

Preface

Globally, we are venturing into an era of unprecedented turbulence and challenges. This is characterised by the shortening boom and bust economic cycles. The world economic climate is also fraught with other complications such as increased violence, terrorist attacks, political conflicts, social unrests, etc. For instance, the world has not seen a recession of such global magnitude since the Great Depression of the 1930s. As a result, many companies are falling sick and urgently need to restructure themselves to survive in the future. Unfortunately, many of them do not know how to do so as they have never encountered challenges of such mega proportions, hence the sense of inadequacy. Also, there is little public information and literature available on how to help ailing companies overcome the challenges faced in a global slowdown and other forms of corporate malaise. Therefore, I hope to contribute by sharing my ideas and experiences on this matter. I strongly believe that this will impact many lives, not only at the corporate level but also on an individual level.

This book is relevant to companies both during the tough times (for restructuring and revitalising) as well as good times (for rehabilitating). It takes the reader through the complete process from a state of near bankruptcy, to a healthy position and finally to a sustained long-term growth and holistic recovery.

Notwithstanding the slowdown of the Asian economies, Asia is undoubtedly touted by many experts as the growth area of the future. Yet, books written by Asian authors on corporate turnaround are scarce. Also, unlike many corporate turnaround books available in the market which are written by non-Asians and management consultants, this book is written by a hands-on Asian practitioner and Chief Executive Officer (CEO)

who has personally gone through such turbulent corporate environments and steered companies out of troubled waters.

By using narrative accounts of experiences in actual cases, this book covers a broad spectrum of issues and steps relating to the corporate turnaround process of nursing a troubled company back to health. This process encompasses the phases of Surgery (restructuring the organisation), Resuscitation (revitalising sales) and Nursing (rehabilitating the corporate immune system). Readers are guided through complex concepts involved in the turnaround regime in an easy-to-read and comprehensible manner.

The real-life turnaround accounts and measures are shared through the unique use of the medical analogy of a sick person. The keys to healing a sick person and beleaguered company are the same, namely, prevention, early diagnosis and proper treatment. A segment on the comparisons of the three turnaround phases using the contrasts between Western–Eastern medical practices is a contemporary eye-opener. I hope that through these parallels, the readers will find this book refreshing. They will be able to grasp and understand vividly the correlation between the human physical health and the company’s fiscal health. The use of medical analogy can also assist the reader in remembering the corporate turnaround techniques shared in this book.

Some readers may be of the view that the turnaround techniques postulated in this book are mere common sense. Having personally applied these techniques successfully, I wish to clarify this misconception and reiterate that they have been culled from various sources and supported by a strong combination of Western management techniques as well as the philosophy or gems of wisdom derived from ancient Eastern time-tested principles and strategies. The latter, passed down through Eastern folk tales and documentation in analects, are equally relevant today as they were thousands of years ago. Some of the stratagems such as Sun Tzu’s Art of War (孙子兵法) are now being recognised as valid management principles by management gurus and CEOs in the West. The Chinese businessmen have earned the reputation of being able to thrive under severe adverse market conditions. Besides values of diligence and thriftiness, their success can be attributed to many other Eastern philosophical principles. Some of these principles embody the turnaround process postulated here. The wisdom of many Western turnaround CEOs’ personal experiences, insightful observations and pitfalls have also been included to provide a balance between the Eastern and Western perspectives.

Besides guiding the readers through the steps to address the bread and butter as well as hard and “brain” issues (discussed in Phases I: Surgery and II: Resuscitation), the turnaround process in this book covers the soft and “heart” issues (highlighted in Phase III: Nursing). The latter demands crystal-clear conceptualisation of a corporate philosophy for the

company through which it can engender a flexible, fast and focus action-based orientation. For this to materialise, the corporate philosophy must be well defined to embrace thought processes which generate new ideas, facilitate new ways of doing things, accept change as a constant and a willingness to accept failure. Furthermore, it is advocated that this corporate philosophy be integrated with the free flow of internal energy (*qi*) (气) within the organisation. All these will undergird the establishment of a strong and healthy as well as action-driven orientation which will boost the company's immune system and protect it against internal and external viral attacks thereby sustaining long-term recovery.

Since factors impinging upon each company's turnaround situation may differ significantly, it is difficult to find a "one-size-fits-all" turnaround technique. I do not profess to have all the answers and the turnaround measures discussed here are by no means exhaustive. Nevertheless, the turnaround techniques shared can be easily emulated by the readers in a D-I-Y (Do-It-Yourself) way as they are practical and universally applicable. They give sick companies an easy-to-use and effective medical treatment that help deliver the right prescribed doses and therapies. They have worked for me and I believe that the judicious applications of these turnaround techniques should work for most sick companies too. I am confident that in taking cognizance of the various issues discussed here, the turnaround CEO or manager will gain an excellent vantage point and be given "prescriptions" to assist him in devising appropriate turnaround strategies tailored for his situation.

This book can also be used as a reference guide for companies which are not in trouble but wish to strengthen their corporate health for enhancement of long-term performance. Companies, particularly multinationals, that are keen on establishing a presence or expanding their existing business in Asia may find this book helpful too.

This is probably the first corporate turnaround book written by a Singaporean CEO. Despite the lack of natural resources, Singapore has over the years metamorphosed from an impoverished colonial island into a modern cosmopolitan industrial city, financial centre, commercial hub and busy port. Indeed, Singapore's achievements of being firsts in many fields are a miracle. This miracle is birthed through great vision and transformed into tangible results through sheer determination, perseverance, diligence and constantly striving to be ahead of competition. There are some 6,000 multinational companies (MNCs) operating in Singapore, a good potpourri of Asian and Western organisations that help position Singapore as one of the most competitive nations in the world. Singapore's success can be attributed to a blend of the best of Western and Eastern practices, some of which are discussed in this book.

It is my desire to inspire and encourage distressed and struggling turnaround CEOs and managers to persevere in their efforts to restruc-

ture, resuscitate and rehabilitate SMEs (Small and Medium-sized Enterprises), local businesses and even MNCs towards becoming strong and healthy corporations. This will in turn reap many benefits such as creation of jobs, higher gross domestic product (GDP) growth and a host of other spin-offs.

Finally, it is my personal wish that the turnaround principles and techniques shared here can assist many stressed executives during turbulent economic times. They do not have to make the same mistakes which I have made in turning around sick companies.