

Appraisal

- 1. Appraise strategic potential and current operational position to identify and segment the drivers of**
 - Profits – historic and potential
 - Losses – historic, outlook, and threats
 - Cash-flow – including links to operations
- 2. Appraise current corporate situation**
 - Shareholder value aspiration vs current potential
 - Management and system strengths, weaknesses and pressures
- 3. Way Forward**
 - Agree strategic approach that will best enhance shareholder value, including downside risks and cost implementation

Planning – strategy implementation

- 4. Profit Plan**
 - Expand profitable activities
 - Exit/turnaround loss making activities
 - Identify operational actions and management changes required
- 5. Cash Plan**
 - Working capital – reduce stock and debtors, extend credit
 - Fixed assets – sell surplus assets, sweat/refinance other assets
 - Link to profit improvement plan
 - Agree and fit to borrowing facilities and covenants
 - Identify operational actions and management changes required
- 6. Develop corporate management plan to cover**
 - Profitability management and control systems, including setting plans/targets
 - Cash-flow management and control systems, including setting plans/targets
 - Optimum legal structure
 - Balance and make up of management team going forward, including level of Postern involvement

Implementation

- 7. Monitor performance on rolling basis through management and control systems, responding to variances against target as follows:**
 - Remedial action if implementation shortfall assessed
 - (and/or) adapt plans if changed trading situation assessed
 - Update targets on rolling basis, in periods that fit operational cycle
 - Financial objectives provide loadstar for all actions