset, a willingness to determine what your tomorrow will look like. To not be a passenger in this fast-paced and highly competitive environment, but to grab the wheel as much as you can.

You may be a business leader, an aspiring manager, or even a business management student who wants to see, think, plan and act differently, but you don't know how to activate that point of difference. Or perhaps you are deep in the downside, looking for some different *thinking* and *doing* that will enable you to stand and fight, something that will deactivate your organisation's inertia and really start to move the needle.

As the COVID-19 health pandemic accelerates our freefall into global recession, you may be looking for a different kind of thought partnership to enable you to not only navigate this crisis, but to also enable you to come out the other side organisationally leaner, strategically smarter and competitively sharper.

Change is activated by what you say and what you do. It is enabled by different thinking.

If you are a leader looking for something to unleash your growth mindset, or simply an ambitious person wanting to create your own picture of what success could look like for you, *Stop the Bleeding* represents a mind shift from incremental management thinking to exponential business leadership, described through firsthand experience and success. Where do we truly learn how to manage and succeed in a troubled and declining market? Where is the textbook that specifically lays out strategies to optimise and maximise volatility, uncertainty, complexity and ambiguity? As a business leader with your back to the wall, how will you stop the bleeding in your business? How will you get to your *next*?

In this book I will show you how to optimise and maximise your people and your business.

A WILLINGNESS TO FIGHT BACK

Stop the Bleeding originated out of sleeves-rolled-up, down-in-the-trenches frontline executive-level leadership that navigated the fallout from the 2008 Global Financial Crisis, a period a few years after the crisis when cashflow caught up with most, when contracts were terminated and the construction pipeline dried up, when the supply chain melted, and default obligations were mounting. This is when banks rewrote the definition of risk.

Over a period of six weeks, having gone from hero to zero and staring down the barrel of an unforeseen insolvency, an aggressive and ultimately successful one-million-dollars-per-month turnaround became the foundation for this book. *Stop the Bleeding* digs deep into this period when every conceivable economic and business problem impacted all of us and created life-defining experiences.

This book promotes an alternative perspective around enabling people with an *outside-in* view of what success needs to look like. Based on an ability to think differently in a crisis, a willingness to stand and fight, a realisation that people are your ultimate enablers and an opportunistic mindset that extracts upside from downside, it is through sharing these experiences that you will start to see, think, plan and act differently.

Stop the Bleeding will subtly criticise traditional management practices. It offers simple models to reset often delusional thinking. It promotes the concept of co-creating people-enabled success, and of generating opportunity out of risk rather than allowing it to take you down. Fundamentally, it is also about being frontline, hands-on and hands-in.

Each chapter is set up as a chronological mind shift through business transformation.

We go back to the basics of people, leadership and strategy, and step through the cognitive process that surrounds business transformation. From the perspective of managing risk, we step from one situation to the next through deep insights designed to stimulate your growth mindset. I provide you with some of my frameworks and models, case studies and learnings. And I (now!) comfortably and cathartically expose myself through sharing my personal journey through this turbulent period in my business life. It was confronting to do so, however if you pick up just one different thought, idea or action that makes a difference, personally or organisationally, I have achieved my why and it was worth the effort.

Through sharing these extraordinary business circumstances and responses, you will see that it will only be through a journey of different *thinking* that you will unlock your ability for different *doing*. This book is not about construction businesses. It is about creating a compelling reason for *being in business*, it is about authentic leadership of people, it is about being adaptable in an environment of extreme disruption, and it is about balancing risk and opportunity. It could be any business.

ONE

GETTING TO *NEXT*

THE ONLY REASON TO LOOK BACKWARDS IS TO LEARN

In any business intervention – whether it be crisis management, product development or, say, a process improvement project – to clearly articulate what success needs to look like by when, you need to draw a line in the sand. A *that was then, and this is now, or next*, kind of approach.

To provide context around the mind shift I have learnt that enabled me to stop the bleeding in my business, this chapter is about *my what* and *my how* from a personal perspective. I go deep in places, and I am willing to do so because not only did I learn plenty from these experiences, I hope you might stretch your thinking also.

