The biggest comebacks of the past 20 years

In our fast-changing, startup-crazed economy, it can seem like only the newest companies have the agility to thrive. But entrepreneurship can propel businesses of all sizes and ages—look no further than Apple, which almost foundered in the late '90s before Steve Jobs resurrected it to be the most valuable company in the world. So what are the other biggest turnarounds, and what can we learn from them? As part of our 20th anniversary (*Fast Company*'s first issue was in November 1995), we've selected the top comebacks of the past two decades. You already know that Apple's on top. Turn the page to see the rest of the list, including some surprises.

Illustrations by Rami Niemi

1 | General Motors

Once the world's most revered automaker, GM faced disaster in the late 2000s, when it filed for bankruptcy and laid off tens of thousands of workers. Which makes it all the more extraordinary that just a year after the federal government's bailout plan earned it the sarcastic nickname "Government Motors," the company roared back to profitability. After trimming costs and killing its struggling Pontiac, Saturn, and Hummer divisions, GM went public again, raising roughly $20 billion. By the end of 2013, the government had sold off the last of its GM shares, capping a remarkable turnaround that saved an estimated 1.2 million jobs.

2 | Marvel

As the home of Spider-Man, Captain America, and other iconic characters, Marvel has long been the comic-book world's biggest player. But in the mid-1990s the comics market crashed, Marvel went broke, and there was no superpower strong enough to stave off bankruptcy. But fear not! After restructuring, our hero changed its approach, focusing on movies rather than paper and ink. Today, Iron Man, the Avengers, Spider-Man, and X-Men are all billion-dollar franchises, and the company's master plan—to connect many of its characters in a single cinematic universe—has turned it into one of pop culture's most powerful brands.

3 | Delta

After evolving from a fleet of crop-dusting biplanes into one of the nation's biggest airlines, Delta was in trouble by the mid-2000s. Squeezed by higher fuel prices and disrupters like JetBlue and Southwest, it was forced to file for bankruptcy. But after renegotiating union contracts and expanding its fleet with used planes instead of costly new ones, among other things, Delta once again took flight. In 2013, 120.4 million passengers boarded Delta planes—more than any other airline.

4 | STARBUCKS

Sometimes too much success can mean trouble. In the 2000s Starbucks overexpanded, diluting profits and damaging the brand (not *every* corner needs a Starbucks). By late 2008 net income had fallen dramatically, cutting the stock price in half. A look at how Starbucks CEO Howard Schultz turned things around:

1. **Cut the losses**
Schultz decided to shut down 900 underperforming stores, which reduced staffing and leasing costs. That also allowed him to invest more in the Starbucks outlets that had been working the best.

2. **Fix the experience**
In 2008, Schultz closed all 7,100 U.S. Starbucks stores for three hours to retrain baristas in the art of pulling espresso. He did away with automatic machines and introduced a retooled house coffee, Pike Place.

3. **Be more welcoming**
Encouraging customers to take a seat, Schultz introduced free Wi-Fi at all Starbucks locations in 2010. In 2014, stores began upgrades to wireless Powermat charging stations for mobile devices. No more plug hunting!

5 | OLD SPICE

Once just a crusty old bottle in your dad's bathroom, Old Spice—with Wieden+Kennedy—created a marketing juggernaut that propelled it to the top of its category. Some ads that made Old Spice new again:

"Painted Experience" (2007)
The first hint of its bracing new direction was this spot with Bruce Campbell, who spouts incomprehensible advice in front of a seemingly endless painting.

"The Man Your Man Could Smell Like" (2010)
The brand went viral with this ad, in which "Old Spice Guy" Isaiah Mustafa confidently purrs, "Hello, ladies."

"Internet Responses" (2010)
A triumph of real-time marketing in which people tweeted questions to Mustafa, who then went on a two-day YouTube answer extravaganza.

"Odor Blockers" (2010)
This bonkers clip, directed by Tim Heidecker and Eric Wareheim, sparked a long-running series of popular, completely over-the-top ads.


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6 | J.Crew

The preppy retailer lost its pep in the late 1990s, and from 1998 until 2003, three CEOs cycled through the fading brand. Then Mickey Drexler and Jenna Lyons came along. In 2003, Drexler—recently fired as CEO of Gap Inc.—invested $10 million of his personal cash into J.Crew in return for a 22% stake and the CEO title. Soon after he arrived he discovered Lyons, who had quietly been working in the design department for 13 years. She soon became the company's driving creative force, crafting a more upscale product that was equal parts catwalk and Nantucket. It was a hit: During Drexler's first five years at J.Crew, revenues leaped 107%.

