

ANALYZING A CASE STUDY

The purpose of the case study is to let you apply the concepts you've learned when you analyze the issues facing a specific company. To analyze a case study, therefore, you must examine closely the issues with which the company is confronted. Most often you will need to read the case several times - once to grasp the overall picture of what is happening to the company and then several times more to discover and grasp the specific problems.

Generally, detailed analysis of a case study should include the following contents:

1. Executive Summary (summary of your report)
2. The history, development, and growth of the company over time
- 9 Components 3. Company's mission statement (What the company does and why the company does as it does)
- Future - 4. Company's vision (What did the company want to become) - ~~the~~
5. The identification of the company's internal strengths and weaknesses
6. The nature of the external environment surrounding the company
7. A SWOT analysis
8. The kind of corporate-level strategy pursued by the company - *segments.*
9. The nature of the company's business-level strategy and functional level strategy - *production, marketing,*
10. The company's structure and how they match its strategy
- Ratios ← 11. The evaluation of the company's financial performance (in terms of liquidity and profitability)
12. Your recommendations and conclusions

Good luck and hope to see your best performance

- One page per step.
- For each step separate page.
- Step 3 may take 2 pages...
- Step 4 does not need more than 2-3 sentences.
- 5 will be repeated in step 7.
- * Strength or weaknesses
- 5,6 together in 7
- 10 - who does what.

Norton Lilly International: Implementing Transformational Change in the Shipping Industry

Best time is one week before
After mid-term. March 19

James Burton
Norton Lilly International

At a mid-2010 executive committee meeting, Norton Lilly International's chief financial officer (CFO) and chief operating officer (COO), James (Jim) Burton, introduced the meeting's theme: emphasizing growth. He then shared with the executive committee that the company's top line had grown by only 4 percent since 2006, yet the bottom line had improved by 251 percent since 2007 (2006 had produced a loss). In addition, the company's revenue per full-time employee had increased from \$91,000 in 2007 to nearly \$113,000 by June 2010.

Norton Lilly was an international shipping agency with 37 regional offices that provided services to ships in 70 ports located in North America, the Caribbean, the Pacific, and the Middle East. Typical services provided by Norton Lilly to the operators of oceangoing cargo ships included booking freight for export, clearing inbound cargo with U.S. Customs, fueling vessels, restocking vessels with supplies and provisions, and arranging cargo handling services. The company's dramatic turnaround since 2006 had come about after Burton, a certified public accountant (CPA) and former management consultant with Ernst & Young, Capgemini, and AlixPartners, arrived on scene to transform Norton Lilly's culture and operating practices from those that sprang from an entrepreneurial mind-set to one focused on execution and value added growth.

At the conclusion of the two-day meeting, Burton worried that after more than three years of restructuring, he was still uncertain whether the execution platform was indeed solidly in place. In addition, he was concerned that the company might not be fully prepared to pursue the

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disciplined growth that would allow bottom-line performance to match top-line growth. Also, Burton had lingering concerns from the meeting that the company's culture change was incomplete, that some managers were not sufficiently focused on customer needs, and that the company might have trouble developing new solutions around evolving customer needs. During a short debriefing with Larry Baldwin, Norton Lilly's vice president of human resources, Burton summed up his concerns: "Our key executives and managers are looking for revenue growth. Do you think that our foundation is strong enough to support the addition of new business without eroding operational effectiveness? Is our culture ready for disciplined growth? Do our business unit leaders truly understand our value creating processes? Do we have the right team in place? Just how complete is our transformation?"

COMPANY HISTORY AND OVERVIEW

Norton Lilly International was well-known and respected within the shipping industry; its operations in 2010 included 37 regional offices that provided services to ships in 70 ports located in North America, the Caribbean, the Pacific, and the Middle East. The company's ship services first began in 1841, when John Norton booked a shipment of kerosene aboard a small sailing ship bound for South America. The company's ownership expanded in 1907 to include the Lilly family.

and in 1925 the company expanded internationally with the opening of a Norton Lilly office in Panama. Panama became an important port in the company's growth over the next several decades, with Norton Lilly remaining the market share leader in handling Panama Canal transits in 2010.