If necessity is the mother of invention, economic volatility, global political uncertainty and technological acceleration are the fathers of reinvention. I have drawn a line in the sand a few times, and I am sure I will do so a few more times before I am done.

I am grateful for being born with DNA that has enabled a decent work ethic. It instilled in me the interdependency of effort and outcome, the notion of ambition and personal improvement, and drew me in to the concept of risk and reward.

Work ethic created my first 'official' business as a subcontract carpenter at 22, building house frames with my brother Mark and some small commercial projects around Melbourne for another guy. I was working out of the back of my 1971 white Ford XW station wagon – affectionately known as the White Rhino – with my first direct report, Chloe the Blue Heeler.

My time on the tools lasted five years, and included my first business partnership, a six-month period with my ex-builder grandfather Jack Stone, renovating farmhouses in country Victoria. He threw me a lifeline when the world was unravelling at this time, through the 1987 stock market crash and the 1990 recession that Australia 'had to have'.

The aftershock of this period was still being felt a few years later, and I knew it was likely that I could soon be out of work. So I made the first move.

In a situation reminiscent of the welfare queues we see in the media today due to the COVID-19 pandemic and resulting economic crisis, I found my next opportunity on the jobs board at Centrelink. What is interesting about reflecting on this now is that it was my career sliding-doors moment – the period when I stumbled upon reinventing myself – occurring amid global economic distress not dissimilar to the recession the world is experiencing today.

The short story from there – that I will explain in more detail later – is that the desire to avoid becoming a recession statistic actually became my burning platform, enabling me to shift from building houses to managing 400 construction workers at the age of 25, and then to managing the overseas expansion of this same business at 28. Upon returning home, project and general management opportunities opened up for me at construction business APM Group, an SME that I eventually became managing director and a major shareholder of in 2004.

There may have been some entrepreneurial capability coming out that was developing at high school a few years prior. Through enterprises such as cigarette distribution, special price bookmaking and an identity management business I guess I was always finding a way to get to whatever I thought my *next* was going to be!

These experiences have motivated a desire for continuous learning and built the platform from which I now advise domestic and global corporations in optimising new businesses or transforming existing ones.

To me, work ethic is not 'entirely' working your fingers to the bone. It was always about the relationship between effort (working your fingers to the bone) and opportunity (getting to what and wherever was *next*). While work ethic introduced me to a privileged position of people leadership, business management and ownership, it also derived the purest definition of risk and reward. It also brought with it some pretty dark times in terms of business recovery and personal livelihood.

LEARNING HOW TO LEAD

At APM we exemplified a 'work hard and play hard' culture. It was something I willingly took responsibility for when I stepped into the big chair in 2004. Friday night drinks at The Water Rat in South Melbourne, lunch at Becco a few times a week, and numerous project completion celebrations at some of Melbourne's finest restaurants.

I loved being part of what I saw as an engaging and collaborative culture, and this is what I thought people and performance management was all about. Reward for effort was financial. There was nothing more to it.

I loved the reward this represented, and thought – as immature as that now seems – that it defined our success at the time. However, on the flipside, when our backs were to the wall, I have no doubt this resilience, hard work and collaborative mindset helped us knock down that very same wall more than once.

There was a period in the early 2000s when APM was known to operate as a revolving door – if you didn't cut it you were out, or if you felt you may not cut it you would jump first. Other than stepping up to larger and more complex projects, performance management and professional development were not specific disciplines. Without wanting to sound controversial, almost 20 years ago in an alpha-male-dominated industry and successful business, that was not unusual. It was my way or the highway, and I admit that I picked up that baton in 2004 and ran with it.

For a while anyway.

As the leader of the business, the productivity disruptions, the financial cost and the culture distraction of the revolving door was building an awareness in me. Moreover, it was starting to worry me. I was learning that consistency and capability in the people space needed to precede any serious growth strategies we had in mind. No people, no show!

After two years in the managing director's chair and as part of a strategy to corporatise the APM business, alongside an external audit, a technology roll out and an integrated management system, with additional internal and external support we embarked upon an initiative to enhance both our people capability and our people leadership ability.

