

**WARNING : To be handled by
specialists only !**

MY TURNAROUND KEYNOTES





Are you aware of the FIRE ?

Don't run to escape your troubles...



TURN AROUND AND SOLVE THEM !



**This is not a handbook but
just a listing of things that
needs to be looked at !**

FIRST STEP

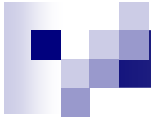
- Detect the thing that is killing the company
 - ☐ Products and services
 - ☐ Sales
 - ☐ Customer base
 - ☐ Purchasing/Logistics
 - ☐ Finance
 - ☐ Staff (employee conflicts)
 - ☐ Support



REMEMBER

- There is the perceived cause... and the real cause.
- There is the thing all people indicate...but the silent issues that causes the blame.





DO NOT FORGET

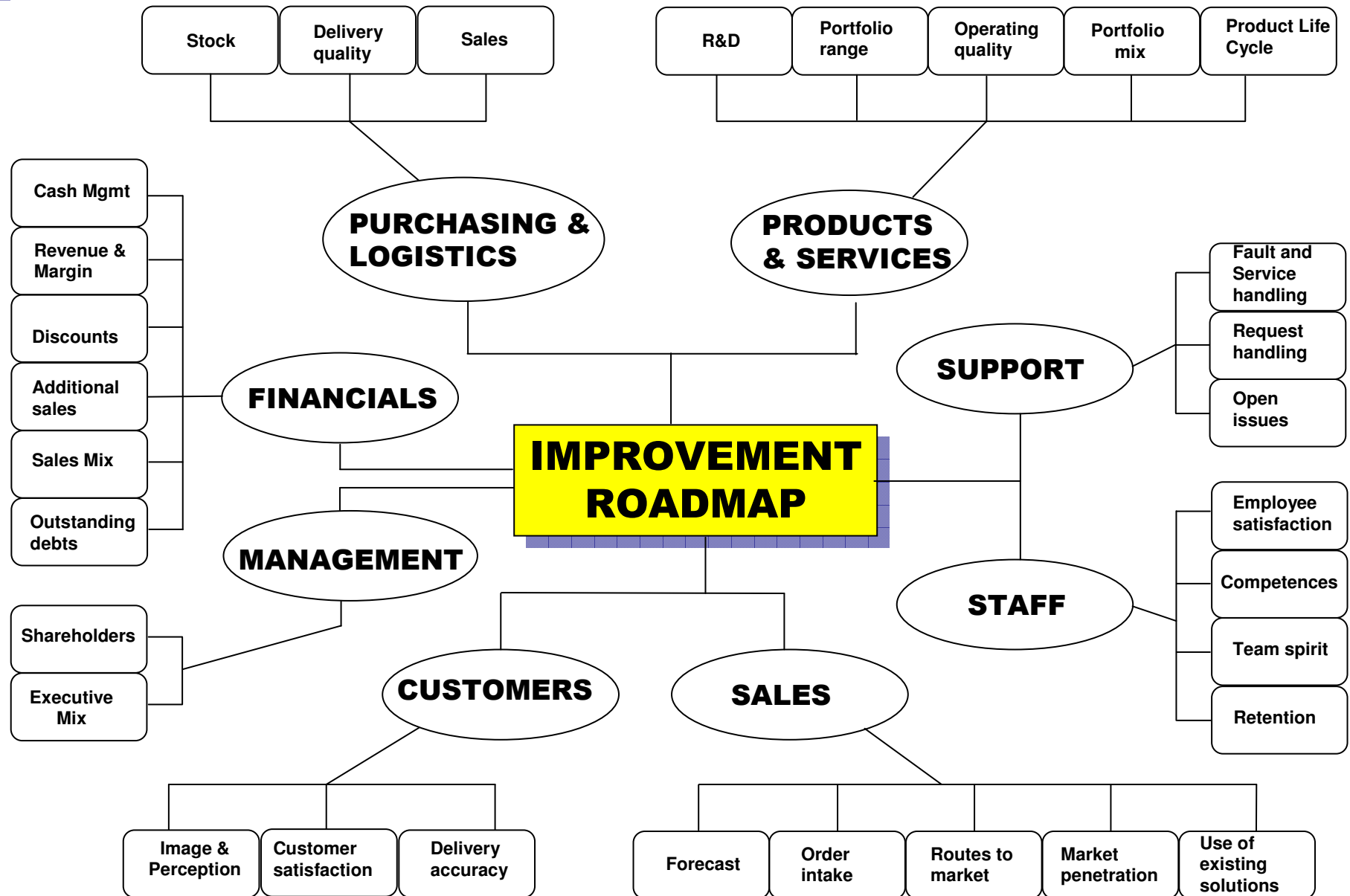
- In almost all cases... you need numbers.
 - As you are called in for a crisis situation, the numbers have to be bad. If not, you have the wrong numbers.
- But in some, your need to measure perception and feelings.
 - How do clients estimate you ? Why do they buy with you ?
 - Are your employees happy ? What bothers them ?