The company grew rapidly after the development of cargo containerization in the early 1970s, with its business shifting almost exclusively to providing services to container vessels. The company was acquired in 1999 by two Mobile, Alabama, entrepreneurs, H. W. (Win) Thurber III and John Rutherford Sr. While Rutherford's previous business experience was in insurance and timber management, Thurber had considerable experience in the shipping industry—so much so that he was inducted in the Maritime Hall of Fame in 2005. Under the leadership of Thurber and Rutherford, Norton Lilly expanded into additional international ports during the early 2000s through a combination of acquisitions, joint ventures, and internal development. By 2005, the company provided cargo handling and other services to nearly 22,000 vessels in ports around the world and was the largest privately held shipping agency based in North America.

SETBACKS AT NORTON LILLY

After five years of steady growth, Norton Lilly found itself handicapped by a number of problems in 2006 that led to a \$2.6 million net loss for the year. The series of acquisitions, joint ventures, and internal expansion initiatives led by Thurber and Rutherford had allowed annual revenues to increase to more than \$41 million, but acquisitions outside the company's core business, a failure to effectively integrate acquired shipping agencies, an inadequate attention to operational performance, and too little focus on bottom-line performance had put the company in a rather precarious situation.

Realizing the company was in need of a dramatic turnaround and likely in need of fresh ideas from an outsider, Thurber and Rutherford launched a search for an operations-oriented leader who could restore the company's profitability. In February 2007, the two partners settled

on Jim Burton to take on the roles of CFO and COO and lead the transformation program. During Burton's 25-year career in public accounting and consulting, he had advised such companies as Exxon, Kellogg's, Sprint, Henkel, and Warner Home Video, but his selection as Norton Lilly's CFO and COO was his first major involvement with a privately held business.

In establishing their expectations for Burton, Rutherford and Thurber stated that their desire was to see the development of a sustainable business platform that would be capable of doubling the company's size, while generating an attractive return on investment. A second objective for Burton was to assist with the gradual handoff of the business to a new generation of family members.

NORTON LILLY INTERNATIONAL'S SCOPE OF BUSINESS OPERATIONS IN 2007

When Burton arrived at Norton Lilly International, the company operated three different business units—Liner, Ship Services, and Overseas. The Liner business unit was headed by Steve Haverstock, an industry veteran with more than 30 years' experience who was supported by H. W. (Winchester) Thurber IV, the eldest son of Win Thurber. The younger Thurber was being groomed to one day take over the Liner unit as Rutherford, Win Thurber, and Haverstock stepped aside. Norton Lilly's Liner business unit provided various services to container ships that carried dry cargo in and out of U.S. ports of call. These container ships were sometimes referred to the industry's "bus service" since the oceangoing liners maintained regularly scheduled routes between ports and carried containers of whatever goods had been booked for a particular transportation date.

Norton Lilly's Liner business unit customers were typically foreign-based companies with established ocean trade routes to and from the United States that chose not to set up their own administrative offices within the United States. It was frequently less expensive for foreign shipping firms to outsource support services to a

shipping agent. Services performed by Norton Lilly for its outbound liner customers included booking freight, preparing and transmitting bills of lading, and completing shipping manifests for outgoing vessels. Norton Lilly also provided services for inbound ships such as notifying U.S. Customs and consignees of an impending cargo arrival, collecting freight charges from consignees, and clearing all cargo with U.S. Customs before its release from the port. Finally, Norton Lilly arranged truck and/or rail services to move cargo inland.

Norton Lilly's Ship Services business unit was headed by Flemming Buhl, an industry veteran who had more than 20 years' experience and was backed by John Wade Thurber, the youngest son of Win Thurber. Like his older brother, John Wade Thurber was learning at the side of an experienced industry veteran and was expected to one day assume control of the business unit. While the Liner business unit was known as a "bus service," the Ship Services unit was referred to as a "taxi service." Customers of Norton Lilly's Ship Services unit operated car carriers, tankers, and bulk cargo vessels that scheduled shipments to and from U.S. ports based on demand rather than a defined timetable. Therefore, operators of such vessels were on call to pick up shipments of goods when requested and deliver the goods to whatever port the shipper desired. Typical ship services offered by Norton Lilly included fueling vessels, providing crew transport to and from vessels, arranging crew medical services, restocking vessels with supplies and provisions, handling cargo, and arranging tugs to navigate vessels in and out of port. The main difference in the services provided by the Liner and Ship Services divisions was that the Liner unit focused on the cargo whereas the Ship Services unit focused more on the vessel.