As a group of construction guys, we didn't know what we didn't know, and so we needed to draw a line in the sand. And the only way we could do that was to profile our own leadership styles and that of the organisation as a whole, with the help of a consultant.

This was going to be great – I always enjoyed the competitive mindset of performance and score, and I was reasonably sure that as the ultimate leader of the business I would come out on top … even though I didn't really know a thing about it. Delusional I know!

OFF THE CHARTS

At my follow-up personal feedback session I was shocked to receive a formal health warning brought about entirely because my ‘red’ perfectionistic and competitive behaviours were off the charts. They were literally drawn off the circumplex that was used to demonstrate the score I was so keen to receive. In my (weak) defence I can disclose that my ‘blue’ humanistic and affiliative behaviours were appropriate, yet I needed to consider developing some entry-level ‘green’ passive and dependent behaviours. Obviously, this consultant didn’t know anything about the cut and thrust of construction, and I proceeded to explain to him that there was nothing to worry about.

Needless to say, I embraced the competition I had now created within myself to even up the circumplex.

It has been quite an awakening, to say the least.

From a mindset perspective I had been fixed firmly on effort and outcome – this constant treadmill of productivity at all costs was my narrow view as to the originator of success. When economies are thriving and there is plenty for everyone you can actually get away with this. It wasn’t until we were weeks away from potential insolvency that the light went on for me that people, not processes, are our ultimate enablers.

When deep inside this period that quickly transformed from uncertainty to crisis in 2011, leadership and intervention became personal in both touchpoints with others and impact on livelihoods. And while I was grateful for a resilient and seemingly bulletproof leadership team, the buck stopped with me.

All feedback then and now says we had built by this stage a really positive culture around information and inclusion, and we had staff turnover down to 15% from 33%. Everyone knew where the business was headed, the part they each played in it, and what success could look like for them. Communicating that we were ‘battening down the hatches’ was a different version of regular information strategies; turning that volume up to now direct strategies around ‘stopping the bleeding’ was a fundamental and concerning shift.

Individual conversations led by staff around their personal circumstances, their mortgage risk and sustaining their livelihood generally kept replaying in my mind, day and night. I knew that as directors and shareholders, personally we were at the front of the queue for the worst possible outcome should it ever come to that, however I had a responsibility to more than a hundred staff and their families at the time. In my mind it was actually closer to four hundred people that were relying on me to get us through this.

Through a progressive six-month ‘no surprises’ strategy, we outplaced 39 staff to other businesses and people I knew, managed longer term exits with 18 others, and transacted only one redundancy. Removing almost 50% of our loyal staff was one of the hardest things I had to do at this time, however not only was their livelihood risk removed at that time, it created at very minimal cost the lean overhead structure that the business needed.

While work ethic was my predominant enabler – and to an extent, it still is – it took me a long time to learn there are other attributes which originate and centre around people that are the foundation for enduring success. I am proud to say I didn’t get to today without evening up the red, blue and green behaviours over time. It remains a focus of mine.

Drawing a line in the people-leadership sand way back then made enabling people through business distress in the future somewhat easier. Though perhaps ‘easier’ is the wrong word. It helped me understand how my leadership impacts people, and how I could best enable them.

IF YOU DON'T ASK, YOU DON'T GET

Coming off the back of 50% revenue and profit growth the initial two years leading APM, I became interested in the opportunities that the Middle East was supposedly offering – negotiated projects, 20% margins and an almost infinite pipeline.

After numerous trips in 2007 to Dubai, Abu Dhabi and Qatar, I uncovered two real opportunities that would enable APM to align with global-scale contractors and accelerate our people, project and financial capability. As a low-risk entry, we were to provide staff initially and manage specific packages of works.

I was aware of the downturn in the US housing market as it had been happening since 2007, and while a couple of their second-tier lenders had filed for bankruptcy, I was relatively ignorant of world events. But when our potential Middle East partners withdrew interest almost overnight, I started to pay attention.

Fortunately for us, our global expansion didn't get off the ground. Although our initial strategy was to deploy people rather than invest capital, we still dodged a bullet.

Over the four years to 2008 and through exceeding 30% year-on-year growth (without any external capital or shareholder equity), transforming the APM business through tripling revenue, more than doubling the amount of profit, growing retained earnings 8× and net cashflows 10× was one of my most rewarding periods in business.

