



## WHY CPATH?

An early March 2002 NY Times article, “The Rise And Fall Of Global Dreams” (Sunday March 3, 2002) did more than profile Gary Winnick and the very public collapse of his firm, Global Crossing, it provided a level of insight that any company in any industry can benefit from. As our purpose is to help others learn from Global Crossing’s filing for bankruptcy protection, we will limit our remarks to what is most relevant rather than dwelling on the personalities involved or the inevitable second guessing.

**“Lacking experience in operations, he (Mr. Winnick) hired and then dismissed four chief executives in four years, offering each of them lucrative deals and often giving them lucrative separation agreements.”**

Indeed, in their *launch* mode, Global Crossing did what many fledgling organizations do: they recruited what they believed to be superstars, expecting them to successfully run an organization, one that was created by the sheer brilliance, power, will, and vision of a charismatic founder. Our firm refers to this as *The A Path*, and we are not overly surprised by the track record and commensurate results.

Launch presents particularly complex, difficult, and even ambiguous challenges. By definition it is a temporary phase in a businesses evolution, and it takes special talent and temperament to excel in this phase. Success is even harder for a fulltime executive team when the leader is charismatic yet inexperienced at running a business. Groupthink, the lack of managed contention, and the natural order of boss-to-subordinate relationships usually conspires to create another important lesson as recounted in the NY Times piece:

**“... {He} set the tone for what several former employees say was undisciplined and reckless spending at Global Crossing”**

Establishing company culture through standards is hardly a matter of “soft skills”, as it is often portrayed to be. Employees take their cue from demonstrated corporate behavior and soon enough the good and/or bad precedent set by senior management sets the tone for all. Standards for behavior, accepted norms, are established in the launch phase and the resulting company culture is formed around them. Oftentimes executives are not mindful of this fact until the company starts running into problems, and then they try to change the way things are. Our firm refers to this as *The B Path*, characterized first by doing nothing (different) and then trying to rally new behavior from the same staff that has become accustomed to a status quo. This is where many change management ideas are introduced, and why so many fail.

Indeed, creating the proper standards and culture proves to be particularly troublesome for inexperienced, inexpert, executives in the launch mode. Consumed with big plans to build for an incredibly bright future, the daily details of shaping an organization are poorly attended to at this critical juncture. As was reported to the Times by a former Frontier Corporation employee shortly after that firm was acquired by Global Crossing in 1999, “Global never had product profitability measures.” At an ensuing meeting to discuss performance metrics, the Times reported something we find all-to-common in situations where inexperienced, inattentive, and inexpert executives manage a firm’s sensitive launch phase:

**“At one meeting with {a Global Crossing vice president for finance} to discuss the importance of such measurements, ‘he didn’t want to put them in,’ this person recalled. He said ‘They are way too complicated.’”**

This Global executive was right, creating and managing to a set of valid performance metrics *is* anything but easy, especially for a novice. Clearly, no business is able to build, let alone sustain, meaningful results without valid performance measurements. But developing these systems, the underpinnings of standards for creating a culture in the launch phase is a virtual impossibility for those that have not done it successfully.

Finding the requisite talent to do all this, and do it well, is perhaps the most difficult of all challenges for a company in the launch mode. Treating launch as anything but a project proves as fatal to countless other companies as it did for Global Crossing. Realizing this, we created our firm, CPath Solutions, to introduce businesses in the launch phase to the most appropriate, cost and time-effective, method to ensure success. Naturally, we refer to this as *The C Path*, whereby companies in the launch stage can partner with an organization with deep expertise, proprietary as well as proven methodologies for succeeding in the hectic, resource-challenged, launch mode.

We have named our organization CPath Solutions, LLC because we **are** the efficient c path that will produce results for companies that want to launch, build, and run their companies right. We have created a distinct business unit, SalesSpring, to manage clients in the launch mode. To learn how we can put your firm on a path for significant and sustained success, please visit us at [www.epathsolutions.com](http://www.epathsolutions.com), or call us at 914-478-5100.