The company's Overseas division was managed by Dwain Denniston, another industry veteran with more than 30 years' experience. The Overseas division offered both liner and ship services to vessels entering and departing ports serviced by Norton Lilly that were outside the United States. Norton Lilly's Overseas division operated offices in ports throughout the Caribbean, including Panama, Trinidad, Puerto Rico, and Mexico. The Overseas division also operated offices in ports located in the Middle East,

including ports in Dubai, United Arab Emirates; Amman, Jordan; and Umm Qasr, Basra, and Baghdad, Iraq.

PHASE 1 OF THE TURNAROUND: BUILDING THE FOUNDATION

Understanding his mandate and the company's recent performance, Jim Burton set about analyzing the business with an emphasis on quick wins that would contribute to developing the long-term "execution" foundation. As an industry outsider and former consultant, Burton knew he was dealing with seasoned industry veterans, each with deeply held beliefs and paradigms about the business—how it had been and should be run. In an effort to build confidence and gain acceptance among his senior peers, Burton knew he had to introduce ideas the group would be willing to accept and build on. It had to be an incremental approach.

With encouragement and support of the owners, Burton first formed an executive committee of nine, including the five business unit executives; the two owners, Win Thurber and John Rutherford; the chief administrative officer, Sumner Adams (the son-in-law of John Rutherford), who had joined the company in 2006 after having worked a number of years at a marine terminal; and himself. The objective in forming an executive committee was to begin decentralizing the decision-making process away from the two owners. While they would be members of the committee, the owners would not actively participate in committee sessions, but would instead attend summary reviews, at the conclusion of each meeting, to provide counsel and advice.

Burton knew if he was to transform the company and build the sustainable growth platform the owners wanted, it would be through the executive committee. In consultation with the owners, it was understood that bold action was needed, given the company's 2006 performance; however, long-term success would best be achieved through logical, step-change fundamentals wherein results could be both visible and tangible. As the committee

saw improved results, their confidence in the approach would grow and help ensure their continued buy-in to even newer ways of running the business.

Identifying and Understanding Value-Creating Processes

Rather than rapidly changing the company's strategy, Burton focused on its execution and on helping Norton Lilly's executives understand the key processes that enabled good strategy execution and value creation. Burton explained, "We followed the executive committee formation by introducing process mapping, in hopes of helping everyone understand exactly how we delivered our services." Upon arrival, one of the things Burton first heard among employees at all levels was "Well, we've always done it this way." He continued to explain, "The challenge was to instill a mind-set that would allow for a critical examination of how the work was being done and developing better ways of working in the future." This change in mind-set would act as the foundation for a culture of operational discipline and continuous improvement.

Burton first launched process mapping in the Liner group, which operated in eight different U.S. offices. At the time, the Liner division offered a fragmented mix of services across its eight locations, with each location performing some activities more effectively than other locations and all locations failing to provide adequate service in some regard. The intended end-to-end service delivery model—from bill of lading preparation, cargo release, to freight collections—was not coordinated and consisted of nonstandard processes, leading to rework and, more important, financial penalties within the context of existing contracts.

By late 2007, mapping the key processes involved in delivering each type of service had helped management and key employees understand the underlying causes of service failures and begin to close performance gaps. In addition, management and employee understanding of processes led to improved process standardization, ended administrative procedures that duplicated work, improved customer satisfaction, and reduced fines and penalties from \$325,000 to \$283,000, by December 2007. (Fines and

penalties had been reduced to \$28,000 by 2010.) The success of process mapping in the Liner business unit created buy-in among executive committee members and helped Burton move the company toward the concept of continuous improvement.

Another early-2007 foundation-building step involved clarifying accountability, as it was unclear who was accountable for what. Burton recalled, "Everyone was accountable, yet no one really was." Using the results from process mapping, Burton identified operating-level objectives for each process; he called those objectives key performance indicators (KPIs). By the end of 2007, Burton had assigned responsibility for achieving KPI goals to individual managers and supervisors overseeing specific value-creating processes within the Liner division.

Implementing a Balanced Scorecard Performance Measurement System

Accompanying the KPI rollout was a balanced scorecard, which further focused managerial employees' attention on the performance of value-creating processes. Metrics included in the balanced scorecard system used at Norton Lilly included process KPIs, customer satisfaction, and financial performance. In terms of integrating customer satisfaction as a performance metric for the first time at Norton Lilly, Burton commented, "I remember asking one of our guys 'How do you know you're meeting customer expectations?' He said, 'If we're not, they'll tell me.' Well, that seemed a little too open-ended. The company needed a more consistent discipline (process mapping) for defining what we did [and] how we did it, and a proactive approach for engaging the customer to ensure what and how we did things aligned with the contract and their expectations of us."

