You need backbone, straightforwardness, and a certain degree of independence

Detlef Fleischer: Welcome to our Panel. We, Dr. Stefan Gros and I, welcome you to our exchange of ideas at the restructuring conference. Over the next 45 minutes, we want to talk about successful restructuring processes from the perspective of a CRO. Dr. Gros, I would like to start with the question of how the restructuring business has changed over the last 30 years that you have been working in this field.

Dr. Stefan Gros: As you already said, I have been in business for over 30 years now. During this time, I have managed around 20 companies at C-level. What has changed? Essentially, we are increasingly dealing with a generational change. I still remember a number of situations where there was a patriarch at the head of the family business. More than once, I was greeted with the words, "Hello, young man! Tell me what you think." In this situation, you quickly realize that he – and to this day, it's mostly men! – is the one who literally makes all the decisions. Everyone in the company is focused on him.

Fleischer: Are those days over now?

Dr. Gros: This generation and this type of entrepreneur are almost non-existent today, with a few exceptions. A lot has also changed in the financing landscape. Today, for example, there are private equity and debt investors. And we are now faced with the fact that, for regulatory reasons, banks no longer deliver as they used to. As a result, many restructuring cases no longer receive unrestricted support from their house banks. Essentially, despite a few changes, it is always a matter of gaining or regaining trust in a crisis of confidence. It is about convincing the workforce and management to go along with the restructuring process. If you like, you also have to win their hearts.

Fleischer: A lot has changed in insolvency and restructuring law has changed a lot in recent decades. In particular, new instruments have come into play. Does that make the transformation business easier today?

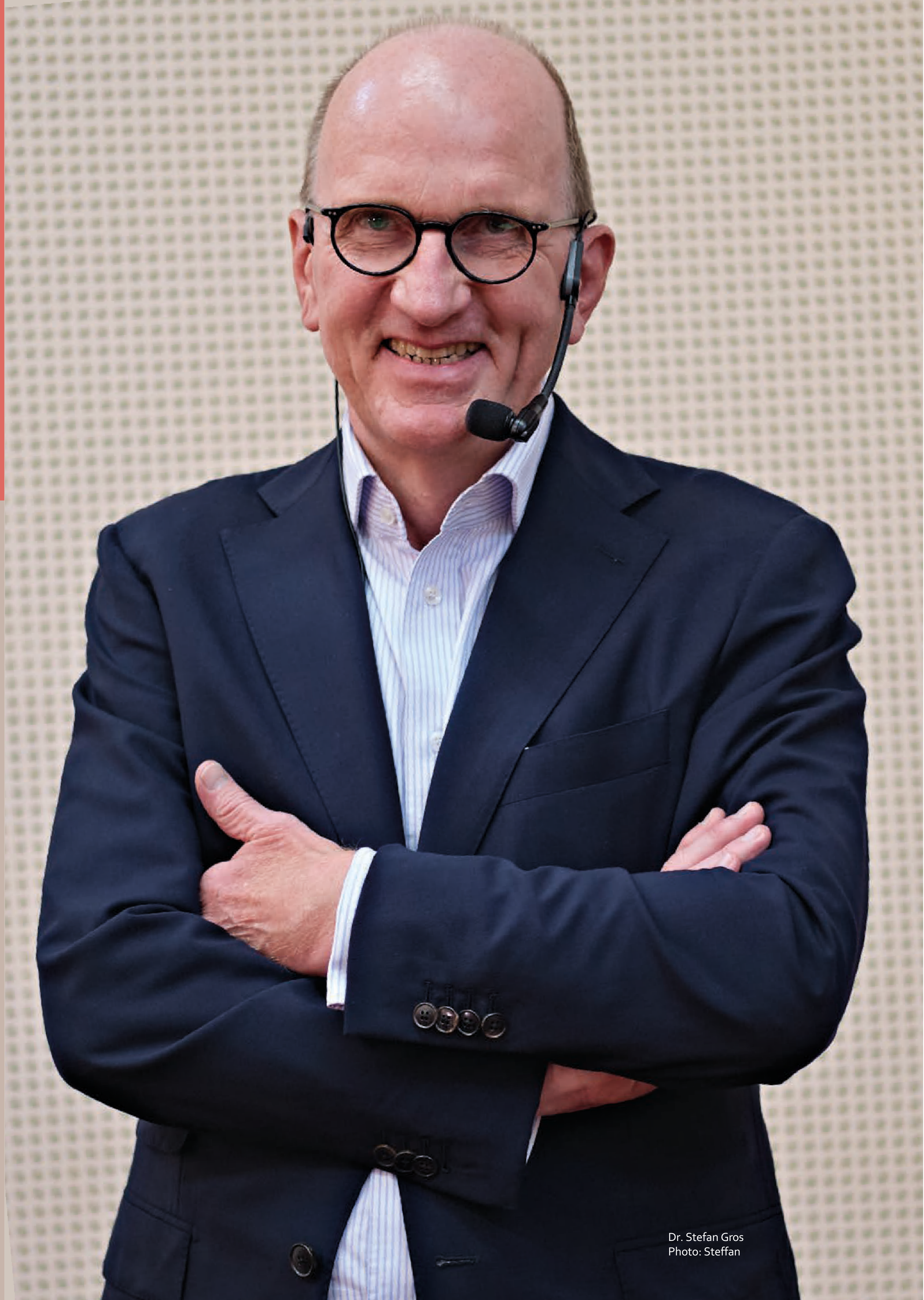
Dr. Gros: In my early years, the instrument Insolvency and restructuring law was significantly less complex. Looking back, however, insolvency administrators were also somewhat more relaxed in their dealings with CFOs and CROs. The issue of liability was also much less tense. The same applies to actions to set aside transactions. So if you ask me to what extent things were more relaxed in the past, the answer is "yes!" From today's perspective, individual cases in the past were extremely dangerous in terms of the CRO's potential liability.

