

Excerpts From “Licensed To Turnaround”

By Lisa DiCarlo
Forbes
April 27, 2005

007 had a license to kill. But what about a license to revive a failing company? That just may be the wave of the future.

At any given time, dozens of publicly traded companies are in need of a turnaround of some sort. Some, like Tyco, Enron and HealthSouth, were plagued by scandal and needed a new identity, while others, like Hewlett-Packard, are in need of a new strategy. Still others, like major U.S. airlines, need help restructuring.

If you think you're up to the task of turning around a ship in distress, you might improve your odds by becoming a certified turnaround professional.

It takes a grueling accreditation process, administered by the Association of Certified Turnaround Professionals (ACTP), a business association established in 1988, to become a CTP. And while the first were given the stamp of approval in 1994, there are still only about 300 worldwide today. It's a pretty elite club. Certainly one does not need a certification to pull off a spectacular turnaround. So why bother?

While certain firms rent its experts to companies that need help with a wide range of legal, compliance, financial or other business-critical issues, only a fraction of them are certified.

What does it take to become a certified turnaround pro? A lot. Prospective CTPs must have five years of consulting work under their belt, with a minimum of three years focused on corporate renewal. They must provide three client case studies and names of individuals who can verify the work, and submit to a background check. Further, they must pass a three-part examination on management, law, finance and accounting. Barely a quarter of those who take the tests fail them. Lastly, assuming all of these hurdles are passed, the applicants' names are posted in *The Journal of Corporate Renewal* for 60 days to solicit objections.

Each person who achieves certification must complete at least 125 hours of continuing education over a five-year period. The stringent accreditation process--many have full time jobs, after all--may be turning away prospective CTPs and keeping its ranks low.

The turnaround industry "is a real industry that's occupied by pros," says Dr. **James Seward**, a faculty dean at the University of Wisconsin Graduate School of Business and one of the people who develops the curriculum and exam for prospective CTPs. Indeed, ACTP's 6,800 members include attorneys, bankers, appraisers, real estate experts and liquidators.

ACTP spokeswoman Cecilia Green says CTPs aren't like well-known CEOs who often become rock stars, partly because these people don't become permanent CEOs. Their job is to go into a company, fix a problem quickly and get out. To do that, of course, such experts must be supremely confident of their own abilities and be able to make very quick, emotionally detached decisions about what's best for the business.