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Blake Sports Apparel and Switch Activewear: Bringing the Executive Team Together

Cameron (Cam) Barker, founder and CEO of Blake Sports Apparel and Switch Activewear, cut across the parking lot to his car after a long day at company headquarters in Birmingham, England. He was preoccupied by a phone call earlier that day from a member of his executive team: two members of the team had failed to cooperate to resolve a simple issue, and the caller had asked him to intervene. Lately such incidents were all too frequent. Individually, the executives were competent—most had been at the company for several years and contributed substantially to its growth—but the team's dynamics were dysfunctional. Mistrust, lack of communication, and refusal to collaborate were rampant. Barker was ready to act, but what action should he take? Were the right people in the right roles? Were the right people even on the team? Was the team appropriately structured and managed? What changes should Barker make to strengthen the company's leadership and position it for continued growth? (See **Exhibit 1** for an organizational chart; see **Exhibit 2** for profiles of executive-team members.)

Blake Sports Apparel

Blake Sports Apparel, founded by Barker's father, paid licensing fees to leagues and brands in order to manufacture sports apparel and accessories using their logos, which they in turn sold to retailers in the marketplace. A decade after its founding, Barker formally took over the family business as CEO. At the time, Blake Sports Apparel's manufacturing licenses were with several small brands; shortly after Barker began his tenure as CEO, he met the founder of the mid-size brand Cartlock and began manufacturing goods for that company as well. "At the time Cartlock was at $25 million. Then Cartlock went from basically zero to a billion," Barker recalled. "We rode the wave through them going public. Ninety percent of our business was definitely Cartlock; we were 15–20 percent of their business."

Ten years later, despite the partnership's success, Barker started to feel uneasy about Cartlock's long-term direction. After contemplating his options, he decided to approach Howell, a large global brand. The initial meeting went well; shortly, Barker found that he had to negotiate his way out of his deal with Cartlock to take on a deal with Howell. He also had to quickly upgrade infrastructure to

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handle the Howell business. He described how the executive team had functioned during that pressured period:

> We had one year when we were exiting the Cartlock business and introducing the Howell business. This management team was drinking from a firehose. We were dealing with a lot of external and internal challenges that were very complex. Cartlock was a very dynamic, thought-provoking company. Howell was a very mature, well-established company. And then internally, as an entrepreneurial company in growth mode, we never had enough resources to get everything done, not enough hours in a day. But we were performing. We were doing something that would never likely happen in sporting goods, and that was literally shipping Howell and Cartlock in the same year. People were wearing multiple hats, meaning one morning they were selling Howell products and then in the afternoon they were dealing with Cartlock products.

Once the transition to Howell was complete, new challenges arose. Howell was pricing its products so low that it had essentially eliminated the typical margin that a company in Blake Sports Apparel's industry would expect. Blake Sports Apparel was also shipping Howell products globally, which was extremely expensive given the relatively small quantities involved. The executive team spent five months trying to solve these problems: they traveled the world, surveyed the marketplace, examined pricing, and familiarized themselves with customers. When these efforts largely failed, Barker approached Howell to renegotiate the terms of their deal. "Needless to say, the six months of renegotiation with Howell was another stress point for the executive team," Barker said. "I had already given up the Cartlock business; I had signed the Howell deal, and I couldn't execute it the way I initially signed it. The executive team was loyal as anything during a very, very difficult time." Barker ultimately renegotiated terms with Howell that were mutually beneficial.

The following year, Blake Sports Apparel built a global infrastructure and by five years later it had tripled its Howell business. The company worked with more categories in the Howell portfolio than its competitors and was on track to become Howell's largest-volume partner. It was also fully integrated with all of Howell's business units. "This company is still young, and it's grown every year except one [the year it transitioned from Cartlock to Howell]," Barker pointed out. "If you look at the aggregate growth, it's about 28 percent a year." Growth continued: Howell awarded Blake Sports Apparel a license that included new product categories and rights to use trademarks endorsed by popular professional athletes and professional sports leagues. Blake Sports Apparel was about to sign what Barker called "one of the strongest licensed-sporting-goods contract in the history of licensed sports."

