

Turnaround Matrix

Turnaround Stage

	Management Change	Situation Analysis	Emergency Action	Business Restructuring	Return to Normal
Objective	<ol style="list-style-type: none"> Select top management team Weed out impediments 	<ol style="list-style-type: none"> Can it survive? Identify strategy Develop Preliminary action plan 	<ol style="list-style-type: none"> Survival Positive Cash Flow Raise cash for strategy Protect future resources 	<ol style="list-style-type: none"> Enhance profitability through operations Restructure business for increased profitability and return on assets 	<ol style="list-style-type: none"> Institutionalize emphasis on profitability Seek profitable growth Build competitive strengths
Comments	<ol style="list-style-type: none"> Select turnaround manager Replace some or all of top management 	<ol style="list-style-type: none"> Determine nature of Turnaround Three success Requirements 	<ol style="list-style-type: none"> Taking Charge Getting control of cash 		
Financial	N/A	<ol style="list-style-type: none"> Cash Flow Break-Even Profitability Balance Sheet 	<ol style="list-style-type: none"> Debt restructuring Improve Working Capital Cost Reductions Profitability Analysis Sale of non productive assets Eliminate "creative" acct'g 	<ol style="list-style-type: none"> Liquidity Improvement Balance Sheet improvement Control system development Managerial Accounting Systems 	<ol style="list-style-type: none"> Strategic acctg and cont. systems Restructure Long Term financing Develop formal stock valuation and buy back system
Marketing	N/A	<ol style="list-style-type: none"> Product/ service analysis Distribution analysis Sales and marketing strategies and systems 	<ol style="list-style-type: none"> Correct under pricing Product line pruning Weak Cust./ distributors S & M in line with avgs. 	<ol style="list-style-type: none"> Product line & competitive pricing Existing & new products Cust. & Dist. Mix Improve S & M effectiveness 	<ol style="list-style-type: none"> Explore new markets and segments Find industry restructuring opportunities Value added chain restructuring Synergistic diversification
Manufacturing/ Operations	N/A	<ol style="list-style-type: none"> Facilities & Equipment Systems & Procedures Supplier Analysis 	<ol style="list-style-type: none"> Shut down operations Reduce work force Reduce Inventory Control Purchases Increasing productivity 	<ol style="list-style-type: none"> Productivity improvement programs Periodic overhead analysis Profit improvement programs 	<ol style="list-style-type: none"> Restructure for competitive advantage Consider strategic alliances
Engineering/ Research & Development	N/A	<ol style="list-style-type: none"> New Products Product improvement Process improvement Productivity improvement 	<ol style="list-style-type: none"> Accelerate high potential Eliminate tangential 	<ol style="list-style-type: none"> Customer oriented new products Economic Value Added analysis 	<ol style="list-style-type: none"> Establish tech. Monitoring Seek strategic leverage on Eng. & R&D
Organization / People	N/A	<ol style="list-style-type: none"> Organizational structure MIS Accounting & Control Performance & Compensation 		<ol style="list-style-type: none"> Improve people mix restructure for competitive effectiveness comp. To reinforce turnaround Think profits & ROI 	<ol style="list-style-type: none"> Institutionalize Training & Mgmt. Restructure occasionally to reflect changes in Strategy & Environment
Personnel	N/A	<ol style="list-style-type: none"> Middle & first line Operating personnel Recruitment, selection, training 	<ol style="list-style-type: none"> Change status QUO Reward those who change Sanction those who don't 		
Other		<ol style="list-style-type: none"> Assess strategic position Viability assessment 			

Critical issues
 Short Term Issues

Mid Term
 Long Term issues

Extracted From
 THE ASSOCIATION OF CERTIFIED TURNAROUND PROFESSIONALS BODY OF KNOWLEDGE



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