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Ex-Orioles exec Foss tries a different kind of turnaround

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Joe Foss knows how tough running a business can be.

A former banker, Foss, 61, ran the business side of Peter Angelos' Baltimore Orioles from 1993 to 2007. In his 14-year tenure, Foss faced a players' strike that scuttled the 1994 season, an incursion into O's turf by the rival Washington Nationals and a prolonged attendance slump as the Orioles endured season after losing season.

Now, the veteran business executive is using the lessons he learned with the Orioles, and as chief administrative officer for Erickson Retirement Communities from 2007 to 2009, to help struggling companies engineer a turnaround.

Earlier this month, Foss launched SC&H Transition Advisors, which is part of SC&H Group, the Sparks accounting and management consulting firm.

His target market is midsize companies in the mid-Atlantic with \$25 million to \$150 million in revenue. The new practice will offer a variety of services for clients including help with cutting expenses, restructuring debt and improving cash flow. Foss will serve as a company's interim CEO, if necessary.

There are lots of people whose business card reads "turnaround specialist." The Turnaround Management Association, the industry's trade group, has 9,600 members.

But Foss said his years in the executive suite — he was also CEO of \$5 billion First American Bank in Washington, D.C., which was sold to First Union — will set SC&H's practice apart from its competitors. Foss' fellow managing director, Mark Moderacki, was president of Oles Envelope Co. in Baltimore.

"We've walked the walk that many of these companies are having to walk," Foss said.

Turnaround specialists provide the outsiders' perspective a company needs to foster change, said Martin Katz, founder and president of Executive Sounding Board Associates Inc., a management and



Mark Moderacki and Joe Foss are leading SC&H Transition Advisors.

financial consulting firm that advises clients on turnarounds.

"We can stand back and take a fresh objective look and say 'You need to change A, B or C,'" said Katz, whose firm has offices in Baltimore and three other cities.

Katz said being honest about a company's prospects can take a lot of tact when dealing with a family-owned company.

"It's a challenge if you have to tell a father his son can't run the business," Katz said. "You have to do it with a lot of savoir faire."

Expectations for SC&H's practice are high.

Michael Young, the director in charge of audit, tax and advisory services at SC&H, said the firm expects Foss' unit to bring in \$2 million to \$3 million a year in revenue within two years.

With a brutal economy forcing companies to trim expenses and find other ways to succeed, "the timing couldn't be better," Young said.

Lisa Poulin, president of the Turnaround

Management Association and a managing partner at CRG Partners in Bethesda, said overseas growth in countries such as the United Kingdom, Japan, Brazil and Germany is fueling much of the industry's expansion.

Engineering a company's turnaround can be "an intense event," because it often means a company is facing serious problems, Poulin said.

The company might be restructuring as part of a Chapter 11 bankruptcy filing, or it might be facing a crippling cash flow crunch.

But it also provides an insider's look under the hood of companies in many different industries.

"It's fascinating to understand an industry, and a business, and see what makes it tick," Poulin said.

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