

Insighter



Spring 2011

KEY MANAGEMENT NEWSLETTER & UPDATES

EMERGING FROM BANKRUPTCY – THE FIRST 100 DAYS...UPDATED

STORM has extensive experience in successfully helping companies immediately upon emergence from bankruptcy. We have observed that the first 100 days is a critical period in which to change a Company's mindset. Migrating from a "surviving bankruptcy" mentality, to being a long term viable customer, supplier and competitor. This period is a short "window of opportunity" where management must be focused on leaving behind unsuccessful practices and executing on new and improved tactics and strategies. Here is an update to an earlier *Insighter* on the subject.

POST EMERGENCE 100 DAYS

Critical issues to address while emerging from bankruptcy include:

- **UNDERSTANDING KEY BUSINESS DRIVERS AND SUCCESS FACTORS**

Customer and supplier relationships, emerging market trends, competitive threats, product and business segment strategies, and keys to profitable growth in the current environment.

- **CULTURE CHANGES**

Provide clear and concise communications that reinforce the company's new direction both internally and outside the organization.

- **ESTABLISHING GROUND RULES AND STANDARDS**

Understanding of performance expectations and methods used to achieve, as well as a written chart of approvals that is communicated throughout the organization, providing parameters on what commitments can and cannot be made.

- **ESTABLISHING MANAGEMENT BY OBJECTIVES FRAMEWORK**

Where management understands its role in achieving quantifiable and measureable goals.

- **FOCUSING ON CASH AND PROFITABILITY**

Tied into management objectives.

- **REWARDING RESULTS**

Revised compensation plans focused on results at all levels.

- **EXECUTION**

First six-month goals and objectives that tie into the organization's vision and direction, as well as development of action items, timelines and accountability.

- **IDENTIFICATION OF "GO-TO" PEOPLE**

Who are the people that get things done even if they don't have the title.

- **IMPLEMENTATION OF PRICING AND PROFITABILITY COMMITTEE**

Establish cross-functional team to gain control of pricing decisions that impact both short- and long-term profitability.

- **KEY OPERATING STATISTICS**

Dashboard of key metrics that help drive better business decisions.

- **ACCELERATING PROGRESS**

Continued focus and emphasis on results while applying the "80% rule" on attainment.

- **ACHIEVING PLAN COMMITMENTS**

Holding people accountable for their portion of performance plan via establishment of individual and group goals and objectives.

" We view challenging times as an opportunity to make the necessary changes required for sustained profitability and future growth"

The bottom line is that the first 100 days post emergence form the basis for the future success or failure of the enterprise. It is during this period that critical strategies, decisions, leadership, structure, goals, and motivations are designed and developed, for the company to successfully emerge from bankruptcy with a sustainable business model.

STORM's real world management experience can help in areas such as:

- Generating additional cash flow
 - Reviewing product line profitability
 - Pricing and terms to maximize profitability
 - Supplier concessions and sourcing strategies
 - Exiting unprofitable market segments
 - Rationalizing marginal operations
 - Game plan for go-forward products & services
 - Evaluating/developing customer-specific strategies
 - Restructuring to operate more efficiently
 - Preparing for accelerated growth
 - Results-oriented incentive plans
 - Marketing and distribution improvements
 - Lowering "breakeven levels"
 - Reducing costs and expenses
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USING STORM EFFECTIVELY

Our experience spans both good and bad times. We have successfully navigated through the issues that are once again prevalent in today's business environment. We can work with management and help guide them to the appropriate actions and execute plans to restore financial health. The key is to get us involved early, when there is both time and options available for a successful outcome.

The STORM Difference

Execution-oriented and focused on rapidly delivering tangible and measurable results

Preserving long-term strategic options while dealing with immediate business issues

We are here to assist you on these and other operational and strategic improvements

Give us a call to see how we can help!

3081 Holcomb Bridge Rd.

Suite H-1

Crossings Center VI

Norcross, GA 30071

678.291.9191

www.stormconsultingllc.com