The Culture of the Executive Team

As a young entrepreneurial company, Blake Sports Apparel had pursued its goals with unusual flexibility; initially, very few policies and procedures were in place to impose structure. As the company developed a stronger relationship with Howell, that profile began to change. The executive team had to be more methodical and detail-oriented to sustain the growth the company was experiencing. Andrew Cook, Chief Financial Officer, explained:

> Up until three years ago, this company was run by revenue; revenue was the king. So as long as we could get revenue, we were fine. Then Cam said we were going to come up with what we call a *landed margin equation* [the cost of goods, FOB,[1] freight, and duty,

[1] FOB (free on board) is a trade term signifying that the seller has fulfilled its delivery obligations when the goods are on board a vessel designated by the buyer.

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> compared to the net selling price]. And we won't necessarily just look at the revenue; we'll also look at margin. By doing that, we saw that some of our biggest-selling items that we were high-fiving each other across the company for, as our number-one selling items, were either low from a profitability perspective or we margined at a loss.

Another challenge that needed to be addressed was that individual departments built their own reporting mechanisms. Sometimes a given department's metrics looked favorable, but did not work in the company's favor when viewed in terms of the big picture. For example, Operations authorized manufacturing a particular product in large quantities during an off-peak season to create inventory and reduce the product's cost. The Sales department agreed to the plan and put the product on auto-replenishment status; thus, a customer could request the product from inventory at any time, which would hopefully create or increase sales. But the quantities were not always accurate. Sometimes the product did not turn over at the expected rate and ended up sitting in warehouses for months, consuming cash. At other times, due to auto-replenishment, the company sometimes lacked the appropriate quantity on hand to meet a customer's needs and had to pull the product from other customers to fill an order. Thus, though Operations was producing the product for a lower price and Sales had inventory for its customers (pulling either from the warehouse or from other customers), the situation was unfavorable overall. Zachary Fried, GM of North America Sales, described the impact of a close look at the metrics:

> We went from a very lucrative company, where you couldn't find any errors because of its fast-paced growth, to a company that all of a sudden had to start looking at itself differently. We were still growing very fast, but we also had to worry about different areas within the business model that required our concentration, like FOBs, margin, and discounts. Then, all of a sudden, the finger-pointing started: everyone wanted to blame someone else for any performance gaps we uncovered when we started to drill down into the numbers.

Barker described the role he had played in imposing more structure on the business, particularly after renegotiating the Howell deal:

> We were in survival mode, and then we had to refocus. We put a ton more processes and procedures in place. We went to a global bank; we upgraded our systems. We spent time looking at our supply chains, our KPIs [key performance indicators], our FOBs. We spent a lot of time looking at growth and revenue and really understanding what was really happening. We eliminated discounts and shut down customers that didn't make sense. Imagine what this was doing to the executive team: they had made it, and they had all this freedom because they were entrepreneurs in their own worlds. Then I, as the CEO, put a lot of red tape around them and didn't let them have as much flexibility as they used to have. People had been operating incredibly flexibly. For example, it was nauseating to look at expense reports and see what people thought was OK. It was not as structured as it needed to be.

Members of the executive team also found themselves running bigger departments than ever before and working closely with the company's growing number of accountants. Overall, Barker was pleased with the team's performance; general counsel Lance Templast concurred, commending them as "an overall good team that knows the business." But persistent roadblocks prevented the executive team from performing at the top of its game.

Examples of Excellence

Executive-team members described their colleagues variously as passionate, entrepreneurial, knowledgeable, competent, self-motivated, and dedicated. They also praised the team's energetic

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conversations and good debates. "We're a super-talented group of individuals that are extremely knowledgeable about our industry in sporting goods," said Christopher Hennessy, Head of Global Product and Merchandising. "We're passionate and loyal, and collectively all of us want to achieve the goals that we set as a company. I think those are the common threads and the bonds that pull us together."

The previous year, Blake Sports Apparel had reached its aggressive international and domestic margin and revenue goals. Despite frustrations along the way, the executive team got the job done, resulting in a 5-percent bonus for every employee at the company. Thanks to collaboration between the Sales and Product departments, the company reached number-one in the world for sales of certain products, in some cases overtaking its biggest competitor: Cartlock. The company also secured financing from a global bank, which obliged everyone to adhere to strict policies and procedures to obtain strong audit results. But these successes obscured the challenges facing the executive team.