Fleischer: To what extent has it happened to you that you have joined a company and got the impression that you had been misled in advance with regard to the status quo?

Dr. Gros: There have been cases like that. Then I had to pull the ripcord very quickly.

Fleischer: What did that mean specifically?

Dr. Gros: You have to act extremely quickly to ensure openness and transparency. And when in doubt, you have to



Dr. Stefan Gros
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bring in other experts who, for example, can assess the criminal check the legal side. That's been my experience. Ultimately, in these cases, you also have to consider the extent to which the unvarnished reality of the situation could unfold. And when in doubt, the only option is to resign from the mandate. Thankfully, I've never been in that situation. But of course, there have been and still are often inconsistencies in accounting. In most cases, this is not done with malicious intent. Those responsible often simply do not want to admit that various decisions were not made or were made too late. It is then my job to ensure transparency very quickly. At the same time, I have to make it clear to those responsible that, despite the mistakes of the past, we have to look ahead.

Fleischer: We are conducting this interview in the lecture hall of Heidelberg University of Applied Sciences. What important advice do you have for young professionals?

Dr. Gros: To fulfill the tasks and duties of a CRO
In order to fulfill the role of CRO or CFO, in addition to the experience gained over time, one needs, above all, backbone, straightforwardness, and a certain degree of independence.

Fleischer: There is a lot of talk about the time factor.

Dr. Gros: A very important aspect of our consulting work. In this context, I like to use the example of a visit to the doctor. The earlier you consult a doctor, the better. Applied to the situation of a struggling company, this means: What stage are you at?

Are we still talking about a strategic crisis, or are we now Are we already in a prolonged earnings crisis or even a liquidity crisis? The crucial question is: How much time do I have? To return to the metaphor of visiting the doctor: When in doubt, you have to "cut" quickly, i.e., make tough decisions. For example, cut off loss-making areas, liquidate if in doubt, or even file for bankruptcy if necessary. In these cases, you quickly become the scapegoat. But that's what restructuring consultants are paid for.

