



RECOGNITION FOR TECHNOLOGY TURNAROUND

When Rod Carr joined Jade Software Corporation as managing director three years ago, the company was facing what he describes as some “interesting” business issues. It had a healthy 25-year business history, a sound product and significant clients – but was haemorrhaging cash at the rate of about \$60,000 a day and had burned up a large proportion of shareholder funds, says Carr.

“The company had successfully established itself in a number of overseas markets but needed to address business issues pretty quickly if it was going to be around in future.”

Earlier this year Jade was able to announce record revenues of \$24.6 million for

the first half of 2006 – up 34 percent from that achieved during the first half of 2005 and the third consecutive year in which revenue had increased. It was a turnaround story that last month helped earn Carr the title of Tait Electronics NZ Hi-Tech Company Leader of the Year at PricewaterhouseCoopers’ High Tech Awards.

Not a bad effort for someone who was new not only to Jade but to the IT services industry in general. Carr’s track record was in the banking sector – including stints as Acting Governor of the Reserve Bank as well as senior roles with the BNZ and National Australia Bank. But 48-year-old Carr believes his ‘outsider’ status was an asset.

“Sometimes there is benefit in being the outsider who comes in and is able to address issues that may have become very difficult for the organisation to address internally. In this particular case they were basically sound housekeeping issues – things like ensuring ongoing costs are below sustainable levels of revenue, and making sure the interests of all three stakeholder groups, shareholders, staff and customers, are being addressed. If you don’t get those things right, you don’t have a business.

“As an outsider you get more licence to change things and you get a different perspective as to what needs to be changed, and with what degree of urgency.”

That included having to make 25 percent of the staff redundant which was not easy. Otherwise, says Carr, it is substantially the people already in the company when he arrived who worked through the issues that needed to be addressed and who rebuilt the company – although he has been credited with “re-igniting” the culture.

“Certainly, I went through some processes at Jade when I arrived – pretty standard things such as [questioning] what we are here to do, what our mission is, and what makes us different. To me, that was always about finding in Jade what was already there – not about me coming in and saying ‘here is my mission or my values.’”

It is, he adds, much more about teasing out existing strengths that can be built on to create a great business as well as mitigating any negative aspects of the culture. It was never about inventing solutions.

“It tends to be extremely risky to walk in to an organisation you don’t know in an industry that you’re new to and say ‘I have the one right silver bullet’. It’s also very unlikely to be true.

“The solutions to Jade’s problems were already within Jade when I arrived. I didn’t bring them – though I perhaps helped the people there to figure out what they needed to do.”



At the Hi Tech Awards: Jade Software’s Gavin Mitchell accepting on behalf of Dr Rod Carr, and Sir Angus Tait of Tait Electronics
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