In late 2007, Norton Lilly's balanced scorecard system was expanded to include a "dashboard" of performance indicators that could provide a quick overview of operational and financial performance at the business unit level. The dashboard indicators were first established for the Liner business. The initial dashboards contained a fairly limited collection of KPIs, such as revenue compared to budget, expense groupings

compared to budget, capital expenditures compared to budget, and Top 10 customer profitability. Top 10 customer profitability listed the 10 most profitable customer accounts at any given time. The addition of KPIs to Norton Lilly's process mapping better enabled each business unit leader to understand cause-and-effect relationships between day-to-day activities and operating and financial performance.

By the end of 2007, Norton Lilly's business unit leaders were holding monthly meetings to review KPI status and propose corrective actions to resolve differences between expectations and actual performance. In late 2007, John Wade Thurber stated, "When these dashboards and KPIs were first introduced, I admit, I was skeptical. I didn't see how they would add value. Now, having worked with them and having seen them assist in our improved performance, I now see the dashboard as one of the most, if not the most, important management tools at my disposal."

Resource Allocation Policies

Other foundation-building actions undertaken in 2007 included the initiation of various policy changes. One such policy change involved the company's capital outlay policy, which was the first new policy established by the executive committee and required that all projects or investments be considered only after satisfactory due diligence had been performed and proposals evaluated by the executive committee. All project or investment funding would be granted only if solid evidence had been presented demonstrating the projected financial value. For non-project-related expenditures, an authorization for expenditure (AFE) system was implemented to ensure that each business unit leader saw and signed off all capital expenditure requests and understood the impact of the expenditure on the KPI targets.

The capital outlay policy came about after Burton discovered that the company had previously launched into a number of ventures without much success. In probing how those decisions came about, he found that no formalized due diligence existed. For example, Norton Lilly made a decision to buy into a warehouse in

Long Beach, California. While warehousing was a logical extension of the company's business model, the company had no expertise in the area. Moreover, no single executive owned the business, the company overpaid for the warehouse, and within 18 months it had lost over \$1 million operating the warehouse. Implementing the capital outlay policy created a formal process for evaluating proposed projects or investments greater than \$10,000. The policy called for a nine-step due diligence process, thereby ensuring consistency in proposals coming before the executive committee. The nine steps were as follows:

1. Description of the opportunity.
2. Description of how the opportunity fit with Norton Lilly International's objectives.
3. Assessment of the competitive threats.
4. Assessment of the competitive landscape.
5. How success would be ensured.
6. Proposed exit strategy.
7. Business case.
8. Financial pro forma.
9. List of major assumptions and risks.

The capital outlay policy would ensure that decisions to enter into any business venture would be fully vetted, based on facts, not opinions. As Flemming Buhl stated after signing off on the capital outlay policy, "I guess this means we all must do our homework, together."

Building Managerial Talent

Throughout 2007, Norton Lilly focused on another important foundation-building element—management development. Burton introduced a leadership development program that matched a person's profile to a job. The program was based on the fundamental premise that managerial employees could be classified into one of four basic profiles: strategist, project director, networker (i.e., account manager), or external qualifier (i.e., salesperson). An individual's profile was determined by how the person responded on a survey containing items related to dominance (the need to be in charge); influencing (introvert versus extrovert); steadiness (ability to multitask versus working in linear fashion); compliance (ability to comply with rules versus being a rebel); motivators

(e.g., knowledge, status, or money); and cognitive style. The results of the survey determined a person's profile and suggested how he or she might fit or perform within the context of a given job. For example, a project director who was highly focused on "how" might not fare well within a sales job.

After being tested and profiled, the 20 highest-ranking employees at Norton Lilly entered into workshops directed at helping members of the management team interpret each profile and respect and deal effectively with differing profiles. The process aided basic understanding of the strengths of each executive committee member and ensured better communication within the committee. By late 2007, the prior approach of assigning a friend or former colleague to a given role had been replaced by recruitment based on the managerial profiles.

