



## **“Avoiding Business Failure - The Definition of a Successful Business Turnaround”**

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**W**hat does “successful turnaround” mean?

I suppose there are many ways to measure and define a successful turnaround. You might say that keeping your business alive for at least one year means that you have executed a successful turnaround. You might say that keeping it alive for five years is the definition. You might say that converting your business from a nonprofitable to a profitable company is the definition.

Or you might say that it is something else.

I am going to define what I call a successful turnaround. A successful turnaround has two elements:

- 1) Your business has a positive cash flow
- 2) Your business is transformed to sustain a positive cash flow

I think you could reasonably add a third element to the above definition:

- 3) Your business has a well-defined plan to restructure and further stabilize

I think this last item reflects that it is not enough just to fix a few problems with the business and nudge your company back into positive cash flow territory. The fixes you implement to accomplish this may be only temporary; as a result, your company may inadvertently fall back



into turnaround range. Therefore, further steps are necessary.

If-in addition to correcting your immediate problems and sustaining a short-term positive cash flow-you restructure your company, you will be on the right track to stabilizing your business and avoiding the need for a future turnaround.

The primary approach during this restructuring period will be to develop a plan that will identify the core business revenue streams that you can focus on to get your company through this difficult period.

Your plan will pare back all unnecessary operations and leave only the core positive cash flow functions of the business. Then you will build back up to a stable business position.

To learn more about business turnaround, order Andre's book, *How To Turn Your Failing Business Into A SUCCESS STORY In 120 Days Or Less!* directly from Amazon.com, or get details here:

[www.AndreLarabie.com](http://www.AndreLarabie.com)

Andre Larabie is a published writer and successful business coach. Get a free excerpt from his book on commercial debt reduction at:

[www.AndreLarabie.com](http://www.AndreLarabie.com)

### **About The Author**

André Larabie, PhD, is distinguished for his expertise in Teaching, Coaching, Business Turnaround and Consulting, Commercial Debt Resolution, Consumer Debt Collection, Mediation and Arbitration. He has owned and operated 2 collection agencies, a Factoring Organization, and a Business/Management Consulting Practice in both the USA and Canada.



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ARTICLES

Dr. Larabie has authored many college-level publications in Canada, including the following Doctorate Dissertations: “Starting a Factoring/ Financing Company,” “The Opening of a Business College,” and “The Psychological Ramifications of Online Education.”