

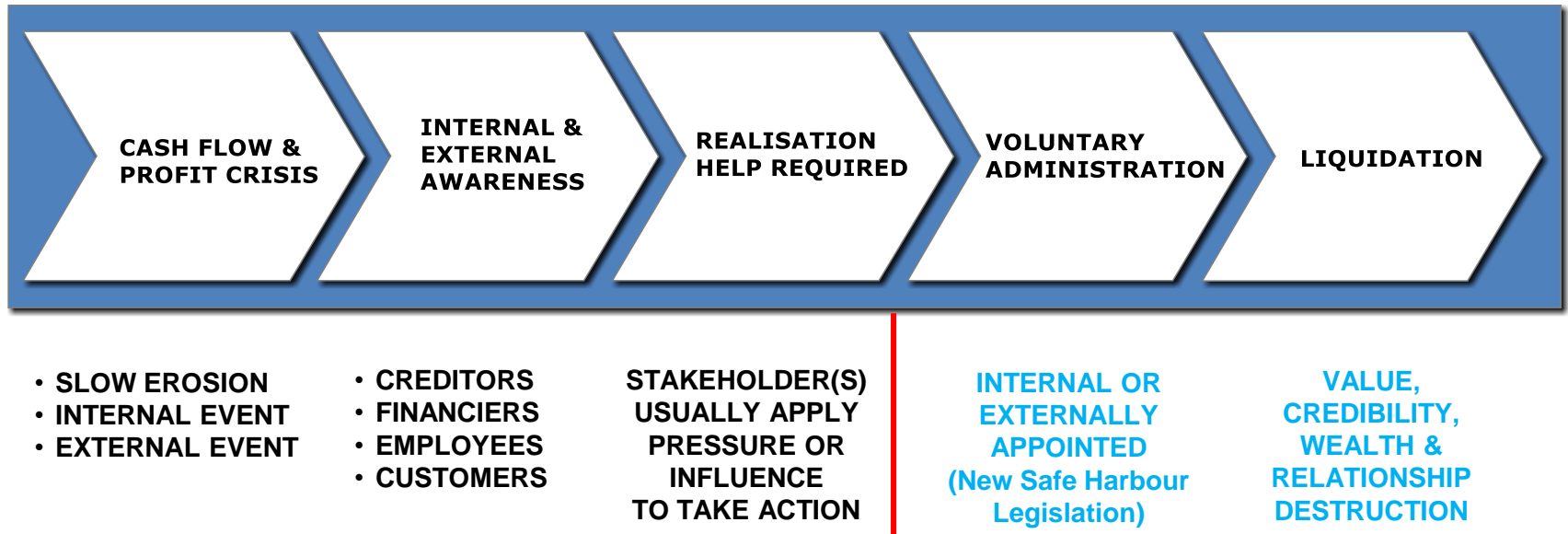
www.blueprintbusinesssolutions.com.au

Business Turnarounds - an Interim Assignment

Process
Implementation
Case Study
Key Learnings

Typical Distress Phase

← POINTS WHERE SUPPORT OR INTERVENTION MAY BE APPOINTED
(EARLIEST INTERVENTION INCREASES SURVIVAL POTENTIAL) →



“We cannot solve our problems with the same level of thinking that created them”.

Albert Einstein

Stakeholder management and engagement is a key issue in turnarounds.

Process
Implementation
Case Study
Key Learnings

Stakeholder Mindset – Where are they Emotionally?