By the time the GFC hit Australia a year later we had just come off a record year. We were debt free and had the financial capacity to pursue numerous strategies if we needed to. However, the speed and scale of decline I had witnessed in the Middle East had me worried.

I remained fixed in my view that we had the capability and resources to continue to grow regardless of global economic uncertainty, however this was going to hit a financial capability ceiling. If we could leverage our recent period of sustained success and partner with one of the 'big guys', we could offer a substantial balance sheet and broader project capability in what was sure to be an intensely competitive period.

We aligned with PricewaterhouseCoopers and, following a search process throughout Australia, we executed a joint venture with Broad Constructions, a subsidiary of one of the largest contracting companies in the world, Leighton Contractors (now CPB and in turn, CIMIC Group). The coincidental thing about this deal is that Leighton Contractors was one of the opportunities that presented for us in the Middle East in 2007.

At the time, Broad's turnover was $400M across business units in Western Australia, Queensland and New South Wales, and Leighton Contractors' revenue was $4.5B globally. APM's turnover that year was $100M. We were happy to hang on.

This was an extraordinary deal and became a successful relationship. APM continued as a standalone business in our traditional market, and in addition we amplified our project and people capability via the joint venture while removing liabilities around project securities and working capital. The JV provided us a perfect world of unencumbered growth and quarterly profit distribution.

Our compelling story was now that we were a successful tier 3 contractor with tier 1 people and financial capability, contracting across a broader market and able to secure greater market share in a highly distressed and competitive economy.

We had drawn a line in the sand. It was game on.

FROM HERO TO ALMOST ZERO

We had just secured our first JV project, of which APM's 'slice' amounted to 60% of what was usually our forecast annual profit through fifteen smaller projects. Bankruptcy, bail-outs and stimulus packages were daily rhetoric. The Global Financial Crisis was really starting to run deep and wide.

We were still operating APM as a standalone business. That was one of the great things about the terms of our joint venture, however a major project outside of the JV didn't get off the ground. Then another two other institutional projects were delayed, putting a hole in APM's forecasts that year, adding financial pressure to our already 'at capacity' overheads.

Chasing work, taking the knife to margins and managing cashflow became business as usual inside APM, as with many others at the time. It was hardly the compelling story we had started the year with. We had become so invested in pursuing cashflow and building a warchest of cash reserves that we had secured a significant volume of projects and just couldn't wind back operations. We had 12 concurrent projects at the time.

We were constantly dealing with risk. We had forgotten what opportunity looked like.

It was a highly aggressive period, and we accepted the breakeven result that year only because our retained earnings account and reputation remained intact. And also, because the separate JV was successful in generating one large project return every quarter for almost two years. Although the APM business was now simply holding on, the JV remained a competitive proposition in the next project tier. We were APM with a different label, and that was compelling from our potential clients' perspective.

Post-Christmas, 2011 unloaded on APM even further. The proverbial music had stopped down in tier 3. The pipeline had dried up, competition had intensified, and the supply chain became even more unreliable. After a number of subcontractor insolvencies, our project step-in obligations (by virtue of their default) went from $600k to $4.5M over a six-week period. We had $5.4M in cash reserves, and overheads were draining $400k per month just to stay in the game. It wasn't going to add up.

We suddenly had six projects in distress. We posted our first ever loss that year. It was $5M.

It is interesting to reflect upon whether our perception of monetary value has changed over time? I recall a conversation with a potential turnaround client earlier this year where they were clear in their instruction to me that they weren't "committing energy" to the $1M problem, they were only focused on the other $7M problem. (I couldn't commit to solving part of a problem so I politely declined!) Whilst a number in isolation, the consequence 'scale' of our $5M loss in the construction industry today might be questionable however the impact of any loss with the word *million* attached to it is significantly painful at any time, in my opinion.

Our partnership strategy, the joint-venture lifeline that propped up the APM business both financially and reputationally, was my success. Being ignorant to the declining APM market and attempting to scale our core business rather than meeting an altered market was my failure.

