

The 8 Essential Steps To Turnaround Your Business

Stabilise - Transform - Sustain



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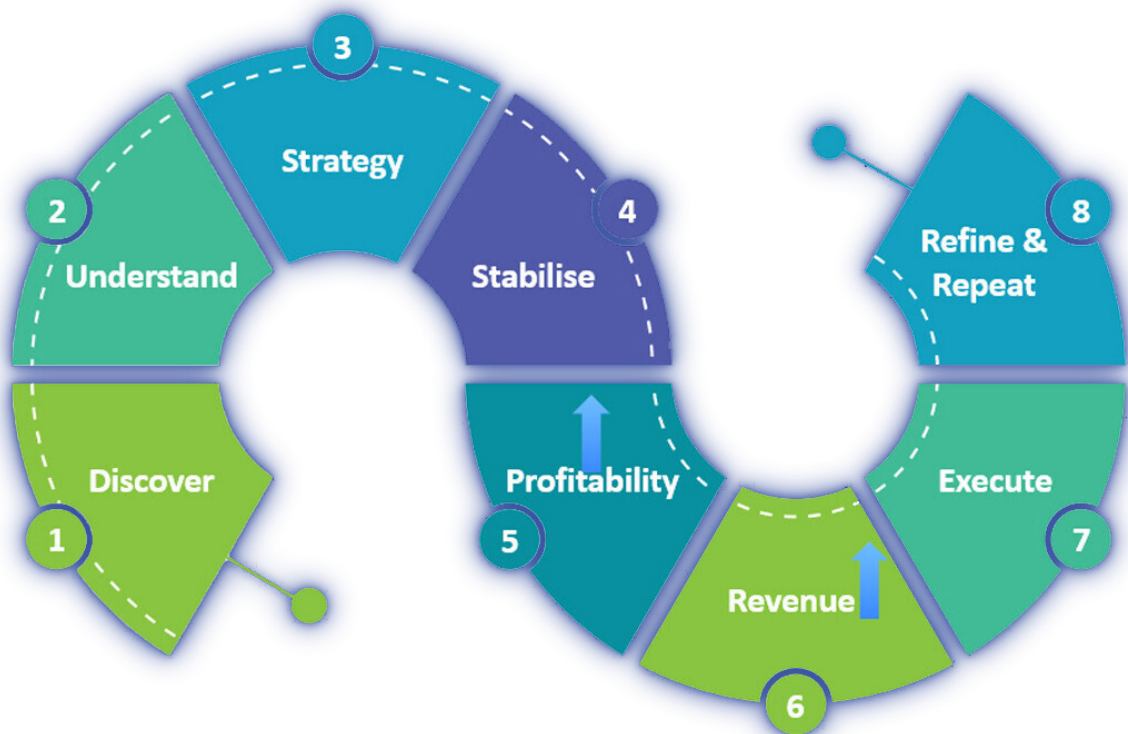
Introduction

Thank you for downloading my free eBook: The 8 Essential Business Turnaround Steps That You Need to Action. My name is Lee Milward and for more than 20 years I have helped businesses avoid their worst fate imaginable. My experience as a Chartered Accountant has allowed me to help hundreds of businesses who have found themselves in a sinking ship.

My 8-step process outlined within this eBook has allowed me to uncover all the inefficiencies and issues that are plaguing a business. Once I understand what's going on, I can then take steps towards rectification and return the business to long-term profitability.

If you are serious about your business, its future, and your own personal financial wellbeing, I highly recommend that you spend considerable amounts of time on each step like I do. If you don't, you might just miss that one issue causing all your strife.

If you are finding it difficult to execute all of these steps for your business, or you simply don't have the time, I can help you.



Step 1: Discover

The first and most critically important step in my 8-step process is discovery. Without it, you will not be able to create an executable turnaround plan that works for your business.

You must first build a solid foundation, so that you can fully understand where the business is at this current moment. This means that you must take a deep dive into all areas of your business and then develop a pathway forward. The story of your business lies within your numbers, so it is important that you sit down and interpret them.

The numbers I use, come from KPI's associated with Profit & Loss Statements, Balance Sheets, Cashflow Statements, Google Analytics reports, Facebook & Instagram metrics and POS Systems.

These data sources are rich with the useful information that you need to make effective and timely decisions.

Step 2: Understand

To give your business the greatest chance of success during the turnaround process, it is absolutely vital that you communicate with all of your stakeholders before you proceed. You must make sure that you have clearly communicated where the business currently stands and that changes will happen.

Clear communication surrounding the future of your business allows stakeholders to row in the same direction and gives the business the best chance of success during the turnaround process.

A strong team culture helps here, as taking appropriate action towards making things happen becomes a shared responsibility and lessens the burden on any one individual.