	Stage	State of Mind	Accepting Help
1	Denial	Defensive	No - Not ready
2	Anger	Blame everyone but me	Not ready
3	Bargaining	Cut any deal - desperate	Willing & vulnerable
4	Depression	Sad & regret - awareness	Willing & not engaged
5	Acceptance	Detached - lets move on	Willing & engaged

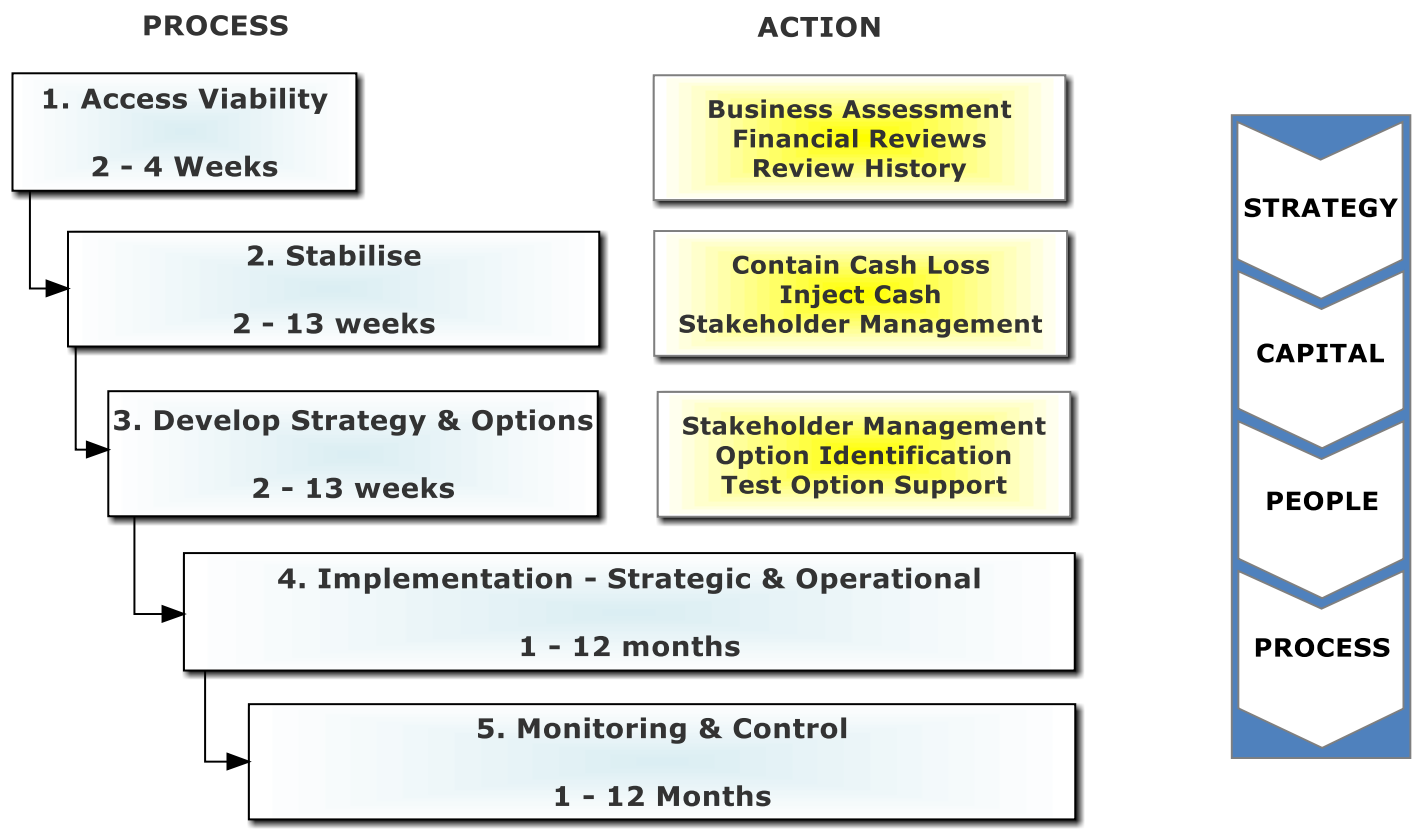
State of Mind and General Wellbeing influences:

- Self Awareness
- Energy Level
- Comprehension and Engagement
- Decision Making Capability
- Commitment