THE FULL SCHEME

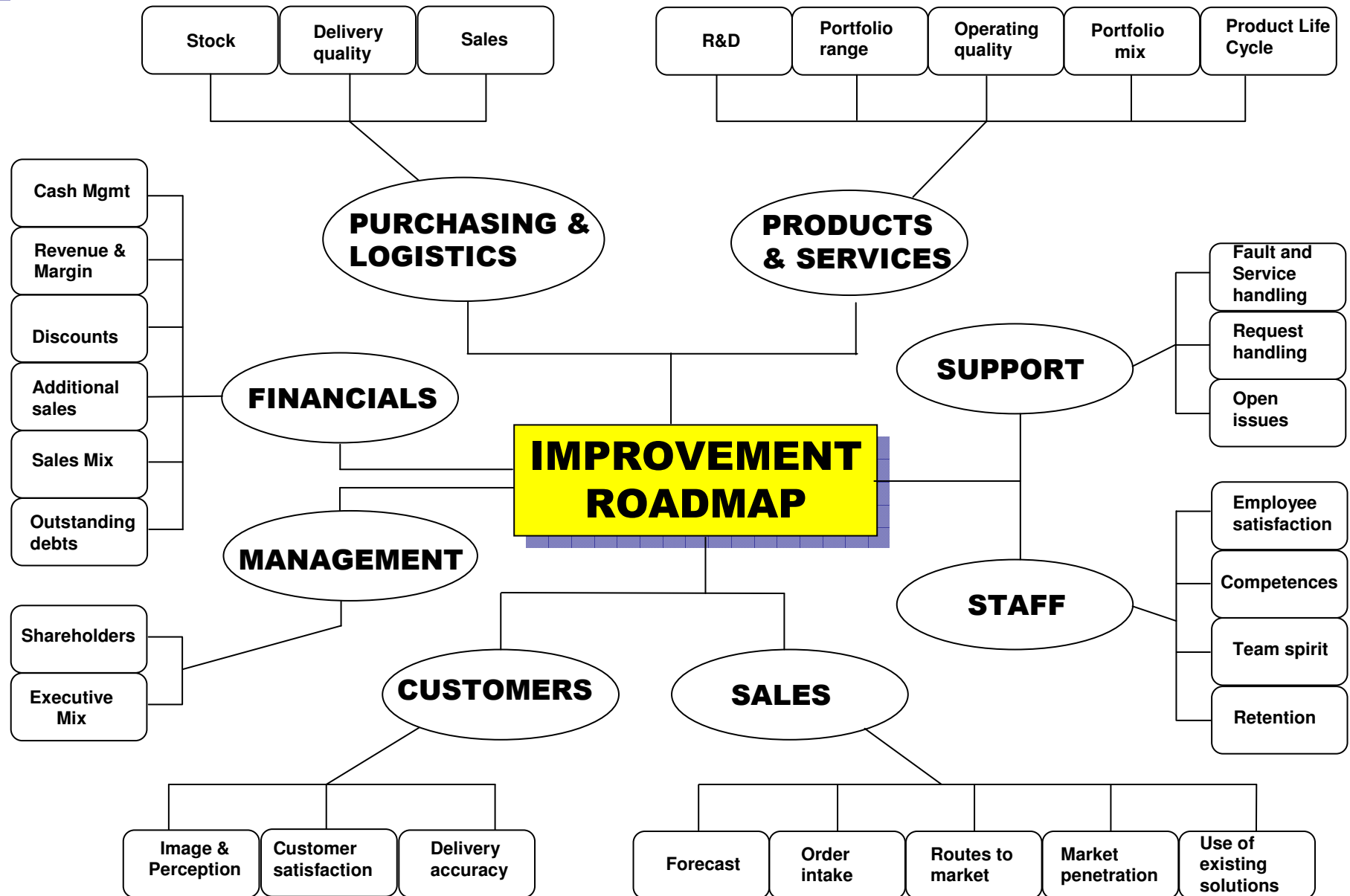
Is just on the next slide ...