Our APM turnaround strategy needed to be specific, high impact, without delay, and led by me in every direction. This is how we were to authentically prove how important it was, and what success was going to look like, by when. It was our best shot at receiving equally authentic buy-in in return.

All of the strategies we deployed are set out in more detail in the following chapters, however the upshot was we were leaner, we were responding to a different market, we were securing projects sustainably, we were retaining profits and forecasting positive cashflows. Our target was $1M upside per month over six months to get our head above water. Eventually we delivered a $7M turnaround inside nine months, returning the business to a $2M profit by year end.

But we weren't quite in the clear just yet. Having cleaned out our retained earnings account and with our head only just above water, we really needed a line of credit as back up to enable us to pursue appropriate growth.

Not surprisingly – and irrespective of our historical nil debt and a successful turnaround – banks weren't prepared to advance any facilities to a construction business, let alone one that was coming off a not insignificant loss. Fair enough. In fact, having the discussion with the banks was a mistake, opening the door to even deeper scrutiny around our ability to maintain project security facilities.

Our JV relationship was two years young and it was strong at both a personal and an organisational level, and I knew that as before, our previous performance as a joint-venture partner coupled with our turnaround success would need to be our leverage for whatever *next* was going to be.

While the JV was a sustainable and successful proposition continuing to collect those one-off larger project returns, it was the heavier financial encumbrances that were needed to rebuild APM as a sustainable standalone proposition – the cash reserves to prop up a bank guarantee facility in addition to working and growth capital – that were consuming my strategic thinking.

For APM there was potentially a more profitable business model with a diverse capability and sharing – or even offloading – of these financial covenants, but I wasn't sure that Broad or Leightons would go for it. Fortunately, the Broad Managing Director with whom I shared a great professional and personal relationship saw an opportunity to capitalise on its national expansion strategy by acquiring APM to wrap up Victoria and, in addition, take it across the border to South Australia.

We were quickly on the same page and negotiated a cash deal whereby Broad would acquire a majority stake in APM for in excess of $8M. This was an exceptional deal coming off a $5M loss the previous financial year, currently returning 3% on $70M, and with future maintainable earnings little more than a crystal ball exercise.

This acquisition would slot into their expansion strategy, escalating myself to the national CEO role providing succession to a planned exit for the Broad founder and managing director who was still a significant shareholder in the essentially Leighton controlled business. It would relieve APM of requiring project securities, remove the need for any banking relationship, and distribute capital to shareholders who hadn't received a dividend for 3 years, let alone a reasonable salary.

It was going to be an extraordinary, and quite an unbelievable, finish to the year, having gone from hero to almost zero, from loss to profit via an aggressive multi-million-dollar turnaround, while growing a JV as a side business.

It was a line in the sand that we had worked very hard for.

Within one month of agreeing terms and while waiting for Leighton to officially sign off, tragically the Broad Managing Director, my good friend Kari Rummukainen, died of a heart attack. Without Kari driving the potential acquisition and transition, Leighton understandably pulled the pin, and in fact a year later they terminated the joint venture completely, instead deciding to go it alone in Victoria.

We were down, but by no means out. I had been at war pretty much all throughout 2011. It was exhausting, but I wasn't going to surrender.

* * *

With the successful completion of the final two transformation and consolidation phases building a sustainable future for APM, I exited the business two years later, after 10 years as Managing Director and 16 years of extraordinary hands-on and hands-in experience through success and failure.

After all that, I now had a desire to go it alone and to solve problems for others.

LIVELIHOOD MAKES IT PERSONAL

I realised a couple of years later while trying to push some entrepreneurial thinking that I had retreated to a fixed mindset, that I had lost my risk mojo – or my opportunity drive – and, in fact, I realised I was still in survival mode.

Yet I didn't need to be, for any material reason. And I couldn't work out why I was.

I was doing what I set out to do after having left corporate life. I was managing risk and activating opportunity for others, using my recent turnaround, transformation and consolidation experiences to optimise and maximise whatever their *next* needed to be. I got a kick out of problem solving – in fact, that still remains my favourite thing. It was in this reflection that I had buried myself deep in well-paid and rewarding advisory work – activating a massive development pipeline for a global fund, creating an Asia-Pacific expansion strategy for an offshore technology business, travelling the world establishing a global procurement strategy for another, shutting down a loss-making construction business, negotiating multi-million-dollar dispute outcomes – that I realised I was still protecting our family livelihood.