FEAR & UNCERTAINTY OFTEN DRIVES BEHAVIOR & INACTION

Process
Implementation
Case Study
Key Learnings

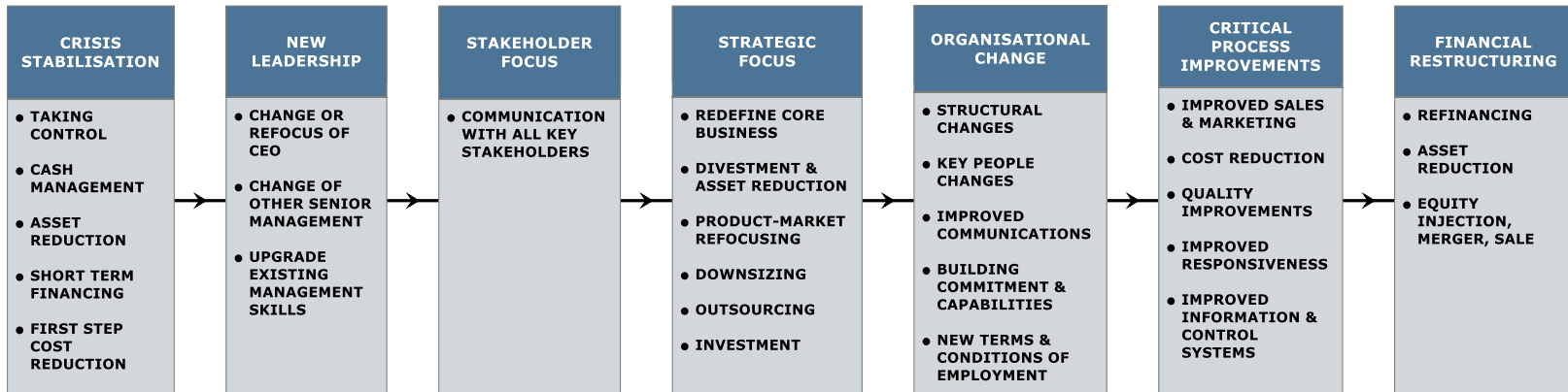
General Turnaround Timeline



Process
Implementation
Case Study
Key Learnings

Implementation Stages

GENERAL TURNAROUND / CHANGE PROCESS



Ref: Leading Corporate Turnaround (modified)

INITIAL OBJECTIVES:

- Slow cash burn - reduce costs - buy time
- Manage and engage critical stakeholders
- Top up transitional skills required
- Manage stress, emotions, expectations
- Identify sustainable core BU business going forward
- Develop and test options / scenarios / support
- Project manage team - align priorities - PARETO
- Support and educate the Board and Management

