Building Vietnam's Corporate Recovery Ecosystem: A Structured Approach

Vietnam's financial system is entering a new phase. As bad debts weigh on banks and entrepreneurial families face rising risks, the need for structured corporate recovery is urgent. While state initiatives like Decision 1058 and VAMC reforms are underway, implementation gaps remain. This article explores how specialized advisory practices can bridge those gaps. VIET Transformation Advisors offers solutions designed for investors and company owners.

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Chapter 1: Decision 1058 and the VAMC Framework

Vietnam's financial sector stands at a strategic crossroads. Decision 1058, issued in 2017, outlines a long-term roadmap to restructure credit institutions and control systemic risk, especially from non-performing loans (NPLs). It reflects a broader governmental recognition that economic growth must be accompanied by financial stability. The Vietnam Asset Management Company (VAMC) was placed at the heart of this strategy.

Initially, VAMC focused on absorbing NPLs through special bond transactions, which postponed actual loss recognition. While this eased pressure on bank balance sheets, it failed to remove risk from the system or resolve underlying business failures. Without a secondary market for distressed debt or enforcement mechanisms for asset resolution, VAMC became a passive repository rather than an engine of transformation.

In recent years, the government and regulators have moved to evolve VAMC's mandate. There is now greater emphasis on direct acquisition of bad debts, broader authority in asset disposal, and plans to involve foreign investors. These developments indicate a gradual convergence toward international standards of debt recovery. But implementation remains constrained by capacity gaps, legal friction, and a lack of skilled turnaround professionals.

Chapter 2: Mapping the Operational Void in Crisis Situations

Vietnam's economic success since the early 2000s has created an environment where few businesses or investors planned for crisis scenarios. The prolonged growth cycle shaped both private and public sector thinking: debt was seen as leverage for expansion, not a source of fragility. As a result, the local business ecosystem has limited experience in managing operational crises triggered by liquidity shortages, market shifts, or leadership failures.

Many businesses — particularly family-owned firms and conglomerates — lack mechanisms for internal restructuring. Critical functions such as cash flow control, governance review, and scenario modeling are often underdeveloped. Ịn crisis, companies rely on informal negotiation, delay tactics, or hope for external forbearance.

This operational void is mirrored on the advisory side. There are few independent practitioners or ´ rms equipped to handle end-to-end restructuring processes. The professional landscape is dominated by audit and tax services. Crisis resolution capabilities —including operational diagnostics, interim leadership, or implementation of cost containment —are not yet embedded in Vietnam,s business services sector.

The result: crises deepen before solutions begin. The window for recovery narrows. Ịn many cases, value is permanently destroyed not by the initial shock, but by the absence of a coordinated and disciplined response.

Chapter 3: Ịnside the Enterprise —Recovery Clinics and Control Zones

Ịnternationally, distressed companies bene´ t from independent teams empowered to manage crisis. These teams operate as temporary ”control zones„ often referred to as Recovery Clinics. Ịn Vietnam, where internal management structures are often loyalty-based rather than performance-driven, such external control is even more vital.

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A Recovery Clinic embeds professionals directly into the company. Their job is not to advise from a distance, but to operate alongside the leadership team. The mandate is to stabilize, design viable strategies, and implement necessary transitions. Each clinic includes ´ nancial controllers, legal coordinators, industry veterans and interim executives with restructuring experience.

Clinics are built on ´ve principles:

1. Independence from legacy interests
2. Direct access to data and decision-makers
3. Daily monitoring and intervention cycles
4. Clear authority to adjust leadership roles and priorities
5. Strong coordination with stakeholders, including investors and creditors

In Vietnam, establishing such a structure requires the backing of owners or key capital providers. Without formal insolvency protection, restructuring relies on informal but enforceable governance solutions. Clinics must also be culturally aligned: respect for hierarchy, discretion in internal politics, and ability to preserve face are not optional. They are the preconditions for effectiveness.

Chapter 4: Structured Asset Resets — From Legacy Exposure to Strategic Core

One of the most overlooked levers in recovery is asset-level restructuring. Companies typically carry underperforming assets — factories, land, distribution units, product lines — that consume working capital without generating return. While management may be aware of these ineWciencies, they often lack the process or mandate to address them.

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Asset resets begin with an asset inventory across operational and legal entities. Each asset is then benchmarked by return pro´le, strategic relevance and liquidity potential. The outcome is a categorized map: what to ´x, what to exit, and what to reallocate.

