



“Business Turnarounds - Signs of a Troubled Company”

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When a business finds itself in need of a turnaround, the business owner(s) and management team, often experience severe emotional distress. This anxiety can be so intense that some experts have compared it to the common stages associated with death. The management team becomes like a family losing a loved one.

As with the dying process, as the general health of the organism (the viability of the business) begins to deteriorate, the body (the business) begins to die, and a common reaction is denial.

Yes denial. People walk around in the business and ignore the warning signs. They deny that any problem exists. This is all the more reason that business leaders must remain consciously vigilant for signs of trouble.

Good managers and business leaders will do this and react accordingly. Bad managers will sit back and ignore the warning signs-often until it is too late.

But what are some of the signs of a deteriorating business?

Diversification

When a company starts to encounter problems, they sometimes diversify into areas they are not competitive in. In response to an untenable situation like a failing economy, they may expand into other niches, and as a result, lose more money since they should be consolidating and leveraging their core products and skills during tough times. By not accepting that the problem is not changeable, they are spiraling faster into the deep hole of failure.



Deteriorating Credit Relationships

As the economy-and the business itself-begins to lose momentum and business viability, credit becomes harder to obtain. When the financial position of a company deteriorates, the warm,d cozy relationship with lenders tends to deteriorate along with it. You can often see this in the personal relationships between business managers and the lender representatives.

Overwhelming growth

Sometimes, a company grows so rapidly that the growth becomes unsustainable and eventually has a debilitating effect on the organization. Lots of growth can seem great because it brings a tremendous amount of new revenue, but there can also be a tremendous amount of costs associated. What really needs to be focused on is the bottom line. When a company is in trouble, the managers or business owner(s) tend to focus on the growth and not on the profits. Classic denial.

These signs and others are often present in failing business and sometimes are the first indicators of the need for a company turnaround.

To learn more about company turnarounds and other related topics, order Andre's books directly from Amazon.com, or get details here:

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:

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About The Author

André Larabie, PhD, is distinguished for his expertise in Teaching, Coaching, Business Turnaround and Consulting, Commercial Debt Reso-



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lution, 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.

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.”