



“The Restructuring Period of a Business Turnaround – The Turnaround Team”

André Larabie

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 position.

Create a Core turnaround Team

Although you probably have the skills to implement a successful turnaround yourself, it is a good idea to seek some amount of help. This help can include any of the following professionals:

- Turnaround expert
- Certified Public Accountant
- Attorney

Although you may have accounting or legal expertise within your organization, I recommend that you consider hiring experts who are external to your organization.

This will eliminate any conflicts your own personnel may have with the turnaround process. For example, your accounting department may deserve some of the blame for your current predicament, and they may be motivated to cover this up. This would clearly be an internal conflict.

You can include your controller or your C-level accounting manager on your team, but it is best that the external expertise is available and you will not be solely reliant on someone who may be partially responsible for



ANDRELARABIE.COM

ARTICLES

the problems causing the need for the turnaround in the first place.

The other reason you should seriously consider outside help is because it is likely that you do not have a certified accountant working within your organization, or one with experience working on a company turnaround, or an attorney familiar with the unique issues associated with the turnaround process.

I am not suggesting that you hire all three individuals. You may be able to accomplish your goals with an attorney who is also a CPA and has experience with turnarounds. Whatever works for your particular situation.