Step 3: Develop Strategy

Next, you must develop a strategy for going forward. This is where you need to focus your attention towards what products and services are going to bring you sufficient future profitability and the expenses you can afford to cut. During this step, you will also develop a detailed rolling cash flow forecast for at least 13 weeks.

A robust financial forecasting model that can perform a What-If analysis across different scenarios will provide you with the crucial information you need to make important decisions. You will need to be able to see what effect a range of price increases will do to your profitability, what price reductions can be made to your Cost of Goods Sold and what labour efficiency gains can be created.

At this stage, you will need to convince any creditors that your business can still operate with a lower cost base and still be profitable. Keeping your stakeholders on-side during the transition to this new model is crucial.

Step 4: Stabilise Finances

The restructuring of your finances is a crucial step to a successful turnaround plan. It is important that you complete each of the following processes to drive success. To start stabilising your finances, categorise your current providers of finance. One category for all your core suppliers that you will continue trading relationships with into the future and another category with the trading relationships the business can do without.

Next, you must meet with your core suppliers and demonstrate to them how you can repay monies owed. This is a crucial step for success within your plan, so make sure that your suppliers have full clarity. After these processes, obtain negotiated settlements with your other creditors, so that you can focus on other matters regarding the generation of improved profit margins. This will allow you to service operating expenses and pay down debt.

Now is the time to sell any unnecessary inventory that is not allocated to a job or is old stock. This is money sat on the shelf that can be better utilised right now. Lastly, you should know what your bank balance is every day, what customer payments are inbound and what expenses are to be paid out to keep within positive cash flow territory.

Step 5: Increase Profitability

Now is the time to increase your profitability by selling more higher margin products and services, so that you can generate more cash to help pay off creditors and start to build a stronger foundation for the future of your business.

Create a BCG Matrix for your products and services. Those which fall under the Star quadrant are to be sold on a more frequent basis, whilst the products and services contained within the Dog quadrant are to be sold less or eliminated completely.



It is also important to employ multi-skilled employees to increase overall labour efficiency and to reduce fixed costs as much as possible. This means eliminating any unnecessary expenditure.

Step 6: Increase Revenue

To increase your revenues quickly, start by tapping into your pre-existing customer base and get them to start spending more money with your business. You have already fought the uphill battle to win over these clients, so make sure you nurture them and keep them well looked after. If you make your clients love your business, there should be no reason for them to shop with your competition.

Try to implement the following three actions to boost your revenues before pushing hard in acquiring new clients. Acquiring new clients expends time and money, so why not start by increasing the value of those who are pre-existing.

- 1.** Increase the average transaction value of each sale. Bundle products and services together or offer complementing items that suit your client's needs. By created a value add, you encourage clients to spend more with your business.
- 2.** It is much easier to increase the average purchase frequency of a pre-existing client than it is to convince a new client to shop with you. Figure out some ways to increase purchase frequency amongst your clients but be careful, you don't want to devalue your brand in the process.
- 3.** Try your best to increase your customer conversion ratio for a quick increase in revenues. This should work like a charm if the previous two actions have been implemented. It is now easier than ever to keep a track of this ratio, so keep an eye on it and make changes if you see it slipping.

Step 7: Execute the plan

Now starts the real work and this where a lot of businesses ultimately fail. You must have the discipline to commit your full focus to executing the turnaround plan every day and you will need to be accountable for your actions, or lack thereof.

You can't manage what you can't measure, so develop key metrics that you will review daily. Chart your progress and compare it against your plan. Make sure you are on the right trajectory before its to late.

Keep doing the things that are working and eliminate the things that aren't. Always ask yourself if you can be doing anything else to improve the situation.

Change can always be a bit difficult at times, but once you get into your new routine, things will eventually become easier and you'll be back to being in control of your business journey.

Step 8: Refine & Repeat

Every business has different circumstances, so it hard to place a fixed timeframe on when you should refine and repeat processes, so try and make the best judgement possible.

Refining and repeating some of the actions you've already taken might be necessary for success. They might be daily, or even continued every week or monthly depending on whether they are working out or not. If you are making incremental progress, stick to it. You will soon see the fruits of your labour.

Final Thoughts for Those Struggling

Executing a business turnaround plan is no easy feat. When you have been doing them for years like I have, you tend to discover a lot of commonalities and the best solutions to overcome recurring issues. This of course can be difficult when you don't have the experience, that's why business turnaround experts like myself exist.

By downloading this eBook and taking the time to read through my 8 essential business turnaround steps, you have better prepared yourself than most ever will.

Of course, I am more than happy to help you gain crucial insights on how to build a solid foundation for your business and yield sustainable growth well into your future. You can book a free complimentary consultation with me through our website.

Once again, thank you for downloading my free eBook: The 8 Essential Business Turnaround Steps That You Need to Action, and I wish you the very best on your business turnaround journey.

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