Challenges & Opportunities

Despite the executive team's skills and successes, failures of communication and collaboration plagued its internal workings. One year, for example, Blake Sports Apparel received numerous inquiries from retailers interested in selling its products. But the team failed to cooperate in a timely manner to enter these new customers into its system. Procedures outlined in the customer compliance manual, such as how goods would be shipped to a customer, were not systematically and speedily signed off on. Some customers' "test orders," a routine part of the set-up procedure, went unprocessed. And the executive team failed to make timely business decisions, such as how much credit to extend to a customer. As a result, customers were still waiting six months later to be set up in Blake Sports Apparel's systems. This inaction resulted in months of lost revenue; meanwhile products sat in distribution centers instead of reaching store shelves. Customers were frustrated; Barker speculated that they might ultimately take their business elsewhere or place smaller orders than they had initially planned.

Another problem pertained to "gap plans," or lists of action items generated annually by reviews of the previous year's revenue data. These plans identified opportunities for the company to reach its goals, and included such items as developing new products and revamping existing ones. Every department played a role in generating and executing a gap plan—a plan started in Sales, moved on to Product, and required the involvement of Finance and Operations to assess its viability. Six months after the most recent gap plan had been finalized, the executive team was failing to develop new products outlined in the plan, resulting in lost time and revenue and creating urgency for employees in their departments: such new products had to be designed, developed, sourced, set up, and shipped within the calendar year. Meanwhile, demand for new products that *had been* launched was sometimes miscommunicated between the Sales and Product departments. For instance, the company hustled to produce a product under the misapprehension of high demand at one of its largest customers; once the product was ready, the order never materialized.

Pricing was also problematic. New products and those that were revamped or revived after being discontinued were referred to Finance to assess margins and determine pricing. This process often took longer than necessary, delaying release of the products. The Finance department in turn claimed that people had been slow to submit such necessary information as packing and shipping costs and expected discounts. Others claimed that Finance had been vague about the information it needed.

Barker offered this analogy to describe the executive team:

> Like in sports, sometimes a team wins that shouldn't win—meaning there's five seconds left on the clock, the team plays lousy, but somehow, some way, the ball gets over the line and the team wins. We win. I don't know how we do it, but every year, year after

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> year, you cannot look back at this company and see what we've done and not wonder how we did it. But how we played the game is insane. We make it so hard. We drop five-yard passes over and over again; it's like we didn't just talk and get on the same page about how we're going to run the play. The other thing is we're not dealing with the minor leagues. We're dealing with Howell. The bar is set so high there's truly no finish line—so even if you think you've done a good job, even if you think you left it all on the field, you have to do more. I'm trying to manage an executive team at a very high level, and I'm not saying I have an executive team that's not performing—they *are* performing. They're just not coming together as a team. Sometimes I think the approach they take to their colleagues is: 'I'm going to get this guy off the field. I'm going to crush him. I'm going to hit him in the knees and prove that he can't run that play.' That's where it gets frustrating.

Goals & Priorities

Though convinced that misalignment of goals was resulting in competing priorities, Barker had not yet pinpointed its exact location. Company-wide goals, established by the executive team during an offsite with Barker, focused on margin and revenue; a 5-percent company-wide bonus was tied to achieving those goals. Barker also collaborated with each team member to establish weighted KPIs specific to his or her department. At individual performance reviews, Barker scored executives on each objective (25/50/75/100 percent of a KPI); the executives scored themselves as well. If the two scores differed, Barker explained his score and the executive did the same. Then they jointly determined each final score. These scores were then weighted to determine the bonus the executive would receive. This process was identical for all members of the team. Barker also earmarked discretionary funds to further compensate someone who had had an exceptional year. He reported that this process was well received and that executives viewed their goals and KPIs as clear, but some team members asserted that misalignment persisted. According to Hennessy:

> The opportunities exist around making sure we're not trying to achieve company goals in silos. In our business, when we are setting goals ourselves around revenue targets and margin targets, sometimes those goals get pulled in several different directions by all of the socioeconomic issues that can occur outside of what we can control. I think there's always that struggle between Sales, Product, Operations, and Finance to figure out our individual goals, and how we prioritize those individual goals so that collectively we can achieve the goals we set as an organization. Sometimes they don't align.