PHASE II OF THE TURNAROUND: REINFORCING THE FOUNDATION

The efforts undertaken during Phase I of Norton Lilly's turnaround had produced a profitable fiscal 2007, which was the company's first profitable year since 2003. The annual net profit provided Jim Burton with the momentum to continue to push the turnaround forward and build on his early execution-related successes. During 2008, the company extended process mapping across other business units, including administrative and accounting units. In addition, information gathered from process maps helped Norton Lilly's management determine break-even pricing and proper staffing levels for various-sized cargo ships.

Improving Information Used for Decision Making

Dashboards were also expanded to all of Norton Lilly's business units—Liner, Ship Services, and Overseas—as well as the addition of financial measures such as cash flow and accounts receivable KPIs. The inclusion of financial KPIs on

management dashboards helped the percentage of accounts more than 60 days past due in the Liner business unit decline from 7 percent in December 2008 to less than 1 percent in June 2010.

In early 2008, Sumner Adams assumed the treasurer role and became the process owner for all collection and cash management functions. Using his process maps, Sumner examined the disbursement accounts (essentially customer billings for services rendered) and collection processes and established a service-based cash conversion cycle KPI. Adams's philosophy behind developing the cash conversion KPIs was "The faster we invoice, the faster we collect, therefore improving our cash and liquidity positions." The baseline cash conversion cycle was 24 days in late 2008. By May 2010, the cash conversion KPI was 16 days and tracking toward a stated goal of 15 days. The company's current ratio improved from 0.88:1 to 1.51:1 over the same period.

Changing Financial Performance Expectations

Burton initiated another policy change in 2008, although less a stated policy than a mind-set. The concept of value creation was introduced at an executive committee meeting in late 2007 and became the basis for all 2008 budgeting. As part of the 2008 budget process, Burton determined Norton Lilly's internal cost of capital and established it as the proxy for value creation. Before this point, the collective view at Norton Lilly was that any positive budget or set of results was a good thing. In fact, the 2007 budget called for the company to make \$163,000 on \$41 million in revenue. At the time, Win Thurber stated, "If you can assure me we can make this, I'll call it a year right now."

The concept of earning a fair rate of return based on assumed risk didn't exist at Norton Lilly, so, as part of the 2008 budgeting exercise, each business unit leader was given a margin target. As the behavioral shift toward value creation and away from budget negotiation began to take hold, each business unit was given greater decision autonomy, but with clear accountability to achieve its assigned margin targets.

A New Approach to Forecasting Financial Performance

Norton Lilly examined its relative performance against budget and found that the company missed its budgeted performance in 2007 and 2008 by 90 percent and 63 percent, respectively. Because of general economic uncertainty that could not be fully factored into a static budget, the company decided to adopt a 12-month rolling forecast. This would (1) provide continual refreshing of the assumptions underlying the forecast and (2) provide the company a continual look at its next 12 months, regardless of how many months were left in the calendar year. The move to rolling forecasts helped managers improve forecasting accuracy to the extent that the company missed its financial projections by only 9 percent in 2009 and was on track to achieve 94 percent of projected financial performance in 2010.

THE STATE OF THE TURNAROUND GOING INTO 2011

By the close of 2009, Norton Lilly International had seen steady improvement in its performance. Despite the general decline in the industry, 2009 proved to be the company's most profitable year, and 2010 showed signs of being even better. The company was on track in 2010 to generate revenues of about \$45.7 million (up 4 percent over 2006) and net income of \$3.3 million (up 251 percent over 2007). Exhibit 1 presents Norton Lilly International's income statements for 2006 through 2009. The company's balance sheets for 2008 and 2009 are presented in Exhibit 2. Its financial projections for 2010 are presented in Exhibit 3.

Exhibit 1 Norton Lilly International's Consolidated Statements of Income, 2006–2009 (\$ thousands)

