## Contents

Introduction: Conditions and Causes of Distress ix  
Box 1: Typical Covenants Tripped by Downturns xxviii  

1  **The Phases of Decline and Early Warning Signs**  1  
Box 2: The Effects of Financial Shenanigans 17  

2  **The Turnaround Tripod**  29  

3  **Leadership in a Crisis**  58  
Box 3: Governance and Leadership Issues in Family-Owned Businesses 80  

4  **Cash Not GAAP**  93  

5  **Downsizing Is a Tool, Not a Goal**  121  
Box 4: Other Legal Issues in Announcing Layoffs 130  

6  **The Bankruptcy Process as Sword and Shield**  152  
Box 5: State Laws 156  
Box 6: DIP Financing 159  
Box 7: Committee Formation 162  
Box 8: Plan Confirmation 181  

7  **Managing International Turnarounds**  203  

8  **Turnarounds at (Intentionally) Nonprofit Organizations**  231  
Box 9: Chapter 9 Bankruptcy 257  

9  **Turning Duds into Dreams**  259  
Box 10: Additional Issues in Valuing Distressed Companies 278
Contents

Box 11: Fiduciary Duties of Directors in M&A Transactions 300

10 A Different Fresh Start 306

Notes 313
Acknowledgments 325
About the Author 327
Index 329