CONCLUSION AND SUGGESTIONS

These recommendations are entirely researcher point of view; it may be contrary to the present belief of most of the academicians or practitioners.

We think turnaround process is not only confined to be applied to the sick units only. With the rapidly changing scenario, you never know when you will be trailing in same boat of sickness. Turnaround is a cautious process of introspection of our internal performance v/s external challenges coming up in external environment with fast and dynamic changes taking place in corporate world.

If losses can crept in to the best 10 Indian industries (cases taken), which are among the best in their respective field and most respected for their professionalism working, It may happen with any of the industry/businesses.

We are working in borderless economy, where world is a market, you are open to face competition from all over. To survive just to break even is not sufficient, you have to be the best and then only you can spread out and be world-class organization.

Our endeavor through this study is to highlight the basic reasons by which companies may get ill so that preventive measures can be taken as and when these symptoms arises.

One can implement this turnaround strategy, even to the normal running organization, it is not necessary that one would act only when company is trapped into red.

Business is growing, market has got widen but what is pulling us down? It is human tendency that during comfort days, no one cares for rainy days. The one who envisage the future and act now to take measures, does not have to face the eventualities. Turnaround is constant process to be adopted or you may term it as anti-dose to safeguard the health of your organization in advance.
Here I would like to draw your attention towards chart given by AIMA in their Study Material (Refer Strategic Management subject, 2002, page 80)

Numerous Environmental

Cell 3: Turnaround Strategy

Cell 1: Aggressive Growth-Oriented Strategy

Cell 4: Diversification Strategy

Cell 2: Defensive Strategy

Critical Internal Weakness

Substantial Internal Strengths

Major Environmental Threat

Indian industry after having many years of protected environment has open world with numerous opportunities. It is the time to address and rectify internal weakness and that is why we term this all phenomenon as turnaround.

Turnaround Management is quite relevant study in present context of scenario. We would like to portray our viewpoint in a specific manner appended below:

**MAJOR REASONS OF FINANCIAL LOSSES**

**INTERNAL**

1. HIGH COST
2. LACK OF MARKET DRIVEN APPROACH
3. FINANCIAL INDISCIPLINE
4. OVER EXPANSION
5. LOWER PROFITABILITY

First three reasons itself constitute (Point 1 to 3) 53% causes of financial losses while remaining two (Point 4 & 5) adds up to another 10% each of the cause of reasoning.

EXTERNAL

1. GLOBAL COMPETITION
2. GOVERNMENT RULES

Global completion emerged out to be the main factor which creep the financial doldrums while Government rules added another 18% reasoning to this effect

BASIC FOCUS AREAS ON WHICH TURNAROUND IS POSSIBLE

* FINANCIAL RESTRUCTURING
* CUSTOMER APPROACH
* MANPOWER RESTRUCTURING
* THE PROCESS

PRIORITY OF ATTENTION

1. CUSTOMER
2. PROFIT
3. PEOPLE and than
4. PRODUCT
LEADERSHIP STYLE

In initial phase of turnaround, Leadership style has to be authorative because it is often found that there is a great resistance for the change; mass can not understand your vision and anticipate the future. At first stage of turnaround you have to address the issues like High Cost, Large manpower, better quality and Market refocusing, which may not be liked and encouraged by everyone.

It is tough task to convince every one with your ideas, one can not afford always be so democratic, some times leader has to exercise his own actions, which may be harsh also; but this is a requirement of leader in initial phase of turnaround. But gradually he may opt for ‘Consultative type of leadership’.

Turnaround manager is visionary leader and architect. He should be tough minded, self confident, decisiveness, focused to the job and go-getter.

FIRST 10 STRATEGIES FOR TURNAROUND

1. Cost Reduction
2. Expedite Recovery
3. To increase Labour Productivity
4. Disposal of Non-Performing Assets
5. Budget Control
6. Efforts to sell Proper-Product-Mix
7. Billing based on credit worthiness
8. Inventory Control
9. Training and upgrading the skills
10. Downsizing Staff
There are some of the facts which are eye opener, among about 60 actions which we are suppose to take up as turnaround strategy, Downsizing of Staff has come on 10th position of first 10 actions to be taken up on priority.

For exploring better output from manpower resources, study says it is better first to increase labour productivity and train them for upgrading their skills.

Disposal of non-performing assets and selling proper product-mix are some of the actions which escape our attention in routine operational working.

This turnaround study may bring fresh approach to the business; it will provide insight as what may happen tomorrow. It may serve as guide to keep the organization healthy, wealthy and wise.