REF: JOHN P KOTTER - LEADING CHANGE

SET THE STAGE

- Create Sense of Urgency
- Form a Guiding Team

DECIDE WHAT TO DO

- Develop Change Vision & Strategy

MAKE IT HAPPEN

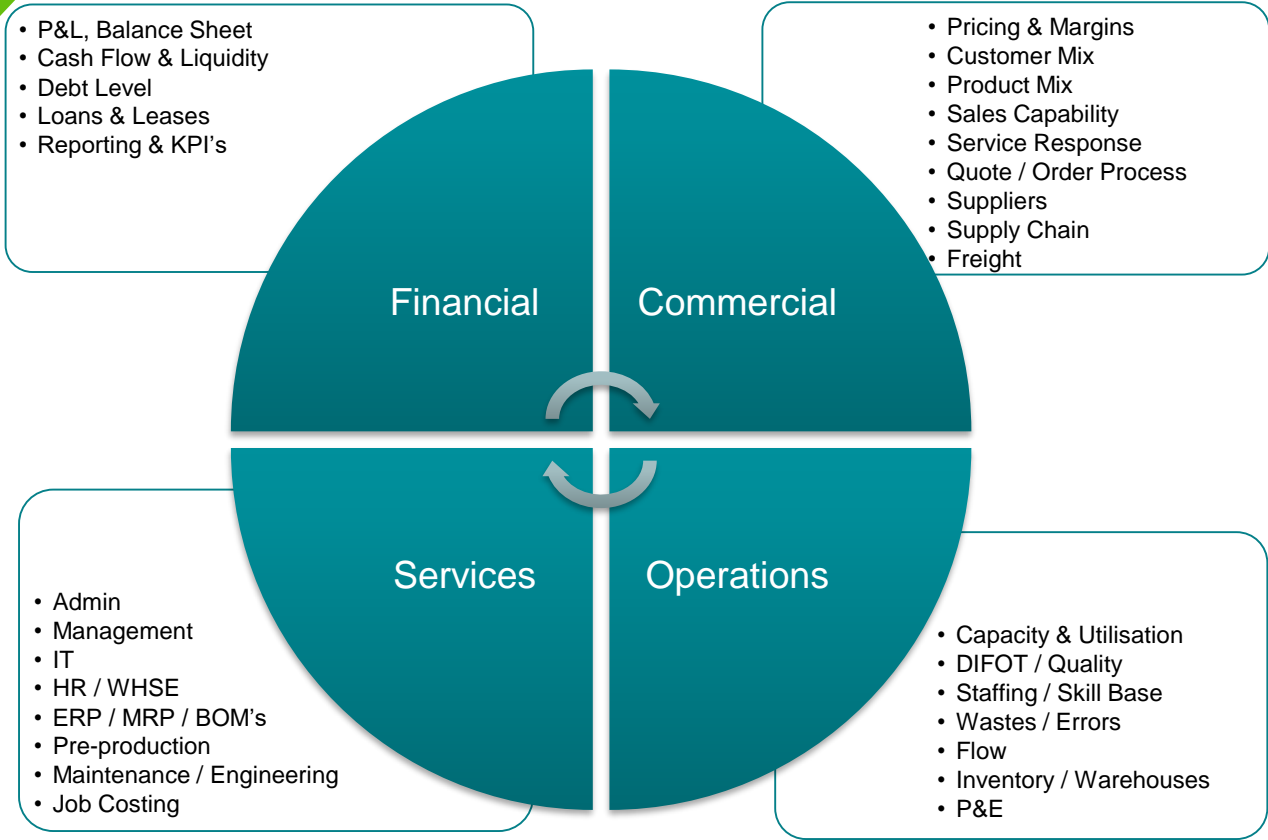
- Communicate Understanding & Buy-in
- Empower Others to Act
- Produce Short Term Wins

