



“The Components of a Correctly Structured Turnaround Plan”

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If your company has successfully endured a turnaround, you will need to reestablish your business model. As you reestablish your business model, you must adjust your product and service offerings to optimize this basic market relationship.

If you are planning to obtain financing—bank or other—for any element of your turnaround process, you are going to need a solid turnaround plan. Loan officers need to understand that you have a well-organized and viable plan for your business turnaround, that you have thought it out and understand what is required.

If you do not have a viable turnaround plan, there will be little or no possibility that you can obtain a loan, whatever the source. Not having a valid turnaround plan would be a warning beacon that would clearly indicate you are not organized and the likelihood is great that you will not succeed.

Here are the main components of a typical turnaround plan:

- Executive Summary
- Mission Statement
- Company Description
- Products and Services
- Personnel
- Marketing Plan
- Business Operations
- Management Team
- Financials

It is not required that you write volumes of information on every one of



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these topics, but the more information you can cover, the better your turnaround plan will be, and the better chance you will have of securing a loan for your business.

Another reason to have a good turnaround plan is to assure the investors, business owners, and company management in general. Let's face it, when a turnaround is required, there is generally a very high level of uncertainty in the air, and the existence of a plan will help to alleviate the anxiety associated with that uncertainty.