CFO Andrew Cook concurred:

> I think sometimes there are areas of frustration, because the goals set for the executive team aren't aligned. Maybe one is chasing sales, and then the other one is more concerned about margin, and a third one is concerned about making a cool product, and the fourth one is concerned about getting the product manufactured, and none of the goals for those objectives are tied together. As a result, what might be good for one person may not necessarily be good for their colleagues. It creates conflict and trust issues. I think that's one really big opportunity for us to improve.

Goals that appeared to be aligned in theory were not always aligned in practice: sometimes team members pursued self-interest before company goals. Olivia Hermida, Division President at Switch Activewear, a subcompany of Blake Sports Apparel, observed, "The executive team consists of competitors that want to win. Overall that is a great thing, but it does create challenges at times." Several members described the team as consisting of Type-A personalities: self-motivated, aggressive, and driven to perfection.

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Communication

Inadequate communication among members of the executive team was a multi-faceted issue. One aspect was withholding of information. Carl Herman, Senior Director of Planning and Procurement, described barriers he faced as a direct report to a member of the executive team:

> We provide inventory reports to the Sales team. We tried to improve by providing not only the inventory we have but also the associated sales data for the inventory we sold previously. We tried to provide more integrated information to our Sales team so they are better equipped to sell. But when we provided those reports, the Sales director felt insulted. He thought, 'Oh, you think my team is not doing their job; you need to give them this information.' That's not my original intent. I don't care whether you look at this information or not. I just want to provide you with better data to support the process.
>
> The other thing is how secretive we are with information. For example, we cannot put information for key accounts in the same spreadsheet. Their point is, 'No, we don't want the sales reps to look at all of our customer data so they can compare. They should only focus on their accounts.' The Sales portion sits only in their own silos and focuses only on what their accounts are doing, not really caring or learning about what the other accounts are selling. I don't think that is optimal.

Barker responded to the criticism that team members withheld information by pointing out that the information-sharing process was designed to protect proprietary ideas. In the past, departing employees had absconded with pricing models; to prevent more such transgressions, Barker had empowered the executive team to determine who should have access to what information (as opposed to allowing open access for all). But even when information was shared, it was sometimes presented in a format that managers found inaccessible or difficult to leverage. The combination of apparent secrecy and the company's privately held status led employees to question the company's financial standing and the degree of its profitability.

Another instance of withholding information was the Finance department's failure to inform the executive team when bonuses would be paid out; thus, this information could not be communicated to employees. One executive characterized this situation as "playing a game of Keep Away" with information that others needed. This propensity to withhold information led team members to "make decisions in a vacuum," as one executive put it.

Even when information was forthcoming, open communication was hindered by lack of trust. For example, when Finance informed Sales that the company was losing money on a given product, the Sales department's reaction was to question the pricing analysis. Similarly, the Finance and Product departments sometimes second-guessed the Sales department's decisions to discount prices on particular products for its customers. The information that had fed into these decisions was available to all involved, but the executive team did not collaborate in order to build a cohesive sales strategy because individuals did not trust one another to prioritize the good of the company over their own respective priorities.

Another issue was lack of responsiveness. "I think if people would communicate and answer their e-mails and be respectful and responsive to their colleagues, we would be fine," observed Amber McKinnon, Barker's executive assistant. "Cam will set up calls and meetings and people just won't show up. It seems if you have something that's pressing and you go to another team member and ask for five minutes of their time, it just doesn't happen." Another example pertained to the 99-week company calendar that was posted for all members of the executive team and contained all key company deadlines.

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The deadlines were habitually ignored, which led to otherwise avoidable issues, such as missing shipping dates to customers. Barker was often the one who had to step in to address issues as they arose. “I would assume things were getting done and my team was working together," said Barker, "But then there would be the fire, and the next fire, and the next, and that's what it would take to get things to the finish line. I'd have to wait for the explosion, and then I'd have to go in and clean up the mess."