Fleischer: How quickly do the first and subsequent decisive changes be made?

Dr. Gros: After three months, it must be clear where the Journey goes. As CRO or CFO, I need to have a clear compass for this. As a rule, the measures office should be in place after three months. Overall, I am on a mandate for between 12 and 24 months.

Fleischer: Inwieweit ist es für den Erfolg eines CRO bzw. CFO wichtig, dass sie gute „Geschichtenerzähler" – gegenüber den Banken, Lieferanten und Mitarbeitenden – sind? Nicht zu verwechseln mit einem Märchenerzähler …

Dr. Gros: I always strive to tell good and, above all, and comprehensible stories. Due to the complexity of many processes, it is important that the story has a common thread. And, of course, the wording plays a role depending on whether I am talking to a banker or a works council member, for example. Basically, it is important to have a "story" that everyone can relate to in their efforts to save the company.

The role of the storyteller is a very important task for a CRO and CFO! They must tell the story, they must communicate, and in doing so, they must orchestrate everyone as much as possible so that they are all working toward a common goal.

Fleischer: Choosing the right wording – the right language – is often underestimated, isn't it?

Dr. Gros: It's always a big challenge.
From my perspective, it helps to have a lot of experience and the necessary empathy.

Fleischer: There is currently a lot of talk in the industry about The North Star that should be followed.

Dr. Gros: To be successful, you need a clear
A compass and clear guidelines—the North Star. Once you have set a course, you have to stick to it, even in the face of resistance! My job is to use this compass or guiding principle to clarify where the journey should take us. Specifically, this means communicating the short-, medium-, and long-term goals of the restructuring process. If this is not clear and not properly worked out, there is often a problem within and with the workforce.

Fleischer: Speaking of mission statements. In traditional family businesses, where you travel a lot, traditional mission statements still play an important role today, don't they?

Dr. Gros: That's right. The challenge often lies then often lies in examining the extent to which the ideal – perhaps developed many decades ago – fits in with the present day and whether it can be reconciled with the existential challenges we face. Perhaps the mission statement needs to be adapted, changed, or replaced with something new.

It is important that a mission statement must be put into practice. That's why I'm developing it not only "top-down" but also "bottom-up." After all, the workforce knows the company much better than I do. They know where management has been telling fairy tales and where not. Town halls are a good tool for discussing and communicating a new mission statement. Depending on the size of the company, they can be held digitally or in person. My job is to orchestrate this dynamic process and provide important impetus. In this process, employees sometimes surpass themselves.

Others, and this is also true, are paralyzed and mentally check out.

Fleischer: Some cuts hurt, and you don't popularity contest, right?

Dr. Gros: You can't be liked by everyone and, after all, it's not about winning a beauty contest. It's already a great achievement if a restructuring expert is remembered positively by the workforce. I experienced such a situation just a few weeks ago at a major automotive supplier. The new chairman of the supervisory board asked me for support, partly because I was still remembered positively after nine years.

