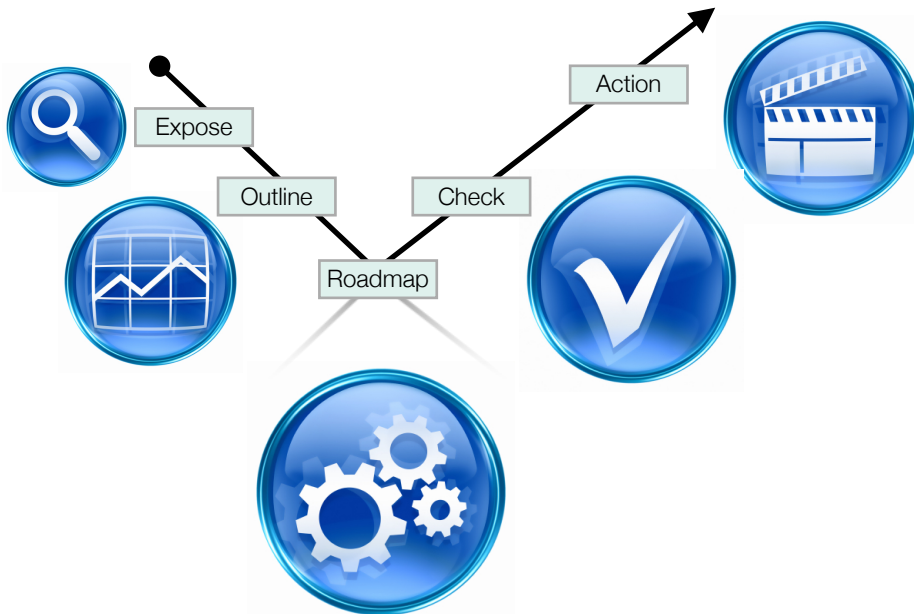


Turnaround situations as a result of M&A transactions are not uncommon. To ensure the acquisition objectives set at the outset can be met and the risks taken by the acquirer are being managed we deploy our proven Turnaround Process. It is critical to take greater and active control of the day-to-day issues to manage the immediate cash crisis and deploy the relevant turnaround strategies.



Learning Points

- Understand how to approach the challenge
- Plan to prioritise the action
- Create a high performance environment

Results

- Immediate exposure of pain
- Cash and creditors managed to avoid immediate meltdown.
- Turnaround Strategy deployed
- A-list items identified and immediate attack plans created
- Leadership issues resolved
- Organisation stabilised
- 18 months operations plan implemented

Turnaround Process

We have developed a tested and proven approach to turnarounds that delivers fast and real results to our clients.

The approach can be applied in various engagement models: We either take immediate **control** or **advising** the management team and expedite the change.

Our approach consists of five steps:

Expose

Situation: Localise the areas of pain and capture deviation from best practice.

Task: Compare the current business situation with existing revenue, cost and cash flow forecasts; expose and understand strategic assumptions

Action: Executive Interviews, workshops, analyse management information, set immediate cash goals, identify and assign A-item priorities (make faster and bolder moves; focus on strategy and structure)

Result: Gaps identified and critical assumptions challenged, high level attack plans devised; immediate, business saving actions devised.

Outline

Situation: Set business direction and targets for operational objectives

Task: Set new business goals, identify critical value drivers and assign immediate targets for performance indicators.

Action: Analyse market and competition, run workshops to set private and public goals, measurable and quantifiable objectives and challenge feasibility.

Result: Basis for clear communication and change established - morale improves

Roadmap

Situation: Set the strategy, management and monitoring dashboard

Task: Identify the building blocks, test feasibility and set balance scorecards

Action: Run a balance scorecard exercise

Result: Basis for strategic dashboard set - managerial effectiveness improves

Check

Situation: Identify risks and limitations to implementation

Task: Engage key stakeholders, produce risk mitigation, create draft revenue, P&L, cash flow forecasts

Action: Key stakeholder interviews, draft and update forecasts

Result: Risks identified, Strategy solidified - certainty improves

Action

Situation: Plan for implementation and change

Task: Set symbols of change, act and behave according to new agenda, identify movers and shakers

Action: Run workshops to produce detailed implementation plans, assign balance scorecards to key individuals - HR to issue performance contracts

Result: Tangible plans issued and formal, legally binding contracts assigned - change becomes day-to-day activity