An important part of facilitating communication among the executive team was to leverage efficient and effective team meetings, an objective of which the executive team often fell short. The executive team met twice weekly: once in a revenue meeting attended by multiple functions at the executive team level and the level below, and once in a check-in meeting attended by the executive team via phone. Although team members did make the effort to attend the check-in meetings, no one set an agenda, so the meetings often ran for an inadequate length of time. For example, some meetings that needed to be two hours were scheduled for one. Important topics were often shortchanged and not given the time necessary to be addressed. As a result, many meetings ended with unresolved issues, but the team did not schedule follow-up meetings to continue the necessary conversations. Therefore, issues remained unresolved until problems or disputes emerged. The executive team also met with Barker twice monthly: once in a business update meeting, and once in an S&OP (Sales and Operations Planning) meeting. Barker noted how participation in team meetings was often unbalanced. As Barker described, “I think at a certain point people just give up the fight. Even if someone has a healthy argument to give in regard to a topic, they anticipate the letdown of the group not being able to come together to solve the problem, so they don’t want to bring it up or engage in the type of active discussion we would want to encourage.” Team members were “scarred” from their past experiences with the team, according to Barker, and they made it clear in their behaviors that there was little trust in the team’s ability to work together. As Barker summarized, "The meeting structure was in place, but communication in those meetings was a joke.”

Finally, conflict resolution was poor. The executive team was adept at debating but inept at resolving conflict and building consensus. Much communication was defensive: executive-team members sometimes brought subordinates to meetings to witness what was said, or copied the general counsel on email communications. Team members also leaned on Barker to step in and mediate disputes. For example, Barker recalled two team members who met with him about a dispute, and each brought with him to the meeting a binder of emails detailing their electronic communications with one another. Barker noted, “God knows how long it took to get those binders put together. They spent more time doing that than actually working on the issue.” The team members' lack of ability to work together to resolve conflicts amongst themselves ultimately cost both the team members and Barker time that could have been spent in more productive ways.

Focus on Management and Leadership

Some perceived the executive team as strategic in its thinking, but several people described its members as overly focused on day-to-day tactical matters, which should have been the province of middle managers. Hennessy shared his perspective:

> A challenge that we have is that we tend to be a very tactical group—and probably not as strategic as we need to be, as the leadership team of an organization that has been growing as fast as we've been growing. Sometimes, being tactical and being on the ground, we lose sight of what the bigger picture should be and could be. What has hurt us is not empowering our mid-management team to be fully responsible for what's going on with the day-to-day of the business, and reporting up to us what that looks like—so that we, as an executive team, can really focus on the next 24 to 36 months and drive the company forward. One of our biggest opportunities as an executive team is to become

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> more strategic. If we try to attack our challenges from a completely tactical perspective, we'll never succeed.

Failure to develop middle managers had other ramifications as well. "Some executive-team members are slow to evolve their departments, as far as upgrading the talent pool of people. I've also been pushing them on their lack of succession planning," observed Steve Myers, an external advisor. "I don't feel that any one of the departments has someone that could step in and take over, and that's leaving Cam and the company very vulnerable." Barker elaborated: "They are all producers. But they lower overall productivity by not letting the people they hired produce for them. Their micromanagement leads to loss of productivity and loss of growth of people in the organization." He added, "They struggle to utilize the leadership tools they have available in the organization to motivate their teams to reach high-achieving results."

Power Dynamics

At times the executive team's structure and distribution of power prevented it from performing as a cohesive group. A manager compared it to other executive teams he had worked with at other firms: "I think that the overall executive team's power structures in other companies are much more balanced. Here, Finance controls the majority of the company, and also the products." One executive asserted that the Finance department should be better integrated with the rest of the business, citing specific shortcomings: "The Finance department provides a lot of feedback on what's wrong but no solutions. Feedback is given to others prior to the people directly responsible for the issue. There are many more questions or steps to something that should be simple to execute. There's a belief that people are not qualified or smart enough or trustworthy." Although Cook was a technically competent CFO and seemingly invested in doing right by Barker, his peers reportedly found him to be difficult and manipulative.

The degree of control wielded by Finance, and lack of trust between it and other departments, often caused processes to stall when they reached the Finance team. "Finance focuses too often on *their* needs, without consideration and support for the entire team," one executive said. "They need to think, 'What can we do to simplify processes, allowing the other departments to work more efficiently and effectively?' Again, it's the silo approach. Due to Finance's control, bottlenecks often occur." In fact, some departments felt so unsupported by Finance that they created new positions and hired their own "shadow finance teams" to meet their needs.

