

# RIISING FROM THE ASHES

Adarsh Shah turns a business destroyed into a business renewed.

By Deborah Stoll



SHAH

**O** N 27 MARCH 2014, Adarsh Shah (YPO Maple Leaf (Greater Toronto Area)) watched his family business burn to the ground after an electrostatic spark ignited a bit of quilting foam inside the building that housed his retail space and manufacturing plant. Despite an employee's best efforts to stop it, the fire spread within seconds. From a neighboring building, Shah watched his business collapse in flames.

Just two years after the tragedy, Shah's businesses — Ultramatic, Canada's leader in luxury adjustable beds and mattresses, and Foamco, Canada's largest independent foam fabricator — emerged from the ashes revitalized.

"We had the chance to rethink and theoretically optimize operations," Shah says. "Whereas before we were dealing with legacy issues, we now have all new machinery, a new building and a redesigned factory layout. We also pivoted to ensure the business aligned with where our industry's growth was headed. For us, this meant shifting slightly to e-commerce."

Coincidentally, during the rebuilding, not only did furniture become the fastest growing segment in the e-commerce industry, the Canadian exchange rate devalued almost 30 percent, boosting local consumption and manufacturing.

"When we began the process of realigning, these industry changes had not occurred," Shah says. "We were basing our plan on our experience and foresight. It just turned out the positive macroeconomic effect happened faster than expected."

While these changes helped Shah exponentially expand, the most significant transformations had nothing to do with buildings or technological advances but with his most important commodity: people.



## The power of forum

Shah's forum mates quickly mobilized after the fire. **Mauro Scanga** (YPO Maple Leaf (Greater Toronto Area), YPO Alberta) shared his advice having just developed a crisis plan for his business; **Brendan Cahill** (YPO Maple Leaf (Greater Toronto Area)) arranged for one of the top PR firms to advise on the public statement. **Ali Ebrahim** (YPO Maple Leaf (Greater Toronto Area)), **John Ng** (YPO Maple Leaf (Greater Toronto Area)) and **Garnet Lasby** (YPO Maple Leaf (Greater Toronto Area)) all reached out with contacts who might help.

One of these contacts, **Brian Read** (WPO Ontario), knew how imperative it was to have a lifeline during a crisis since he had been through a similar experience

"The first few hours and days after a tragedy like this, you're thinking about legal liability and about what your insurance policy covers. You don't know what's going to happen to your business and profitability," Shah says. "Brian made me realize there was



Shah and his team gratefully return to work together after rebuilding from the fire.

going to be an end to all of it, and most importantly, said how I handled my relationships was what was going to really matter in the end."

## Moving forward

The day after the fire, Shah gathered his management team together and devised an action plan to minimize disruption to customers, and more importantly, to his employees' lives.

"Some of these people had worked in our factory for more than 15 years and didn't know anything else," Shah says. "Their lives were completely turned upside down. We had to figure something out very quickly."

Within a few days, Shah had signed non-compete agreements with three competitors. One week later, he was receiving purchase orders, subcontracting the work to the appropriate competitor under his own brand name and utilizing his employees to do the work.

The day Shah's new factory and offices reopened, every employee returned.

"They could have stayed with the subcontractors but came back," Shah says. "I believe it's because they were returning to their family. They were coming back to the connections they had had with people they cared about."

With the return of his business and employees, Shah was eager to implement what he had learned during the rebuilding process from studying "the Internet of Things" and takeaways from a YPO event featuring author and career analyst Dan Pink.

"Dan spoke about what motivates people," Shah recalls. "It isn't always about the money, but the mission, and the autonomy and power you relinquish. This idea really influenced me while rebuilding the business and, thereafter, staffing and managing the team. Now when I'm hiring, I am not as focused on hard skills, as I am on someone's culture and soft skills."

One of the toughest lessons Shah learned was dealing with the way in which the media reported news without fact- or source-checking.

"There was a city official who made a false claim that a firefighter was hurt in the fire. He used the media attention to push his agenda: better compensation packages for firefighters," Shah says. "There was also a false rumor spread by a competitor that

## TIPS FOR HANDLING STRESS IN A CRISIS

- ▶ **Don't ponder too much over an issue or challenge.** Find a trusted person who can offer positive action or guidance when you're stuck.
- ▶ **Don't over-schedule or micromanage yourself.** Focus on the most important aspects of issues needing your expertise and trust your team to steer the ship.
- ▶ **Don't tie yourself to the idea of "one best way."** When there is uncertainty, you can fall into analysis paralysis; just move on and be ready to pivot if the idea fails.
- ▶ **Don't let stress consume you.** Build on another passion that has equal weight such as a sport, home project or community involvement.

our sprinklers had not activated. I learned you have to ignore them all and stick to one consistent, positive message and let that speak for you through the media."

There is perhaps no better analogy for Shah's story than the story of the phoenix — a mythical bird who near the end of its life, bursts into flames only to rise as a fledgling phoenix renewed and reborn.

"There has definitely been a renewal in our company," Shah says. "The silver lining is we have gone through the catharsis of a catastrophe and are much more positive, productive and passionate about our mission than ever before." ▲

Deborah Stoll's writing has been featured in "The Economist's" online magazine, "More Intelligent Life," in "LA Weekly" and its food blog, Squid Ink, as well as the music site Buzzbands LA.