7 | CBS

With a prime-time lineup full of snoozy grandparent bait like *Murder, She Wrote* and *Dr. Quinn, Medicine Woman*, the Tiffany Network sank to last place in the mid-1990s. That changed after CBS hired Leslie Moonves away from Warner Bros. TV, where he'd green-lighted such shows as the zeitgeist-defining *Friends*. The Moonves era has produced a slew of huge hits—*CSI, Survivor, Two and a Half Men, The Big Bang Theory*—and CBS is now the nation's most-watched network.

8 | PABST BLUE RIBBON

Launched in the 19th century, iconic Milwaukee beer PBR reached peak popularity in the 8-track era. But by the late 1990s, the brew had gone flat. Here's how it came back:

1. **Think younger**
   In 2001, with sales hitting an all-time low, the company brought in Benetton exec Brian Kovalchuk as CEO and Neal Stewart as brand manager. Stewart was just 27 at the time.
2. **Do your research**
   One of the few places where sales were up was the hipster hub of Portland, Oregon. Young people embraced the brand due to its no-frills image, lack of cheesy advertising, and affordability.
3. **Market it smartly**
   PBR sponsored cool events like gallery openings rather than buy traditional ads. Since 2001, national sales have increased by 165%.

9 | Nintendo

Remember the GameCube? Nintendo dominated the video-game world in the '80s and '90s with products like the Game Boy, but in the early 2000s Sony and Microsoft launched the PS2 and Xbox, and Nintendo's response—an underpowered purple box that screamed "me-too product"—was a flop. Then Nintendo embraced its individuality with the DS, DS Lite, and Wii, each of which would go on to sell around 100 million units worldwide.


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10 | CONVERSE

It ruled the athletic market from its founding at the beginning of the 20th century until the 1970s, but then Nike and Adidas muscled their way in and Converse faded, filing for bankruptcy in 2001. How it rebounded:

2003: Nike buys Converse and implements a counterintuitive plan: Make the brand less about sports and more about style.

2005: The shoe company expands a previous partnership with John Varvatos to create a clothing line, capitalizing on Converse's association with cool musicians.

2011: Converse builds on its new reputation as a fashion and lifestyle brand with hip initiatives like Rubber Tracks, a recording studio for emerging artists in Brooklyn.

2014: The company sues 32 competitors, including Ralph Lauren, for allegedly producing knockoffs. Annual revenues hit $1.7 billion, up from $205 million in 2003.

11 | Netflix

The announcement went out in the summer of 2011: "We will no longer offer a plan that includes both unlimited streaming and DVDs by mail." Subscribers would have to join two separate services—one of them ludicrously dubbed Qwikster—and pay $16 a month instead of $10. The ensuing backlash and exodus stunned investors; more than 800,000 customers fled Netflix in a single quarter, sending its stock plunging from $300 a share to around $65 by year's end. Netflix quickly scrapped Qwikster and apologized, but the company only truly recovered from the gaffe with original series such as *House of Cards*, which launched in 2013. Soon profit was skyrocketing, stock hit $400 per share, and Amazon and Hulu were working furiously to catch up.

12 | Disney Animation

Disney may be the best-known name in children's entertainment, but its once-revered animation division began the 21st century in a major slump. After '90s successes such as *The Lion King*, the studio started churning out duds like *Hercules* and *Fantasia 2000*. The result was a major downsizing in the early 2000s. But after Disney acquired Pixar in 2006 and Ed Catmull and John Lasseter took charge, the studio roared back with hits like *Tangled* and last year's world-dominating *Frozen*.

13 | Burberry

Nobody expected the fusty Burberry to survive the storms of the modern fashion marketplace. Credit two American executives with reviving the British brand: Rose Marie Bravo and Angela Ahrendts (who now runs Apple's retail division). As CEO from 1997 to 2005, Bravo brought in designer Christopher Bailey. He and Bravo's successor, Ahrendts, took the turnaround from there, deftly blending updates of the old (that traditional trench coat, that familiar check) with an embrace of the new (social media, aggressive China strategy). That led to an unprecedented resurrection, record financial results, and acclaim for a fashion house that's once again a luxury trendsetter.

14 | Lego ▲

"Everything is awesome?" Not for the toymaker in the 1990s, when Lego was suffering due to the rise of video games and other competition. In 1998, the company lost money for the first time. Then Jørgen Vig Knudstorp stepped in as CEO in 2004, and things started to snap into place. Knudstorp cut costs and introduced soon-to-be-popular Lego lines like Ninjago. It worked: By 2013 Lego was the world's most profitable toymaker.