MAKE IT STICK

- Keep Going
- Create a New Culture

Process
Implementation
Case Study
Key Learnings

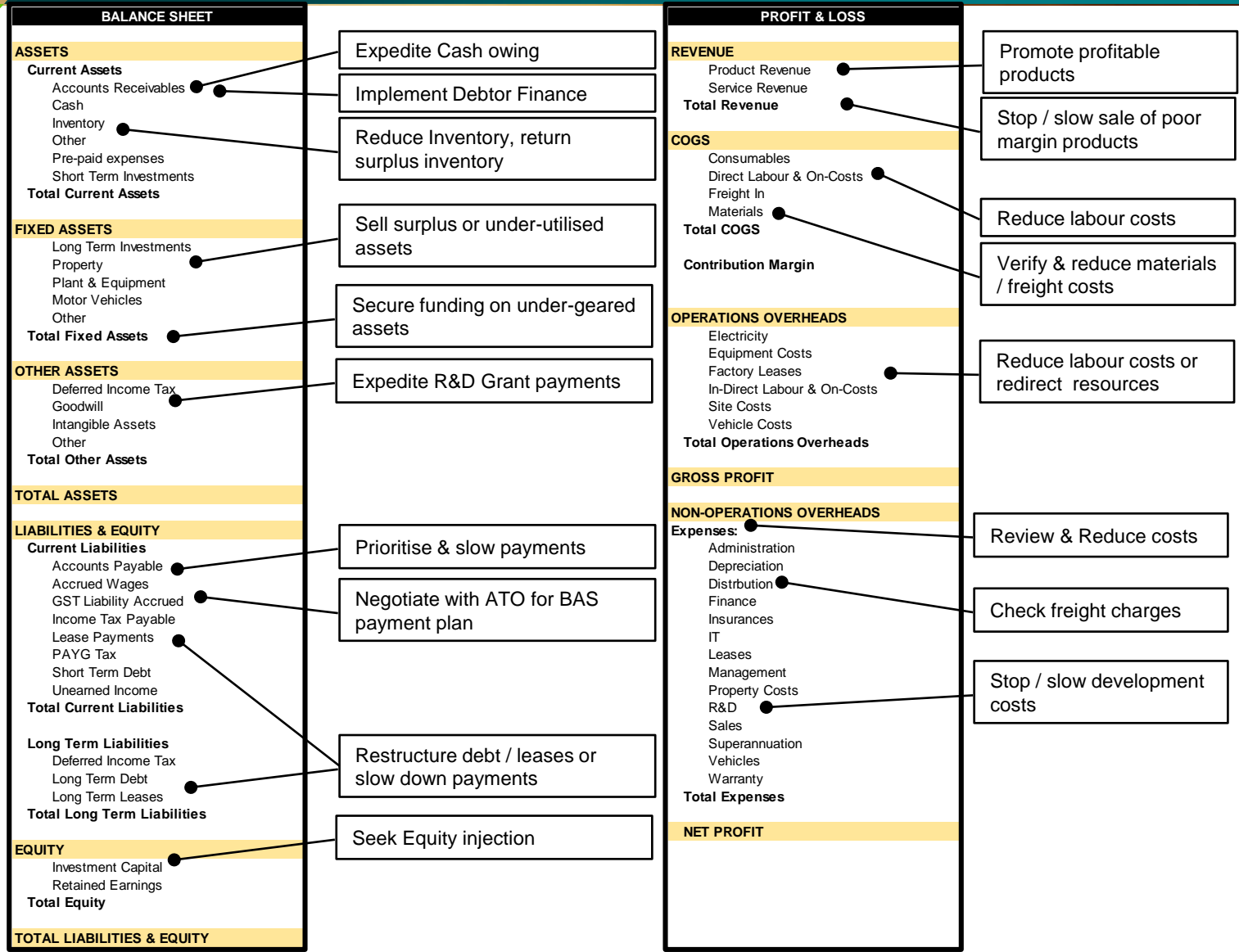
Review Key Functions & Processes



Impact of poor data or decisions and COPQ recovery increases along Value Chain

Process
Implementation
Case Study
Key Learnings

Financial & Cash Management Assessment & Options



Process
Implementation
Case Study
Key Learnings

Turnaround Implementation - example

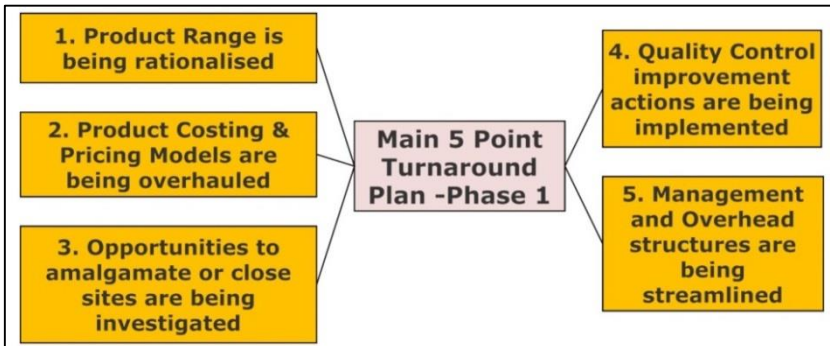
BACKGROUND

- ASX Division, M&A of 9 Sites, 5 BU'S, \$110M, \$10M Loss, 450 staff

PRINCIPLES & PROCESS

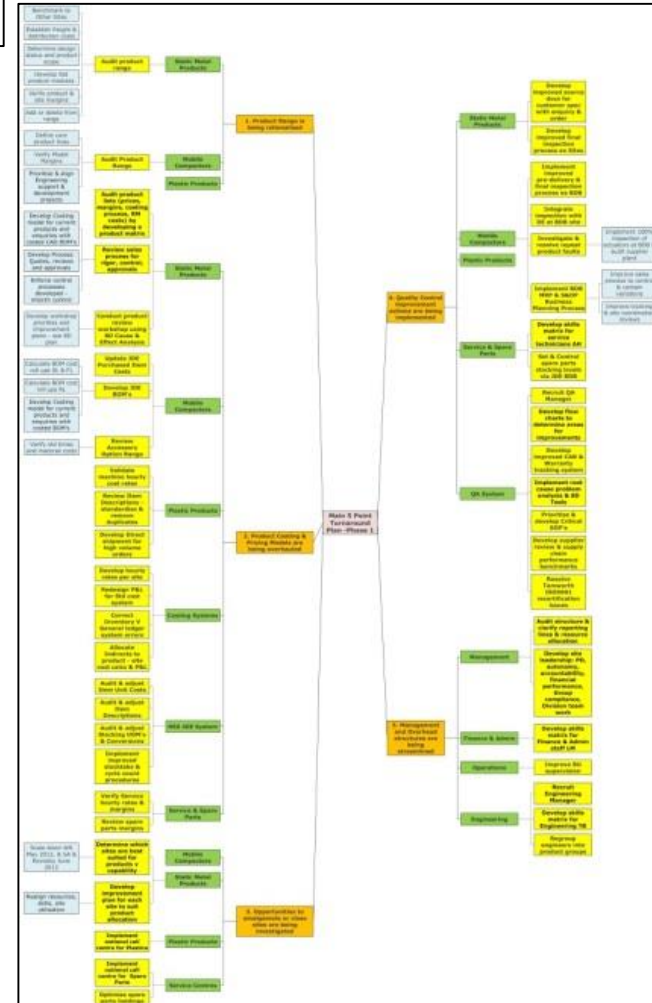
- Lead & support the Leaders - leverage
- Focus the Team on "The Plan"
- Focus on root causes, not effects (learn to solve problems)
- Phase 1: Resolve problems common to all sites (standardise)
- Phase 2: Resolve problems unique to each site
- Phase 3: Position for Sale (Corporate objective)
- Challenge poor processes - confront issues - get early wins
- Proactive communication & transparent, demonstrate values