At the other end of the power spectrum, the executive team focused so intently on the Howell business that it sometimes failed to adequately support Switch Activewear, a subcompany that Barker had recently founded in the past year. Switch Activewear, whose business was manufacturing accessories under license to relatively small brands and customization services (applying names, logos, and numbers to apparel), was built to leverage Blake Sports Apparel's infrastructure, including sourcing, sales, billing, and shipping. By design, it was highly dependent on Blake Sports Apparel's support. Switch Activewear's offices, located in Edinburgh, Scotland, employed about ten people; another couple of employees worked in Birmingham at Blake Sports Apparel's headquarters. Because it had little to do with the Howell business, it was routinely perceived as a lesser priority. "Cam has a vision that includes Switch Activewear," Hermida explained. "With the Blake Sports Apparel team [pursuing] a proven Howell model, it is understandable that Switch Activewear is confusing and disruptive. The Switch Activewear team objective is to create an infrastructure that will be successful in this [Blake Sports Apparel's] environment." In a company-wide survey, a Blake Sports Apparel employee commented:

> There's a lot going on in Edinburgh. The Switch Activewear team is trying to learn our process, get up to speed, grow the business, and it seems to be overwhelming for them. The Switch Activewear team is having a hard time planning and executing on their own.

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> It would be more beneficial to focus only on sales [and] business development, and/or get more professional resources to help them take the lead and bring their projects home before starting ten others.

In Barker's opinion, the executive team's slow onboarding of Switch Activewear resulted in four months of lost production and revenue. Processes were not streamlined in a timely manner, and nine months after its founding Switch Activewear still lacked a website and online sales capability.

The Chief Executive Officer

In the course of analyzing the dynamics of the executive team, Barker also had to examine his own leadership. The majority of the team characterized him as a passionate entrepreneur and visionary with both strengths and shortcomings; he was described as inspiring, empowering, and talented, for example, but not as a coach to his team. As a self-identified introvert, he admitted to spending little time engaging socially with colleagues. "I'm not a CEO that needs to be the loudest guy in the room," Barker said. Hennessy described him as "very good at knowing what buttons to push, and when to push them, in order to get that maximum effort out of people without burning them out." Though effective at driving his executive team to perform, Barker sometimes failed to hold people accountable. "As a group, we talk about what needs to be done, and then I back away," he admitted. He was also somewhat disconnected from the day-to-day details of the business, devoting most of his time to strategy and to leveraging external resources, such as professional organizations, to help him think through strategic issues: "I'm not in the weeds. I don't like the weeds," he explained. Barker also expressed a preference for succinct summaries of operational issues, accompanied by suggested solutions: "I like the summaries, with solutions to the summaries, in regards to what we can do, and what we should do." Barker possessed a willingness to surround himself with people with stronger skills in areas where he needed help, but the company lacked a cross-functional internal leader to oversee day-to-day operations.

Barker's detachment from daily operations was a possible factor in the existence of competing priorities at the company. Judith Soule, GM International, observed:

> Sometimes Cam is the one that is causing the chaos in the group, because of all the entrepreneurship and projects he's working on. I think he sometimes puts things on people's desks that are not aligned with the global strategy for how we want to push the Howell business. He could be stricter, to keep us focused on our main priorities and make sure we're not getting sidetracked. That's a difficult one, because in his role as CEO he should push us, I think; but on the other hand he is also the one that puts these side projects on our desks with a deadline of the next 24 hours.

Just as the executive team set an example for their subordinates, Barker set the tone for his team. Often, he readily admitted, he presented himself very casually: "A lot of the time I'm in shorts, a t-shirt, and tennis shoes." The executive team in turn was less than professional in verbal communications with one another.

Working toward Solutions

Barker considered it urgent to address the executive team's challenges. A strong, united team at the top would position the company better to address the challenges and opportunities of the months and years ahead: for instance, in addition to taking on the additional Howell product categories and further integrating Howell and Blake Sports Apparel, Blake Sports Apparel would probably need to expand its ecommerce business, implement better systems and processes, increase innovation, help grow

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Switch Sportswear, and reassess its business model. Barker credited the executive team with many successes, but enumerated the ways that its dysfunctional dynamics hurt performance: “We're missing revenue, missing opportunities, not making quicker decisions, hurting relationships, and hurting communication. We do lots of good things, but the perception is our management team hates each other.” The tone set by the executive team also reverberated, impacting how people at all levels of the company worked together, as well as how the company was perceived by external parties. “The executive-team members look at one another as competition, not as collaborators. They’re setting an example," said Herman. Another employee spelled out the consequences in a company-wide survey: “Executives are not getting along, not dealing with their differences directly, and putting staff in the middle of their fights, which makes the situation very uncomfortable. It negatively affects employee inter- and intra-department morale and otherwise great staff relationships.” The tension between executive-team members also caused some employees to create an allegiance to their respective department head on the executive team, at times refusing to collaborate with other executive-team members, who they viewed as adversaries of their boss and their department.