**THE PROBLEM... YOU
NEED TO TACKLE
EVERY ITEM...**

Starting with the most urgent
and/or critical one





**DO YOU KNOW
WHICH ONE CAUSES
YOU THE PROBLEMS ?**

**There is one visible cause... and one
hidden. And they are never the same !**

THE AUDIT

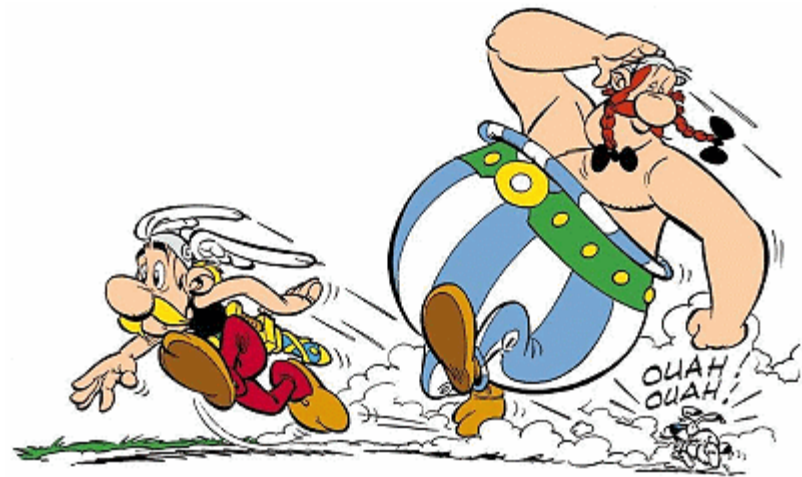
- THE EASY THING TO SAY...
 - YOU HAVE TO CHECK EVERYTHING
- THE MORE COMPLEX THING...
 - YOU ARE IN AN EMERGENCY SITUATION SO YOU DO NOT HAVE THE TIME TO EXECUTE AN AUDIT...



AN EXTREME CASE

- Arrived to me in the year 2000...in less than 2 hours time... I was already executing the emergency rescue of the company

Read: <http://vanrompay.online.fr/pages/firstdaypag.html>



Testimony

THEN YOU HAVE TO ACT

- Make the right mix between
- STRATEGY
 - This is what learn in business schools...
- TACTICS
 - Read Sun-Tsu
“The Art of War”

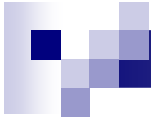




**BUT ALWAYS
INDICATE WHERE
YOU ARE HEADING**



STAFF ISSUES



STAFF

- Measure and estimate

- ☐ Employee satisfaction
- ☐ Competence
- ☐ Team spirit
- ☐ Retention



- Find the hidden people that influence the people in your company

STAFF ISSUES

- Try an employee satisfaction survey that is close to the staff (watch out as this action can be perceived negatively)
- Create an action plan
 - Act and be extremely clear in what you say (and write).
 - Motivate or de-motivate them (depending on the situation).





