# 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