



Special Report

Licensed To Turnaround

Lisa DiCarlo, 04.27.05, 3:00 PM ET

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** (nyse: [TYC - news - people](#)), Enron and **HealthSouth** (otc: [HLSH - news - people](#)), were plagued by scandal and needed a new identity, while others, like **Hewlett-Packard** (nyse: [HPQ - news - people](#)), 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 ([see the slide show of five turnaround artists](#)). So why bother?

"It's another thing you consider when you're [assessing] someone's credibility, but being a CTP is not the only thing that sells me," says **Lisa Poulen**, a CTP and ACTP member. She works for the Palladium Partners division of **FTI Consulting** (nyse: [FCN - news - people](#)), a Dallas-based firm that, among other tasks, helps turn around companies.

FTI, like other firms such as **Glass Consulting** and **Alex Partners**, "rents" its experts to companies that need help with a wide range of legal, compliance, financial or other business-critical issues. These are "fix-it" people, but 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. So the ACTP is in the process of loosening requirements to spark interest and growth in the number of CTPs. The goal is to more than double its ranks to 750 by 2008.

Among the changes: Business veterans would be exempt from taking the three-part CTP exam, eligibility requirements would be broadened and a CTP-D certification would be developed for young people who pass the exams but lack experience. But three successful turnarounds are not required for CTP-D accreditation.

"These initiatives are necessary for the future viability and relevancy of the certification program in today's business environment," ACTP Chairman **Peter L. Tourtellot** wrote in a recent letter to CTP members.

Whether the new requirements create more CTPs remains to be seen, but it's interesting to note the emergence of corporate renewal as an industry over the last several years.

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. "People join to get business," Poulen says.

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.

"We have pretty big egos," says Poulen. "You have to, to do this kind of work."

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