ONE OF MY FIELD EXPERIENCES

- Previous employee surveys and action plans did not work...
- My solution : field intervention
 - I spend one full day with each team as an empruntee...
 - One full day in the factory (cutting metal plates)
 - One full day in the warehouse (driving forklifts)
 - One full day in assembly (screwdriving)
 - One full day load/unloading trucks
 - One full day at accounting and order supply

KEY
TESTIMONY

MY BUSINESS TESTIMONY

■ RESULT: **A FULL ENGAGEMENT**

- I knew how the company worked and the things that needed improvement
- The staff had confidence in the changes we needed to implement



Testimony



FINANCE ISSUE

FINANCE → CASH EMERGENCY

- Get a quick « P&L » view of the situation
- But start with CASH MANAGEMENT
 - How much cash do I have ?
 - How much debt do I have ?
 - How much cash can I collect ?
 - How much invoices can I delay ?



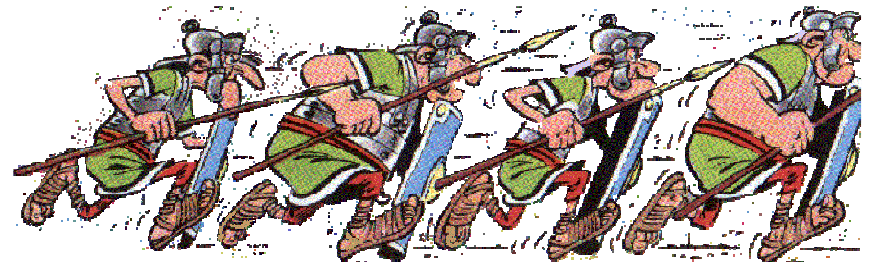
CASH MEANS... LACK OF TIME

- The major enemy of finance is TIME
- So ask yourself how your CASH is/will be
 - ☐ In a timeframe of one week
 - ☐ In a timeframe of one month
 - ☐ In a timeframe of 3 months



CASH INTERVENTION TEAM

- Create a dedicated team to get CASH
 - From your clients
 - Executive level : contract negotiations
 - Sales director : negotiating the right contract-delays
 - Accounting : respecting payment dates



**EVERYONE HAS TO ACT – FROM THE CEO, CFO
... TO THE PEOPLE IN ACCOUNTING...**



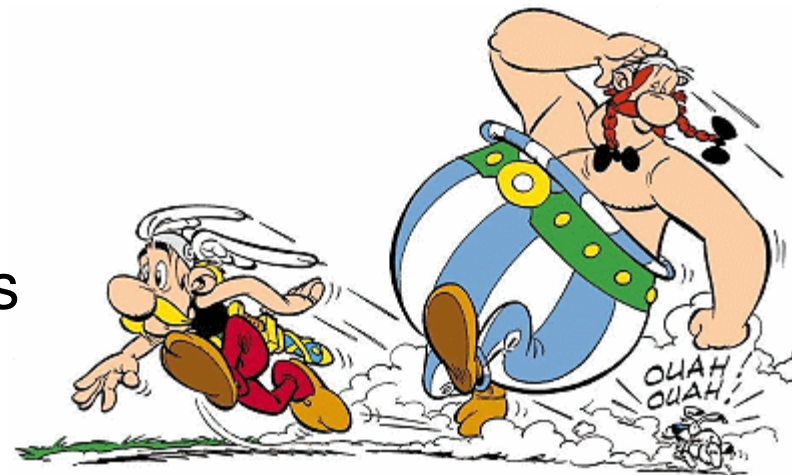
MY FIELD TESTIMONY

- Software distributor having cash-trouble
- New organisation with the COO directing personally a cash-crisis team that managed in 8 weeks time :
 - To collect 90% of late payments (= 12% of annual revenues)
 - Renegotiate the payment delays with our 2 main clients (from 60 days to 15 days)
 - Worked with sales to propose new sales propositions

KEY
TESTIMONY

CONCLUSION

- Things had to be solved INSTANTLY so
 - No time for an audit
 - No time to put in additional reporting systems
 - A team focused on “CASH”
- The action was oriented towards
 - Getting cash where the cash was
 - Lots of phone-calling
 - ... and at the same time industrializing the whole “cash-collecting” process



Testimony

POSITIVE

- The company now has a good cash-collecting system
- Positive element : It re-inforced the relation with the clients
- The implementing of new tools and procedures were seen as an ongoing process.. Not a special project.