I had worked hard for a long time, and it wasn't only individual goodwill that I was accumulating, it was also financial security. This was important both psychologically and materially to someone who had started the entrepreneurial phase of their life dropping business cards in letterboxes by night, working out of the back of an old station wagon by day.

Some 20 years later my work ethic had retreated to a one-dimensional revenue-generating mindset, rather than being that enabler who got a kick out of creating opportunity. The entrepreneur was on extended leave, it seemed. With some external coaching, I found myself rewinding the clock a few years and acknowledging I was still in survival mode. I was like the soldier walking out of the jungle three years post-war believing there was still a battle to be won.

Looking back on the days at the height of the GFC, there were a number of threats from subcontractors seeking to escalate their payment as a priority or at least extract a personal guarantee that ensured imminent payment. Some of these I didn't worry about as experience told me some of the run-of-the-mill 'pay or else I know where you live' threats were at times par for the course in this industry.

Unfortunately, there were a couple of high-risk threats of potential maximum consequence, so clearly described to me that I had to believe them to be real. Despite this, I had no alternative but to stick to my guns (no pun intended) and offer whatever the 30-, 60- or 90-day payment plan was that – at that point – was our only option. There was no point agreeing to something that we may only default on and possibly accentuate the likelihood and consequence of the threat.

While I have a fairly solid theory, I still to this day don't really know what the silent bikers' ultimate motivation was, however all of these various threats had escalated at a time when the industry and our business was at its highest risk of failure. My mindset was deep in family safety and business survival mode.

I don't claim to be a tough guy, and I'm pretty sure I'm not stupid – you do worry about this stuff. It took me a while to create some mental insulation around these thoughts. What helped was knowing that there was business stress everywhere and it was highly unlikely I was the only focus of their intimidation.

SH!T JUST GOT REAL

Around the 2011 *annus horribilis*, there was a five-year period of significantly reduced earnings personally via both remuneration and dividend. And fair enough, you might say. This is not a plea for sympathy. When you take on opportunity you are delusional should you decide not to accept nor acknowledge any likelihood of risk. We weren't working out of the back of a station wagon; we were the real deal. We were a $100M business that had maximised plenty of opportunities in the past.

And sh!t just got real. I was under no illusion. I got it.

As a business leader deep in the turnaround trenches, while stopping the bleeding among the daily operational grind and trying to 'keep the show on the road', I had numerous competing business objectives – I referred to this as my ‘global strategy’. And also at risk was our personal livelihood and equally significant financial and personal commitments that underpin sustaining and surviving as a family of five – this was my ‘domestic strategy’.

And if that is not a challenge in itself, here’s the tricky bit: to ensure the success of our domestic strategy I needed to prioritise our global strategy.

When the project pipeline was diminishing, we left a multi-million-dollar dividend on the table to maintain the business’s war chest. Eventually the business needed to spend all of it. The pending acquisition by Broad was going to plug this dividend gap and provide us cash flow relief. Until that deal was pulled.

Personal cash assets saw us through for a couple of years. To remove any future personal risk and distraction to the global strategy, and simply to provide a cash buffer, we offloaded the family house and set about a strategy of staying close to the market through buying and selling, or simply selling, property.

As a proud provider, selling the family home was a tough pill to swallow, and one that would have been so much tougher had I not had an amazing support base on the home front. Aggressive, timely and successful crisis management is not possible without having an unconditional ‘live in a tent’ partner, one who genuinely prioritises family, one who has succeeded at executive level in corporate life herself and who knows that at times you’ve just got to get sh!t done. Those who know my wife Mim will be nodding their heads in agreement, no doubt the strongest asset on my ‘personal balance’ sheet.

When livelihood gets personal, survival and protection is the predominant mindset, and it’s an extremely difficult mindset to shift when the size of the prize (or problem) is so great.