- Train & support – share knowledge & learn from mistakes

FOCUS – 5 POINT PLAN



FOCUS THE TEAM

ACTION PLANS: PHASE 1



5 Point Plan > Product > Process > Task

Process
Implementation
Case Study
Key Learnings

Key Learnings

FOR CLIENT

- Use KPI dashboards
- Do investment cash flow models
- Act on warning signals
- Boards to engage in difficult discussions

- Act early
- Seek external independent help
- Be honest

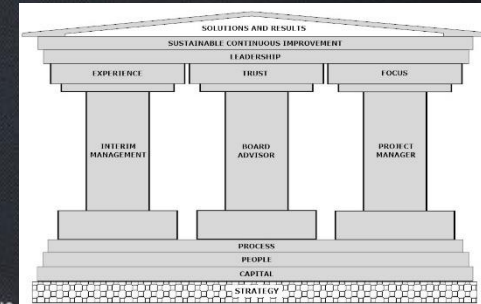
- Learn from the past
- Don't backslide
- Accept monitoring after handback

FOR INTERIMS

- Develop trust, rapport & empathy
- Ask Questions
- Be clear on Scope & Objectives
- Get buy in

- Assert Leadership
- Do not prejudge solutions
- Leverage from stakeholders
- Do holistic review
- Develop and test options
- Expect unexpected

- Prioritise Gains - Pareto - Ease V Impact
- Maintain Independence
- Communicate the Plan - simple, visual, often



www.blueprintbusinesssolutions.com.au

Business Turnarounds - an Interim Assignment