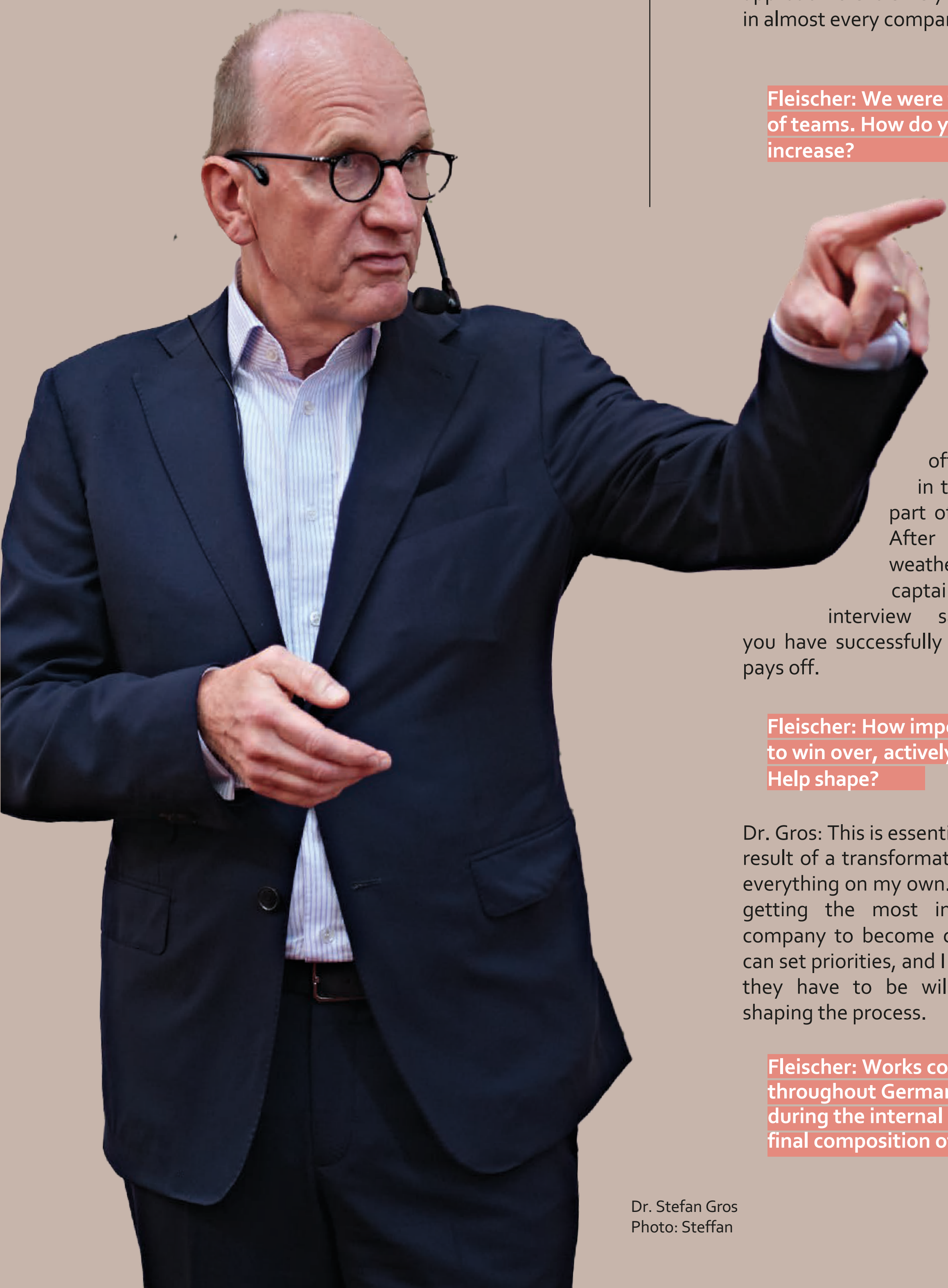
Fleischer: Can lone wolves be successful, or does team performance ultimately decide the outcome, as in a hospital operating room?

Dr. Gros: My primary task is to form a team from the people who are in the company. That is how I generate value.

Dr. Stefan Gros
Photo: Steffan

However, it is necessary to act relatively quickly and withIt is essential to be able to identify who is enthusiastic, who is interested, who wants to grow, and who sees themselves as part of a team. Furthermore, it is also extremely important to have colleagues with whom you can form your own curated teams. The subtle difference is as follows: it is about experience and professionalism, not about "young researchers."

Fleischer: How often have you encountered resistance in your everyday working life? True to the motto "Hammer immer esu jemaat." In standard German: "We've always done it this way." Please forgive a Rhinelander like me ...



Dr. Stefan Gros
Photo: Steffan

Dr. Gros: [laughs] – Yes, there is! These followers and I know representatives of the "Rhenish Basic Law." They then come to me with Article 3: "Et hätt noch emmer joot jejange" (It's always worked out fine). My job is then simply to convince them that I also know Article 5: "Et bliev nix wie et wor" (Nothing stays the same).