KNOWLEDGE

WHAT TO DO ?

- List the things where you can cut costs without losing value
 - Different internal organization
 - Human resources : why not offshore all regular treatments (salary slips...)
 - Accounting : invoicing/payments...
- Normal objective : cut 35% of costs/charges and gain 30% more reporting efficiency



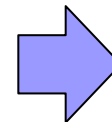


SUPPORT SERVICE PROBLEM

SUPPORT PROBLEMS

- Normally, the support service is a FRONT LINE SERVICE that relies completely on the BACK OFFICE SERVICES
- Unless understaffed or a lack of knowledge management tools, you have to detect the real problem...

Perhaps do you have a pretty client-service like this that doesn't deliver ?



SUPPORT PROBLEMS

- Problems with product quality ?
- Problems with service delivery ?
- Logistic problems ?
- Invoicing issues ?
- Problems with staff conflicts ?
- Channel (Website) issues...





CUSTOMER PROBLEMS

CUSTOMER PROBLEMS

- Find out through a survey
 - Why do they buy with you ? Is it for your products, your services or your pricing ?
 - What do they blame you ?
 - On product side
 - On services side
 - On your “vision for the future” side
- How many types of customers do you have – and how do you serve them ?





FIELD EXPERIENCE

- One company with 2 product lines
 - One for large accounts
 - One for small companies
 - A lot of redundancy and inefficiency...
- My solution : with 2 different service needs, we delivered after 8 months one software package with 2 very different interfaces.

KNOWLEDGE



PRODUCT – SERVICE PORTFOLIO

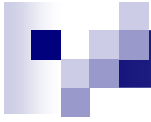
A difficult but exiting challenge

PRODUCT – SERVICE PORTFOLIO

- Analyze your catalogue of products/services

- ☐ What kind of clients (profiling)
- ☐ Average ticket / annual sales per client
- ☐ Product/service mix per market profile
- ☐ Margins per market package





PRODUCT – SERVICE PORTFOLIO

- Get a table of results
 - ☐ Where do you make money ?
 - ☐ With what do you make brand recognition ?
 - ☐ With what do you get new clients ?
 - ☐ How do you make your up sale work ?
- How is your R&D doing ?
 - ☐ Need investing or do we offshore ?