	2009	2008	2007	2006
Revenues	\$44,680	\$53,576	\$55,692	\$43,902
Cost of revenues	2,684	2,761	2,755	2,740
Gross profit	41,996	50,815	52,937	41,161
Expenses				
General and administrative expenses	37,435	46,383	49,042	40,659
Depreciation and amortization	704	797	827	858
Total expenses	38,139	47,180	49,869	41,516
Operating income (loss)	3,858	3,635	3,068	(355)
Other income and expenses				
Interest and dividend income	120	162	203	205
Loss on disposal of assets and investments	(49)	(261)	(347)	(68)
Foreign currency transaction gain (loss)	0	(1)	(1)	2
Investment income (loss)	210	383	(412)	(776)
Interest expense	(494)	(541)	(758)	(585)
Total other income and expenses	(212)	(259)	(1,315)	(1,223)
Net income (loss) before income taxes and controlling interests	3,645	3,376	1,753	-1,577
Provision of income taxes	514	560	501	564
Net income (loss) before noncontrolling interests	3,131	2,816	1,252	(2,141)
Noncontrolling interests in subsidiaries earnings	(102)	(185)	(313)	(459)
Net income (loss)	\$ 3,030	\$ 2,631	\$ 939	(\$ 2,600)

Source: Norton Lilly International.

**Exhibit 2 Norton Lilly International's
Consolidated Balance
Sheets, 2008–2009
(\$ thousands)**

Assets	2009	2008
Current assets		
Cash	\$ 549	\$ 1,407
Time deposit pledges	1,758	1,130
Accounts receivable	9,929	11,438
Notes receivable	0	2
Other nontrade receivables	0	203
Deferred tax assets	18	18
Prepaid income taxes	314	34
Prepaid expenses	765	903
Total current assets	13,334	15,135
Property and equipment (net)	1,340	1,835
Intangible assets (net)	9,095	8,767
Deferred tax assets	245	418
Loans to stockholders	663	599
Other assets	1,434	1,038
Total assets	\$26,112	\$27,792

Liabilities and Stockholders' Equity

Current liabilities		
Bank overdraft	\$ 392	\$ 5
Accounts payable	8,699	8,046
Current portion of long-term debt	4,415	215
Current portion of capital lease obligations	78	173
Due to principals	13,377	21,793
Accrued expenses	1,669	3,005
Deferred income taxes	71	38
Deferred revenues	70	60
Seniority premium	188	179
Income taxes payable	72	182
Total current liabilities	29,031	33,694
Long-term debt (net)	1,577	1,582
Capital lease obligations (net)	10	88
Deferred income taxes	956	939
Noncontrolling interests	76	73
Stockholders equity (deficit)	(5,538)	(8,585)
Total liabilities and stockholders equity	\$26,112	\$27,792

Source: Norton Lilly International.

**Exhibit 3 Norton Lilly International's
Projected Consolidated
Statement of Income, 2010
(\$ thousands)***

	2010
Revenues	\$47,845
Operating and general expenses	40,103
Contribution margin	7,743
Depreciation and amortization	(496)
Interest income/expense (net)	(982)
Noncontrolling interest earnings (losses)	407
Total other income (expenses)	(1,071)
Operating income	6,672
Provision for taxes	(351)
Net income (loss)	\$ 6,320

*Projection is 8 months actual plus 4-month forecast.
Source: Norton Lilly International.

The overall improvement in Norton Lilly's financial performance could largely be traced to the foundation that was begun in 2007, consisting of the following:

- Continuous improvement had become an accepted discipline throughout the company.
- Accountability for achieving KPIs assigned to a unit had become mainstream.
- Dashboards were included in the monthly financial summary package, which was distributed to each executive committee member.
- Value creation and use of a 12-month rolling forecast had also become mainstream. The budget process had been eliminated, and decision making had been decentralized to business unit leaders, with full decision authority but also with accountability for achieving margin and growth targets.
- The use of management development based on the proper matching of people to jobs.
- Policies had been clarified and/or created that ensured decision-making rigor. In addition, resources allocation policies helped ensure that resources would be committed to opportunities that were best in line with the company's strategic priorities.

Despite this foundation, Jim Burton told the company's vice president of human resources,

Larry Baldwin, that he still had concern about the company's ability to execute its strategy with the highest level of proficiency. The company's compensation system had yet to be retooled to closely link rewards for employees at all levels to organizational KPIs, and there were questions about to what extent the culture change had been fully ingrained in the managerial mind-set. During the conversation, Baldwin had noted a deeply entrenched philosophy of managers "knowing only one way to grow—sell, sell, sell. They now

need to understand the tools of growth beyond simple expansion. Someone will need to provide that creativity and leadership." The challenge going forward was to find ways of improving growth while maintaining the discipline to produce improved bottom-line results. Burton knew that revenue growth would be a high priority for Norton Lilly International's executive committee members in 2011 since projected revenues for 2010 still remained considerably below the company's peak revenues of nearly \$53 million in 2007.