Fleischer: What experience have you had with introducing a Transformation Management Office (TMO)?

Dr. Gros: This has become a standard tool for me.
The core consists of bundling and reducing all measures and then creating effectiveness. This approach is extremely important and is currently used in almost every company, regardless of its size.

Fleischer: We were talking earlier about education of teams. How do you succeed in finding allies in increase?

Dr. Gros: To do that, you have to Be authentic. And communicate openly and transparently. And you have to try everything you can to keep these people "on board." So far, I've always managed to find allies.
In my opinion, this always pays off for those who stay. Either in the original company or later as part of a new professional challenge. After all, there are plenty of "fair-weather captains." captains." But if you can say in a job interview sagen that you have successfully helped to overcome a crisis, it pays off.

Fleischer: How important is it to train employees to win over, actively engage in the transformation Help shape?

Dr. Gros: This is essential for the Er-
result of a transformation process. After all, I can't do everything on my own. That's why I have to succeed in getting the most important key players in the company to become co-creators. I can orchestrate, I can set priorities, and I can support the employees. But they have to be willing to actively participate in shaping the process.

Fleischer: Works council elections will be held throughout Germany next year. The period during the internal election campaigns and the final composition of the new works council is likely to be challenging for an external consultant, isn't it?

Dr. Gros: When it comes to critical decisions, It makes sense to meet with the current works council. They know the challenges and the people involved. It becomes very difficult when, after an election, the works council is completely new and made up of inexperienced members. This costs valuable time and energy. And it becomes toxic when there are people in the employee representation who, in the worst case, are not interested in the company, but are subject to certain dogmas and ultimately move around the company like a submarine, causing unrest.

Fleischer: Are redundancies for operational reasons the works council election?

Dr. Gros: That remains to be seen. At present, based on the overall economic situation, I assume that we will see more redundancies for operational reasons in the coming year.

Fleischer: To conclude our conversation, I would I would like to talk about the importance of and external communication.

Dr. Gros: Communication is essential and of crucial importance for the success of a restructuring. If a company has a communications department with experience in crisis situations that is prepared to deal with If a company has a communications department with experience in crisis situations that is prepared to deal with restructuring issues, this is an advantage. A professionally organized press department has good access to management and the workforce. It knows the key press representatives, suppliers, and, above all, the company's sales market, i.e., its customers. If this is not the case, then I recommend bringing in media expertise from outside.

Perhaps a little story to make you smile or shake your head. As part of one of my last assignments, I had to deal with an internal company spokesperson who had a fifty percent position. Shortly after we began restructuring measures and internal and external pressure increased, he approached me and said frankly and openly that he had not been hired for these tasks and issues. The work was too stressful for him. As a result, he promptly resigned. No comment, right?

Fleischer: How open and transparent must communication be in order to be credible?

Dr. Gros: In my opinion, the worst thing is when you lose credibility in a critical phase. Then you immediately lose trust as well.

Detlef Fleischer – Photo: ifus

Fleischer: Is there a point during a mandate when you realize that, even with the best will in the world, the company can no longer continue? The market and financing are collapsing, and employees are ready to jump ship. There is no solution in sight for this deadlocked situation.

Dr. Gros: At the point where it becomes necessary for the company to Fortunately, I have never been in a situation where there was no solution at all. From my perspective, no stone should be left unturned in the effort to get the company back on track. The only question is, in what constellation? The bitter truth may be that the current owner is not the perfect owner. This truth must then be communicated relatively clearly. Together, we must look for possible solutions—for example, with a view to an M&A process.

Fleischer: Dr. Gros, thank you very much for your insights. I am delighted that you are our listeners afterwards for personal questions. available for discussions and questions.

This is an abridged and edited summary of the conversation that took place in Heidelberg in September 2025.