

This is the most time-critical and high-stakes scenario. An MBB-led turnaround requires **ruthless prioritization, unwavering communication**, and an absolute focus on Free Cash Flow (FCF) stabilization.

Here is the comprehensive action plan for a **Rapid Turnaround and Restructuring**, delivered from the perspective of a Senior MBB Partner.

Comprehensive Action Plan: Rapid Turnaround and Restructuring

Section	Content
Preamble/Role	Senior Partner, MBB Firm. The company is a mid-cap, publicly traded retail chain facing severe liquidity issues due to high debt servicing costs, declining same-store sales, and inventory obsolescence. Immediate intervention is required.
Core Mandate	Design a comprehensive action plan for a Rapid Turnaround and Restructuring to stabilize cash flow and regain investor confidence within 9 months . The plan must identify \$150 million in 'quick-hit' cost and revenue levers for immediate capture.
Objective	Achieve positive Free Cash Flow (FCF) by Month 4 and deliver \$150 Million in annualized run-rate savings and revenue improvements by Month 9.

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Compelling Why	The strategic imperative is Solvency Preservation. The company is projected to breach debt covenants within the next 120 days if FCF remains negative. The rapid intervention will stabilize the balance sheet, provide leverage in creditor negotiations, prevent forced liquidation, and stabilize the stock price, preserving \$800 million in shareholder equity. The immediate quantifiable ROI is avoiding default.
Approach	Phase 1: Triage & Cash Stabilization (Days 0-60): Implement daily cash monitoring, execute immediate 'quick-hit' working capital actions (e.g., vendor term delays), and halt non-essential capital expenditure. Phase 2: Performance Improvement Program Launch (Months 3-6): Launch 10–15 prioritized cost and revenue initiatives (e.g., store closures, inventory markdown, SG&A cuts) and commence initial external stakeholder communication (creditors/investors). Phase 3: Restructuring Design & Execution (Months 7-9): Finalize the new organizational structure, pursue debt refinancing/renegotiation, and divestiture of any non-core, cash-draining assets. Phase 4: Future Strategy Pivot (Month 9+): Prepare the stabilized core business for a long-term, viable growth strategy post-restructuring.

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Organization	Crisis Management Team (CMT): Led by the CEO and a newly appointed Chief Restructuring Officer (CRO) / Interim CFO (Mandate required for MBB projects of this type). The CMT meets daily for the first 60 days. Functional Task Forces: Small, high-performing teams (e.g., Cash Flow Optimization, Revenue Stabilization) with absolute authority to execute pre-approved cuts.
Processes & Governance	Daily Cash Monitoring: Implement a rigorous 13-Week Cash Flow Forecast updated and reviewed daily by the CRO and CFO. Fast-Track Decision Protocol: CMT has the right to make emergency spending cuts and policy changes with 24-hour notice, overriding traditional approval processes. Creditor Communication: Establish a formal Bi-Weekly Creditor Update protocol, providing controlled, transparent information on cash performance and turnaround progress to secure forbearance/support.
Key Deliverables	Phase 1: 13-Week Cash Flow Forecast (Live Model), Initial Working Capital Quick-Hits List (e.g., 30-day vendor term extension). Phase 2: Performance Improvement Initiative List (including five immediate store closures), Updated 24-Month FCF Projection, Communication Deck for Creditors/Lenders. Phase 3: New Lean Organizational Design, Formal Debt Refinancing/New Capital Structure Proposal, Divestiture Marketing Materials for Non-Core Assets.

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Critical Risks & Mitigation	1. Loss of External Financing Risk: Lenders withdraw credit lines due to covenant breach. Mitigation: Proactively engage with the Agent Bank; present the 13-Week FCF model and the CMT structure (showing commitment) to negotiate a 90-day forbearance agreement <i>before</i> the breach. 2. Key Supplier Loss of Confidence Risk: Suppliers tighten terms (e.g., move to Cash-On-Delivery) due to financial instability, choking inventory. Mitigation: Identify the Top 5 critical suppliers and secure 90-day continuity agreements, offering partial, timely payment (even if delayed for others) and transparent communication on the FCF recovery plan. 3. Executive Exhaustion and Burnout Risk: The CMT faces non-stop pressure, leading to poor decision-making. Mitigation: Enforce a "Mandatory Daily Off-Time" policy for the CMT and assign a dedicated CMT Chief of Staff to manage the administrative burden and ensure decision quality is maintained.

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Change Management Plan	Strategy: Focus on Brutal Transparency and Hope. Acknowledge the severity of the situation (transparency) but communicate a clear, time-bound path to stability (hope). Internal Communication: CEO and CRO must host weekly 15-minute video updates (not town halls) for all employees, detailing FCF progress and celebrating initiative wins. Stabilizing Morale: Publicly commit to protecting customer-facing roles in the core profitable stores and provide enhanced support (e.g., EAP) for employees in affected areas.
Crucial Additional Element	Success Metrics (KPIs): Lagging Indicators: 1. Free Cash Flow (FCF) (monthly vs. forecast). 2. Operating Margin % (vs. baseline). Leading Indicators: 3. Liquidity Ratio (Current Assets / Current Liabilities). 4. % of \$150M Initiatives Implemented/Committed. 5. Days Payable Outstanding (DPO) and Days Sales Outstanding (DSO) (tracking working capital efficiency).