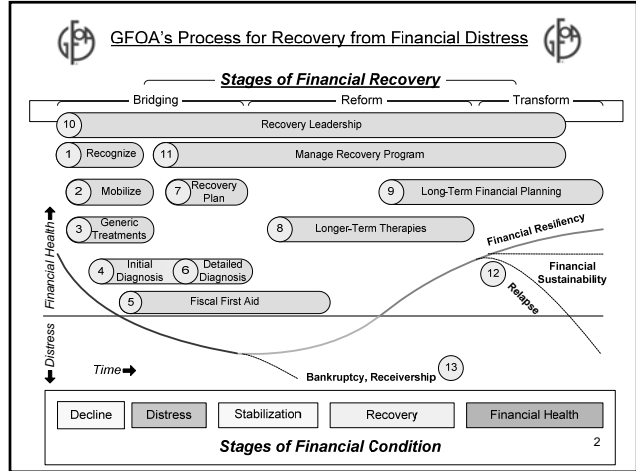
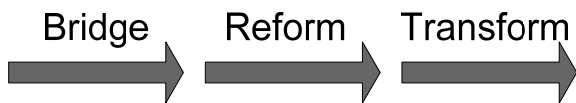


# A 12-Step Recovery Process

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## Recovery Process Overview



• **Bridge**

- Mobilize: Form a team
- Stabilize: Buy time, create confidence
- Diagnose: Discover nature of problems
- Apply retrenchment tactics
- Develop recovery plan

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## Recovery Process Overview

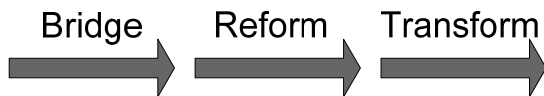


• **Reform**

- Execute the recovery plan
  - Monitor, manage, adjust
- Further develop long-term strategies
- Initiate formal long-term financial planning

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## Recovery Process Overview



- **Transform**

- Institutionalize long-term planning
  - From once-a-year event to a way of life
- Realize new methods for delivering service
- Become financially “resilient”
  - Adaptable and regenerative

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## Take-Aways



- Recovery has three basic steps
- Use the recovery process to survive...
- ...But also use it to ultimately thrive!

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## Keys to Bridging



- **Recognize**
  - Get arms around the situation
  - Enlist others
  - Create a sense of true urgency (not panic)
- **Mobilize**
  - Form a recovery team of executive managers
  - Form other teams to help with key tasks
  - Analyze stakeholders

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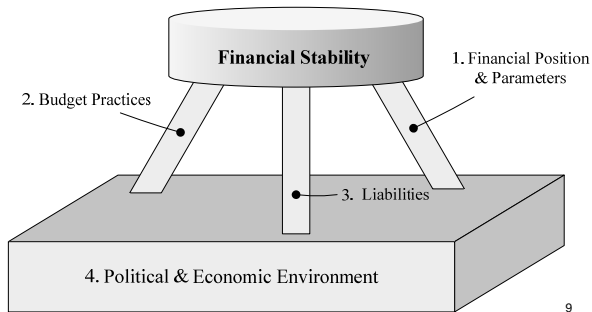
## Keys to Bridging



- **Diagnose**
  - Create a fiscal health model
    - A fiscal health model guides the diagnosis
    - Gives the process credibility
  - Question practices and assumptions
  - Validate findings

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## A Fiscal Health Model



## Keys to Bridging

- Develop a long-term forecast
  - Essential for authentic recovery
- Present financial information in clear & compelling format
  - Know your audience
  - Establish your credibility

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## Keys to Bridging

- Retrenchment tactics
  - Use to stabilize condition
  - Can be implemented quickly
  - May or may not be sustainable
  - May have negative side-effects

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## Keys to Reform Phase

- Written Recovery plan
  - Doesn't need to be long
  - Should be broad in scope
    - Revenue & expense, soft & hard issues
  - Designate time-frames & accountabilities
- Develop long-term strategies
  - Contribute to longer-term sustainability
  - Often challenge prevailing assumptions

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## Keys to Transform Phase

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- Institutionalize long-term financial planning
- Become better able to withstand outside shocks
- Become more adaptable to a changing environment
- Become better able to recover from problems
- In a word...become “resilient”

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