In Vietnam, asset-heavy structures are common. Real estate holdings, long-term supplier contracts, and legacy subsidiaries can entangle core business performance. Disentangling these requires both legal engineering and change management.

What separates successful asset restructuring from cosmetic exercises is execution: clean transfers, dispute prevention, staffitransition plans, and transparent communication with investors and regulators. Companies that master this discipline regain focus and unlock working capital.

Chapter 5: Building Crisis Readiness in Entrepreneurial Families

Vietnam,s family enterprises form the backbone of its private economy. They combine ´nancial ownership, operational leadership and often, reputational identity. In times of distress, this integration becomes a vulnerability.

Families tend to delay diWcult decisions, hoping that conditions will normalize. Internal communication suffers, and roles blur. Siblings or relatives with overlapping responsibilities create bottlenecks. At the same time, external partners — including banks and minority investors — grow nervous, leading to rapid erosion of trust.

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Building readiness requires more than good intentions. It begins with a family governance framework that includes:

- De´ned roles and decision rights

- Emergency capital protocols
- Clear succession and delegation rules
- Firewalls between personal and company assets

Ịn crisis, families also bene´t from neutral facilitation. External advisors can serve as coordinators across legal, ´nancial and emotional dimensions. Their presence lowers tensions, ensures technical decisions are made, and prevents reputational escalation. Ịn Vietnam,s culturally conservative context, this role must be ´lled with both discretion and seniority.

Chapter 6: The VỊET TA Approach —Structure, Speed, Stakeholder Alignment

VỊET Transformation Advisors is not a restructuring partner for banks. We are positioned within companies —engaged by those who bear ´nancial and strategic responsibility. These are owners, entrepreneurial families, family oWces, institutional investors, or controlling creditors. Our sole mandate is to stabilize critical corporate situations, restore strategic clarity, and lead execution from within.

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The core of our approach is operational immersion. When a company comes under pressure—´nancial, operational, reputational —we embed multidisciplinary teams directly into the business. These teams do not advise from the margins. They take position at the heart of decision-making, managing ambiguity, complexity and internal con¸ict in real time. Recovery does not begin with a plan. It begins with presence: showing up, understanding what truly matters, and rapidly regaining control of the situation.

Each engagement begins with diagnostic immersion. We deploy our own process architecture to identify structural weaknesses, liquidity gaps, unresolved liabilities, and risks hidden in governance or stakeholder misalignment. The result is not a report, but a position paper for immediate leadership action. We define core objectives, lock in decision rights, and align expectations across key players — owners, board members, senior management, and where appropriate, major creditors.

Based on this shared understanding, we design and lead what we call a Recovery Clinic. This is not a theoretical structure. It is a functioning control hub, staffed by interim specialists in finance, operations, compliance, and project coordination. The Recovery Clinic operates as a parallel management center — quietly, efficiently, and with the authority required to implement change.

Our teams manage cash flow integrity on a daily basis. We re-sequence supplier obligations, reassign leadership roles, and define the phasing of necessary divestments or restructurings. Where internal management is overextended or conflicted, we take interim line responsibility. This may include replacing the CFO for a defined period, assuming control of business units underperforming for structural reasons, or guiding post-restructuring transition paths.

Equally important is how we manage communication — internally and externally. Recovery fails when narrative collapses. We develop and synchronize the messaging required for employees, customers, banks, and the broader market. In every step, we ensure that clients preserve face, credibility, and optionality. Our experience tells us that reputation loss is often more damaging than financial loss.

What we deliver is not process. It is position. Our clients regain leadership — over the business, over the dynamics with stakeholders, and over the decisions that need to be taken. We restore transparency, credibility, and forward movement. This allows families to remain in control without being exposed. It allows investors to stabilize their assets without lengthy boardroom debates. And it allows businesses to return to a growth path grounded in realism, not illusion.

Our effect is measured not in savings, but in outcomes: stabilization of liquidity, repositioning of core units, protection of brand equity, and reconstitution of shareholder con´dence. Jn many cases, we serve as the bridge between near-failure and next-phase strategy.

Vietnam,s private economy is entering a phase where resilience will matter more than growth rates. Companies must be able to reset without collapsing. Families must be able to restructure without losing control. And investors must be able to protect assets without triggering market contagion. VJET Transformation Advisors was built for this moment. We bring structure, speed and stakeholder alignment to situations where these are most urgently needed —and where others hesitate to engage.

Curious how this approach could strengthen your leadership team AND accelerate strategy delivery?
Let,s talk con´dentially about tailoring a con´dential, impactful coaching journey that aligns with your critical business milestones.

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