As he turned the ignition, Barker reminded himself that the executive team was capable of exceptional performance and had supported Blake Sports Apparel through years of sustained growth; its members had been loyal in times of crisis and uncertainty. On the other hand, animosity among team members sometimes impeded performance and eroded morale. Executives even badmouthed each other and reported each other’s mistakes to Barker instead of offering one another support. The executive team itself saw a need for change. Asked to rank their performance as a team, they scored themselves 3.2 on a 1–5 scale (individual scores: 2/2/3/3/3/3.5/4/4/4.5). Some members described the team as average, "passing, but not honors students," or "in the middle"; others scored the team lower for reasons such as “inefficiency due to distractions"; still others assigned the team higher scores because, as one put it, “the company wouldn't be where it was if the team wasn't performing at a relatively high level.” Perhaps tellingly, one executive said he would award the team a 4 or a 5 except for one member who deserved a lower mark.

Although Blake Sports Apparel had experienced aggregated growth of about 28 percent per year over the course of the company’s history, in the current year, they were facing growth only in the high single digits. Several of their brick-and-mortar customers (including major big box retailers such as Sports Authority, Sports Chalet and City Sports) had declared bankruptcy, unable to keep pace with the increasing dominance of online retailers, such as Amazon. In fact, that same year, almost two hundred sporting goods stores declared bankruptcy, signaling a challenges time for the industry and impacting several of Blake Sports Apparel’s key accounts. Barker needed the executive team to operate as seamlessly as possible to rebound the next year back into a growth rate of 20+ percent. Furthermore, Barker needed the executive team to work together to reach his longer-term goals for the company: five hundred million dollars in revenue by five years later, and one billion dollars in revenue by ten years later. Although the company had grown under the leadership of the existing executive team, Barker could not help but wonder how many growth opportunities had been lost due to their inability to work together and align themselves for the benefit of the company. He wondered if and how the existing team would be able to help the company deal with its current challenges and reach its ambitious goals for the future.

Barker summarized his challenge as he was starting to see it: "If I don’t do something, the team is going to crumble. On this particular team, players need to be traded. Is the team going to dissolve, or am I going to control how it dissolves? How am I going to dissolve it in regard to pace, timing, and who is going to move on from the group?" Did the team really need to be dismantled? Was there any way Barker could intervene before the team got to that point? Or was the team already there? How should Barker proceed?

