

Corporate Recovery Roadmap: Navigating Distress to Stability

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Corporate Recovery Roadmap: Navigating Distress to Stability

Purpose: This visual, step-by-step guide outlines a comprehensive framework to stabilize a distressed business and set it on a path to recovery within 3–9 months. Designed by **VIET Transformation Advisors**, this roadmap provides clear phases, key actions, and essential tools to navigate challenging periods.



The Road to Recovery: A Mountain Climb Metaphor

Phase 1: Rapid Diagnostic (0–30 Days)

This initial phase is about immediate assessment and stopping the bleeding. Speed and precision are critical.

- **Emergency Financial Health Scan:**
 - Conduct an immediate, forensic review of cash flow, accounts receivable/payable, and short-term liabilities.
 - Identify critical liquidity needs and potential sources of emergency funding.
- **Risk-Factor Mapping:**
 - Systematically map out key risk factors impacting cash flow, supply chain stability, regulatory compliance (especially in Vietnam's evolving landscape), and operational continuity.
 - Prioritize risks based on impact and likelihood.
- **Immediate Cost-Cutting Measures:**
 - Identify and implement quick-win cost reductions. This could include freezing non-essential spending, reviewing vendor contracts, and optimizing inventory levels.
 - Focus on preserving immediate cash.



Phase 2: Stakeholder Alignment (30–60 Days)

Building consensus and securing cooperation from critical stakeholders is vital for any recovery effort.

- **Creditor/Investor Negotiation Templates:**
 - Prepare structured communication and negotiation strategies for banks, suppliers, and investors.
 - Develop proposals for debt restructuring, payment deferrals, or new equity injection, tailored to Vietnamese financial norms.

- **Government Liaison Protocols (if applicable):**

- Establish clear protocols for engaging with relevant government bodies or regulatory authorities, especially if distressed operations impact employment or specific industry regulations.
- Understand and navigate local bureaucratic processes effectively.



Phase 3: Turnaround Plan (60–90 Days)

With initial stabilization complete, this phase focuses on developing a detailed plan for operational restructuring and value creation.

- **Cost Rationalization Framework:**

- Develop a sustainable cost rationalization framework, moving beyond immediate cuts to strategic overhead reduction, process optimization, and potentially workforce adjustments.
- Benchmark against industry standards in Vietnam.

- **Asset Optimization Strategies:**

- Identify underutilized or non-core assets that can be divested or repurposed to generate cash.
- Explore strategies like **sale-leasebacks** for key assets to improve liquidity without halting operations.



Phase 4: Execution (90–180 Days)

This is where the rubber meets the road. Focused and disciplined execution of the turnaround plan is paramount.

- **Interim Leadership Playbook:**

- Establish a clear playbook for interim leadership, outlining roles, responsibilities, and decision-making authority during the turnaround period.
- Focus on strong communication and accountability.

- **Process Re-engineering Checklist:**

- Implement a detailed checklist for re-engineering critical business processes (e.g., procurement, sales, production) to improve efficiency and reduce waste.
- Ensure new processes are sustainable and integrate well with existing systems.

Phase 5: Stabilization (180+ Days)

The final phase solidifies the recovery, focusing on long-term resilience and sustained performance.

- **Recovery KPIs:**

- Establish a robust set of Key Performance Indicators (KPIs) to continuously monitor the health of the business.
- Track **liquidity ratios** (e.g., current ratio, quick ratio) and **burn rate** (cash consumed per month) closely.
- Monitor profitability metrics and operational efficiencies.

- **Governance Frameworks for Long-Term Resilience:**

- Implement enhanced governance structures, risk management frameworks, and internal controls to prevent future distress.
- Foster a culture of continuous improvement and proactive risk assessment.



VIET Transformation Advisors is your trusted partner in navigating corporate distress and achieving sustainable recovery in Vietnam. Our expertise in local market dynamics, combined with a robust recovery methodology, ensures a clear path back to stability and growth.

Contact Us:



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