

February 2009

How Would I Use a Turnaround Consultant?

Gray Stone Advisors' Monthly INSIGHTS provides thought-provoking strategies to help your business survive and thrive. Monthly insight and discussion focuses on strategic aspects of leadership, operations, business success, and key metrics related to aviation operations, aviation sectors support, specialty retailing and distribution and logistics sectors.

in•sight [in-sahyt]
- noun

- clear or deep perception of a situation
- a feeling of understanding
- the clear (and often sudden) understanding of a complex situation
- grasping the inner nature of things intuitively

<Dictionary.com <http://dictionary.reference.com/browse/insight>>.

What's the Most Important Ingredient in a Turnaround?

I am often asked 'What's the most important ingredient in a turnaround?' Well, the answer isn't simple or straightforward. Every case, every client is different. There is one commodity, however, that if exhausted, terminates everything. **CASH**. You better not run out of it, and, you can never have too much of it. In business, especially now – 'Cash is King.' Now and forever.

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Here are my answers:

Viability Assessments - There's no point throwing 'good money after bad', as the saying goes. Strange enough – some folks don't want the truth. I can tell you, with certainty, the banks

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and lead investors absolutely want to know the truth. Make sure the information you receive from any consultant is 'reality-based'.

1. Interim Management or Leadership – This is also referred to as 'Bridge Leadership' and is a primary method to bridge transitions during mergers & acquisitions, provide a second pair of eyes during difficult change periods, or fill the need for that 'reality check' when you just can't see the forest for the trees.

2. Operational Consultancy – Going back to the theme 'Cash is King' - get the cash and the cash flow in control. Develop cash flow modeling, accounts receivable management to improve collection times and lower Days Sales Outstanding (DSO). Improve vendor interface and communications to secure better payment terms, while strengthening banking and financing relationships (again – back to the CASH, you need these folks on your side!)

3. Over the Long Term – there are

several ways I would utilize a consultant over the long term, with the **top priorities including:**

- Development of a realistic, written Business Plan
- Simplify and clean-up all business practices and operating systems. Think Quality Management System (QMS), ISO, Six Sigma, etc.
- Rationalization of Operating Expenses vs. Gross Margin
- 'Right-sizing' the enterprise structure – headcount, facilities, infrastructure.
- Vendor negotiations – terms, performance, price.
 - Improved asset performance – faster inventory turns, longer payment terms, etc.
 - Product & Service Life Cycle Management
 - Focus on Best Performing Product/Services, drop the poor performers. (Core, core, core – *no ancillary noise!*)
 - Develop Key Performance Metrics to measure, report & improve

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everything. (The Hawthorn Effect – *What gets measured gets improved!*)

- Management Assessment – determine quickly if the right people are in the right roles and make necessary changes without delay.

About Gray Stone Advisors

Since 1996, Gray Stone Advisors has helped senior executives and corporations—large and small—develop and execute strategies for growth and sustainability, and successfully prepare for, implement and manage change.

Specializing in key business sectors – Aviation & Related Services, Specialty Retailing, and Logistics & Distribution - Gray Stone Advisors services include strategic assessment and planning, organizational development, tactical operations, business process research and benchmarking, project management and leadership training.

Our Business Aviation Services are tailored for both traditional corporate Part 91 organizations and Part 135 Charter and Management operators. As

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business aviation advocates and utilizers, Gray Stone Advisors' aviation expertise supports Business Aviation operations in building successful communication strategies between the flight department and the host organization. The end result is an efficient, effective flight department that understands its customer.

Our approach includes:

- Leadership Development, Communications Training, Mentoring & Coaching
- Performance Enhancement
- On-going Support and Consul
- Leadership/Staff Selection
- Bridge Leadership
- Education and Training Programs focused upon both the Host Enterprise and the Aviation Organization

We create value through our extensive experience, positive results, and our focus on your unique needs.

To find out more, contact
Gray Stone Advisors
info@graystoneadvisors.com
jlara@graystoneadvisors.com

1.865.357.5077

www.graystoneadvisors.com