

Successful Corporate Turnarounds

Eugene F. Finkin

TECHNISCHE HOCHSCHULE DARMSTADT
Fachbereich 1
Gesamtbibliothek
<u>Betriebswirtschaftslehre</u>
Inventar-Nr. : 40.353
Abstell-Nr. : A.12/1581
Sachgebiete: A.2.1

PRAEGER

New York
Westport, Connecticut
London

CONTENTS

EXHIBITS	xiii
PREFACE	xv
ACKNOWLEDGMENTS	xvii
1. COMING TO GRIPS WITH THE PROBLEM	1
Phase 1: The Beginning	8
Phase 2: The Awakening	8
Phase 3: Streamlining	8
2. DANLY MACHINE CORPORATION: A TURNAROUND EXAMPLE	11
Product Engineering Cost Savings	13
Purchasing Cost Savings	15
Manufacturing Management Cost Savings	16
The Human Element	17

The Strike	20
The Market	23
Summary	24
3. COMMUNICATIONS	27
Employee Communications	28
External Communications and Relations	31
Company Name	37
4. PEOPLE ASPECTS	41
Building Team Spirit	41
Staff Assessment, Recruitment, and Replacement	45
Compensation	49
Changing the Company Culture	51
Employee Suggestions and Candid Information Flow	54
5. FINANCE	57
Business Plan	57
Cash Flow	59
Cost Accounting	62
Electronic Data Processing	65
6. OVERHEAD	69
Staff Costs	69
Fixed Costs and Other Costs	73
7. INVENTORY	75
8. PROCUREMENT	81
Purchasing	81
Make/Buy	87
9. MANUFACTURING	91
Assessing the Current Status	92

Manufacturing Strategy	94
Productivity Measurement and Control	96
Work Rules	101
Plant Moving and Consolidation	104
Incentive Pay Systems	107
Scheduling	108
Plant Layout	109
Quality	110
Just-in-Time Production/KANBAN	111
Process Industries	113
10. MARKETING	117
Assessing the Current Status and Competitive Situation	117
Marketing and Sales Organization	120
Sales Expenses	122
Pricing	124
Replacement Parts and Service	128
Product Line Breadth	130
Product Standards	133
Design Obsolescence	134
Advertising	135
Customer Change Orders	136
Distribution	138
Competitive Responses	138
11. TECHNOLOGY	141
Product Engineering for Current Products	142
Manufacturing Engineering	150
Program Management	153
12. NEW PRODUCT DEVELOPMENT	155

What Is a New Product?	156
Stages in Product Commercialization	156
Types of New Product Approaches	157
Identification of New Product Opportunities	158
Testing Economic Feasibility	159
Technical Feasibility Study	160
Financial Evaluation	161
Market Share Consideration	161
Use of Existing Business Resources	162
Outside Resources	162
Licensing	163
Organizational Relationship of Manufacturing Process Development and New Product Development	164
Physical Location and Isolation	166
Positioning of New Products in the Company Structure	167
Time Considerations	169
13. STRATEGIC PLANNING	171
14. FOREIGN OPERATIONS	181
15. OPERATING DURING STRIKES	187
Security	189
Communications	190
Production	191
Supply, Shipping and Receiving	192
Maintenance	192
Personnel	193
Legal Representation	194
16. SUMMARY	197
People Aspects	198

Communications	198
Strategic Planning	199
Finance	200
Overhead	201
Inventory	202
Procurement	202
Manufacturing	203
Marketing	204
Technology	205
New Product Development	205
Foreign Operations	206
Operating During Strikes	206
INDEX	207