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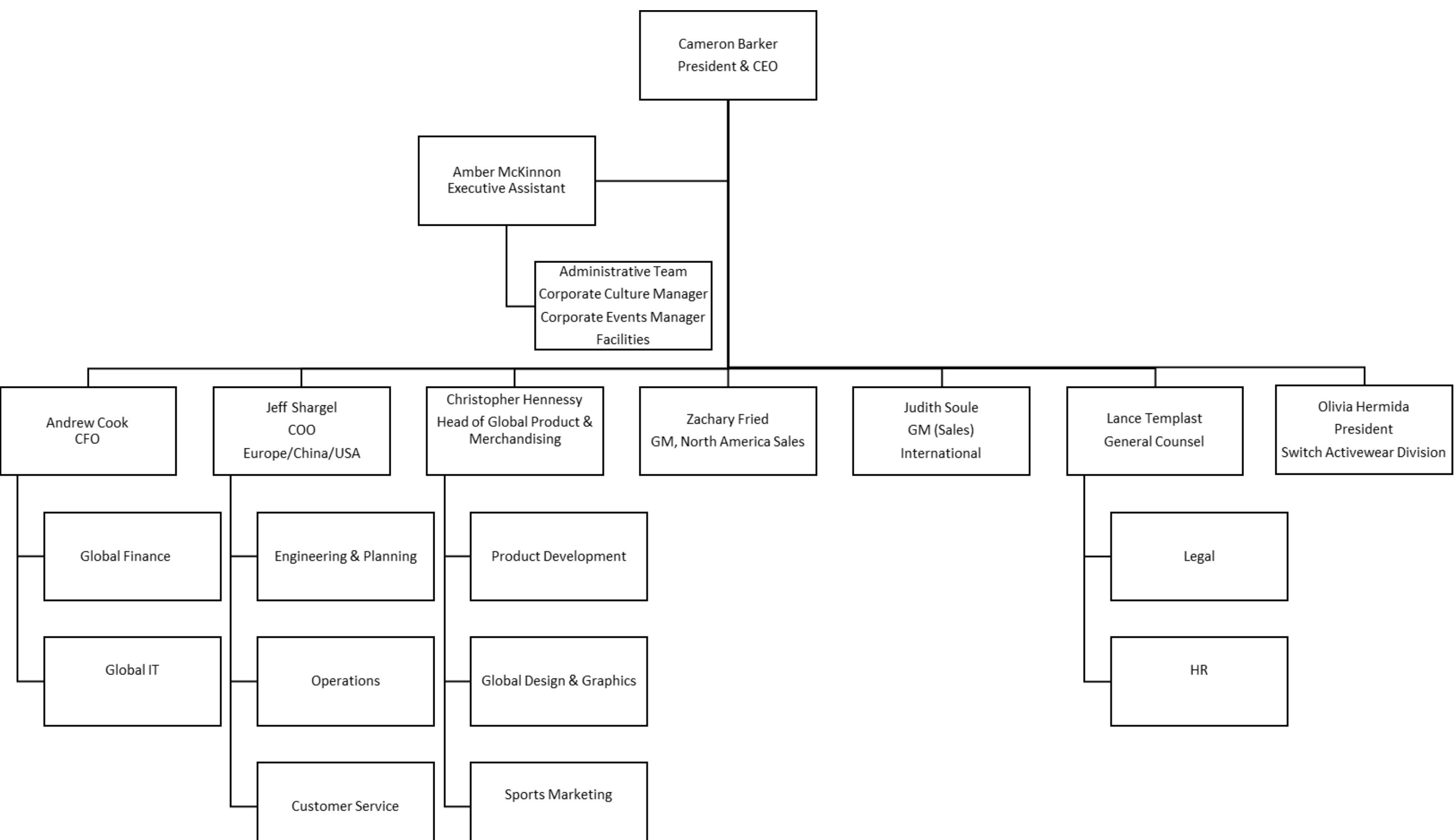
Exhibit 1 Executive Team: Organizational Chart



Source: Company documents.

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Exhibit 2 Executive Team: Biographical Information

Andrew Cook, Chief Financial Officer

Joined nine years ago. Served as controller for approximately six years, and as CFO reporting to Barker for three years. Over twenty years finance and accounting experience. Previously worked in positions ranging from controller to CFO at both public and private companies.

Zachary Fried, GM of North America Sales

Joined Blake Sports Apparel eleven years ago; GM of North America sales reporting to Barker for the past eight years. Twenty-five years sporting-goods industry experience, including at Howell as internal sales representative, territory sales account executive, and strategic account executive.

Christopher Hennessy, Head of Global Product and Merchandising

Joined Blake Sports Apparel nine years ago. Served as director of merchandising and national sales manager. Head of global product and merchandising reporting to Barker for the past five years. Previously held licensing positions at two global organizations and buying positions at leading sporting-goods companies.

Olivia Hermida, President of Switch Activewear

Joined Switch Activewear last year as a direct report to Barker. Located in Edinburgh, Scotland. Over twenty years in the sports-accessories business; previous experience co-licensing brands.

Jeff Shargel, Chief Operating Officer

Joined eleven years ago as a direct report to Barker. Industrial engineer and executive with over twenty years of experience developing, growing, and leading supply chain, logistics operations, manufacturing, engineering and information technology.

Judith Soule, GM International

Joined Blake Sports Apparel four years ago as a direct report to Barker. Located in Munich, Germany. Seventeen years with Howell Europe as merchandising manager, sourcing manager, development manager, sales manager, business-unit director, and merchandising director.

Lance Templast, General Counsel

Joined this year as a direct report to Barker. First general counsel at the company. Over fifteen years of experience in general corporate law, strategic business and commercial contracts, M&A, venture capital, private equity, corporate finance and securities, and provision of counsel to companies with domestic and international operations.

Source: Company documents.

Note: Executives are located in Birmingham, England unless otherwise stated.

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