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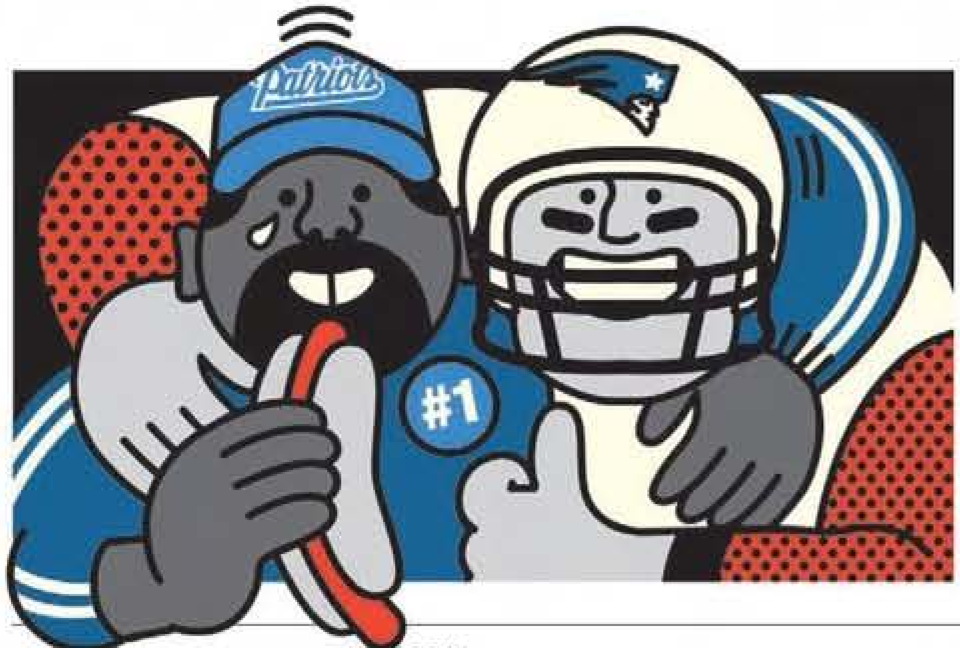
15 | Target

It used to be just another big-box value store, but in the 2000s Target rethought its image, luring higher-end customers with surprising partnerships (Isaac Mizrahi, Missoni, Lilly Pulitzer) and slick marketing. That new strategy—matched with a rapid expansion—transformed Target into Tar-*zhay*: a mass-appeal retailer that could deliver everyday needs in style. By 2005, Target had reached $50 billion in annual sales.

16 | THE NEW ENGLAND PATRIOTS

In the late '80s and early '90s, the Pats were a bad team with a stadium in bankruptcy. Here's how owner Robert Kraft—who purchased the team in 1994 for $172 million—turned them into four-time Super Bowl winners worth an estimated $2.6 billion:

1. **Look forward**
   When Kraft bought the Pats, he realized there could be a big payoff if he upgraded the team's aging home base. The $325 million Gillette Stadium opened in 2002, and since then every game has sold out.
2. **Hire smart**
   In 2000, Kraft staked his team's future on a pair of nobodies: coach Bill Belichick and sixth-round draft pick Tom Brady. In retrospect, it was a stunningly savvy move: They're now two of the league's biggest names.
3. **Go bigger**
   Kraft opened a 1.3 million-square-foot retail and entertainment complex next to the stadium. It operates all year, not just during the season. Now the Pats are the NFL's second most profitable operation.



17 | Lacoste ▲

Born on French tennis courts in the 1930s, this powerhouse of popped-collar polo shirts had faded by the early 1990s due to general alligator-logo fatigue. To get young people excited about the label, Lacoste stopped licensing its name, no longer sold clothes in outlets like Walmart, and hired a high-fashion creative director to reboot the brand. It also opened well-designed boutiques and targeted women with accessories like handbags. That effort led to newfound fashion-world cred and a massive sales boost.

18 | Lower Manhattan

The 9/11 attacks had a profound economic impact on New York, but by the time One World Trade Center opened in late 2014, the area was once again bustling. More than 400 companies big and small have relocated to lower Manhattan since 2004. Combine that with a boom in tourism and it's no wonder luxury brands such as Saks Fifth Avenue, Tiffany & Co., and Hermès are flocking to the area.

19 | Bacon

With foodies now drooling over all manner of cured-pork products, it's easy to forget that those greasy strips used to just be something you ate with your eggs. Or maybe not even that: In the '80s, animal-fat phobia ate into sales by as much as 40%. But by the early 2000s, bacon had its sizzle back. Celebrity chefs championed it as the ultimate flavor booster, and the low-carb-diet fad made it actually somehow seem kind of healthy. Bacon mania ensued, showing up everywhere from burger spots (Wendy's Baconator) to bars (bacon vodka, anyone?). That's part of the reason pork sales in the food-service industry outpaced all other meats between 2001 and 2013, and sales were up another 11% in 2014, making bacon a $6 billion business.

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