



“Tips for Writing an Effective Business Turnaround Plan”

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If your business is in trouble, you will need to create a comprehensive business turnaround plan. This will be used for investors in the transformed company as well as for obtaining loans from banks and creditors. Here are some tips on how to create one.

In the plan, describe any current industry trends that have created the need for a business turnaround, along with any opportunities you may see as a result. Also include any possible threats to the success of your plan.

For example, suppose a new national healthcare plan is one of the main reasons that led your business into a decline. In particular, suppose that you sell laser devices to hospitals, but now, the government is going to manufacture those and sell them. This is a terrible problem for your business, but there may also be some opportunity. Suppose that you also provide training to hospitals on how to use these devices.

In the new business model, there may be a tremendous opportunity in training. Since training can be a digital product in the form of video, it can be sold and distributed over the Internet. This translates to a tremendous reduction in the overhead associated with these products.

You no longer need to visit a hospital to provide training. You can develop the electronic products now and sell them to the government. The government will take at least a few years to get organized, and by the time they are ready, you can have all of your products ready to sell to them. So you will be transforming your business from a manufacturing company into a development company and your products from physical to digital.



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This is a key component of any successful restructuring, and the marketing section is where you will outline it. So the marketing section of your turnaround plan will discuss these new products and why they will work in your restructured business.

Note: with a business turnaround plan, all projections in the marketing plan should span one to two years even though you will be making further changes during later stages of the turnaround process. When presenting this material to the board or to potential investors of bankers, emphasize that the transformed company will be changing and thus the projections will be modified accordingly in six to twelve months.