FIGHT OR FLIGHT … AND FRIGHT

I still needed to work out where my risk mojo had gone so that I might be able to bring it back! Why was I completely focused on and enjoying managing risk for others, yet leaving my entrepreneurial opportunity parked in the back of my mind?

Bleeding one million dollars a month and understanding what corporate failure could look like, the aggressive multi-million-dollar turnaround that then followed, personally 'owning' the livelihood responsibility for hundreds of people, relentless daily financial negotiations at every level both internally and externally, not to mention the threatening environment … could possibly justify some emotional stress?

I resolved this thinking a long time ago. But what is the lasting cognitive impact, why did it take me a couple of years to really and truly move on?

Looking back now from a much clearer perspective and recognising how easily stress can occur, it is actually returning to the safe harbour of a fixed mindset that allowed it to happen. A watershed moment for me to say the least, but in the heat of battle for a very long time I refused to recognise that while advancing organisationally I was retreating personally.

I started doing some research and seeking advice.

Stress develops at speed, from an external event to an internal feeling, and then from a negative emotion to a physical reaction.

We are all familiar with the beginning and the end of this stress process, however where we let ourselves down is the inability, or lack of foresight or perhaps even the training, to intervene and redirect the steps in between. I know now that if we do not short circuit the internal feedback loop, we amplify the stressor. Bigger (perceived) problem creates a bigger (perceived) solution.

I don't suggest that 'dealing' with these internal disruptors is easy; in fact, I think that for the majority of us who successfully deal with stress we don't actually remove it, we survive it. And then, usually, we just move on. Others choose to remove themselves from it altogether. Good luck to them.

This dilemma is often referred to as the fight-or-flight response, a physiological response to a terrifying mental or physical event. The sympathetic nervous system stimulates the release of hormones that prepare your body to either stand and deliver or to run away to safety.

But I think there is another state of mind in this fight-or-flight spectrum, and that is fright, referred to in this context nowadays as 'freeze'. It is both an internal feeling and a physical reaction – it is a passive, almost paralysing, response as distinct from the escape via flight.

Neuroscience may say that fright is not a consideration in the flight-or-fight scenario, or that in fact it presents as freeze, however on the spectrum of black to white I believe it is grey. I think I have proven that fight was a predominant mindset for me, however there was a period of time when the fight was over and I wasn't running away, that I was simply standing my ground and licking my wounds – 'in fright of' another fight?

Hmmm … there might have been something in that health warning during the psychometric test feedback session back in 2006?

Despite all of these experiences, I can proudly say I have never looked backward, only forward – even with a bit of trepidation at times!

But deep insight into, rather than simply acceptance of, your environment and an awareness of mindset implications are easier said than done.

YOUR MINDSHIFT:
Don't look back

1. **Personal ambition.**
   The ability to build a clear picture as to how to get from the here and now, to your *next*. You don't need to kill it with analysis.

2. **People skills.**
   Authentic relationships and partnerships come from that two-way street where you constantly know who you can learn from and how you can add value in return. This is not about building social media 'connections'.

3. **Be an activist.**
   An ability to analyse, innovate, plan, delegate, manage time, solve problems and make decisions. To do whatever it takes.

4. **Accountable.**
   Hold yourself accountable, as this is where motivation will sustain, where the desired outcomes can be benchmarked, and where engagement by others can and will originate.

5. **Subtle mentors.**
   Surrounding yourself with great people is a no-brainer, however it is the commitment and resilience of your closest personal relationships and the brutal truth that they can offer that will serve as your ultimate motivation.

6. **Full disclosure.**
   It is okay to be concerned; not doing so is careless. Without sharing concerns and managing scenarios, they become worry and then panic. Survival mindset gets in the way of a growth mindset.

7. **Your arrival story.**
   Plan how you are going to walk through the front door at night; it needs to be different from how you left the office.

8. **Get real.**
   Money may not bring happiness, however it is an enabler, a pressure relief valve, a necessity. Say it, be real about it, and prioritise where and to what level it meaningfully adds personal value.

9. **Trust life.**
   Every cause and effect provides you an opportunity to respond. There is always an answer.

10. **Know what counts.**
    It’s not about what you’ve got, it’s about what you’ve got around you.