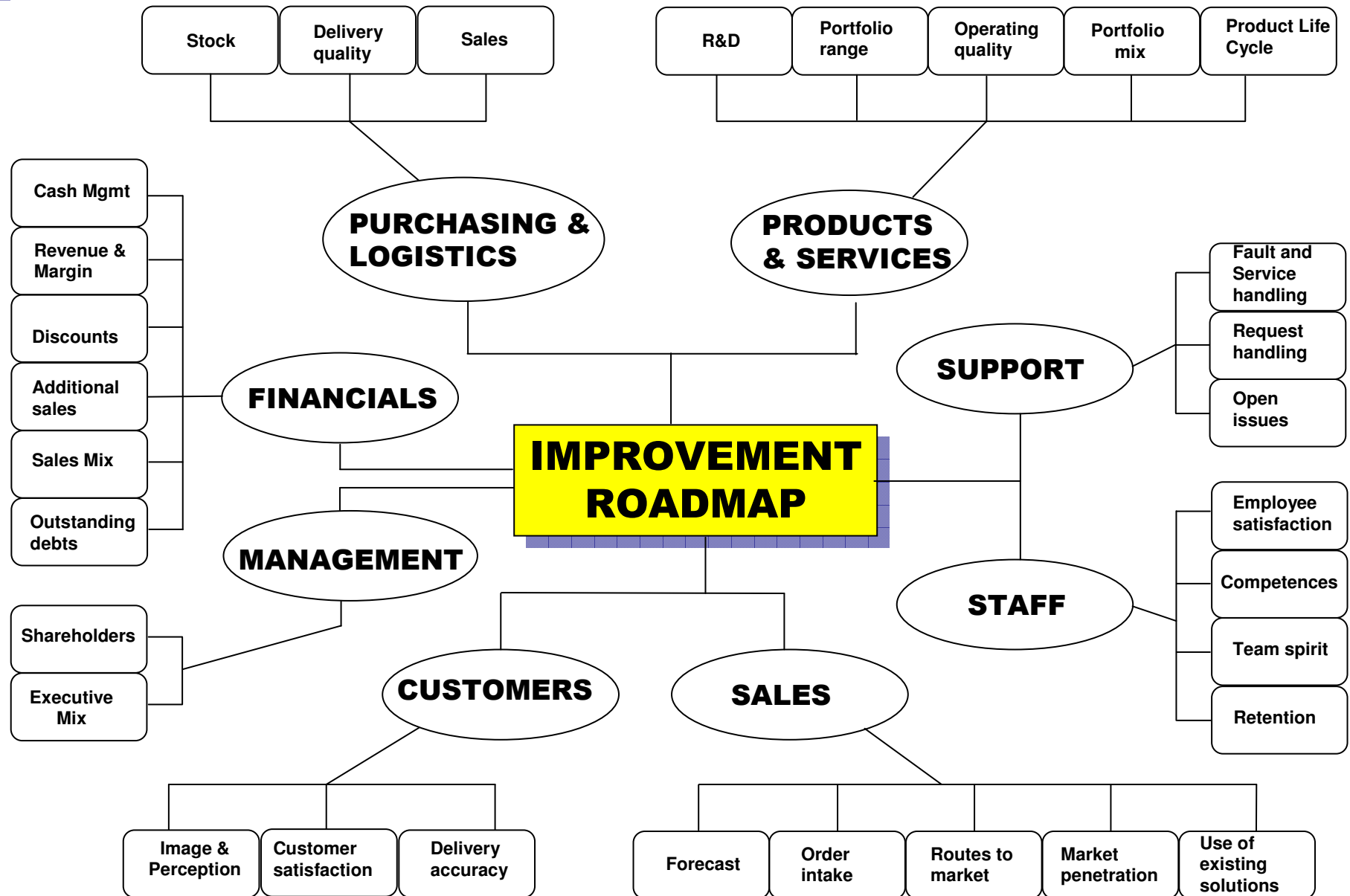
FIELD EXPERIENCE

- Online company with 20.000 references but only 10 critical for business
- By optimizing those 10, we increased our sales
- I refused to follow our shareholders will to cut prices on those 10 critical items as these would impact heavily our revenues (even when we would win some market share)

KEY
CUSTOMER
TEST



**DO NOT FORGET TO
HANDLE THE WHOLE
SPECTRUM**



The management issue...



**WRONG
EXECUTIVES**

WRONG EXECUTIVES

- Does the company has the board it needs?

***"THE BOTTLENECK IS ALWAYS
AT THE TOP OF THE BOTTLE"***





FIELD EXPERIENCE

- Interim President role with a board :
 - A finance director delivering wrong numbers
 - A sales director unable to deliver a reporting
 - An IT director refusing to test his upgrades before large-scale deployments
- Only solution as they refused to change their way of working... their replacement.

KNOW
TEST

But there is an extra “crisis” one...



SHAREHOLDER CONFLICTS

SHAREHOLDER PROBLEMS

- The difficulties can be :
 - Difference of vision of where should the company should go
 - Under-investment since years
 - Integration of a new shareholder...
 - Acquisition, so new culture...



MY RECOMMENDATION

- Listen to the shareholders but create your own strategy and growth plan
- If the company grows fast... the shareholders will let you continue your job
- To create impressive growth... you need to once again follow all items of my turnaround scheme.





FIELD EXPERIENCE

- Major conflict between shareholders blocking the development of the company
- My action :
 - Defined and executed my own growth plan
 - Annual growth = 70% with benefits + 20%
- The shareholders saw how things could move ahead ... so stopped discussing.

KEY
KNOW
LEDGE

ITEMS NOT TREATED HERE

- Closing gaps between people's roles and the company's decision-making processes
- Sudden collapsing of a market
- Crisis emergency management
- Creating of a healthy risk culture



PLEASE CONTACT ME

**I WILL BE
AVAILABLE ON
JUNE 1, 2009**

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