

A Study on Revival Measures and Strategies

Dr. Varsha pratibha,

Associate Professor, Masters In Business Administration, Presidency University, Bangalore, India,
Email Id: varsha.ps@presidencyuniversity.in

ABSTRACT:

In order to overcome the difficulties experienced by failing firms and industries and to restore their financial health and operational effectiveness, revival measures and strategies are crucial. An introduction of the idea of revival measures and tactics is provided in this abstract, along with a discussion of its importance and major elements. When a firm is in trouble or is in decline, revival tactics are used to buck the trend and get the business back on track. In order to pinpoint the primary reasons for the company's fall and create effective recovery plans, these measures include a thorough evaluation of its financial, operational, and strategic components. Financial restructuring, which could include renegotiating debt, enhancing cash flow management, and putting forth cost-cutting measures, is a common component of revival strategies. Operational restructuring aims to boost productivity by increasing efficiency, streamlining the manufacturing process, and rearranging the personnel. Reevaluating the company model, finding new prospects for development, and making the required adjustments to conform to market realities are all parts of strategic restructuring.

KEYWORDS:

Entrepreneurship, Financial Restructuring, Revival structures, Sickness.

I. INTRODUCTION

For organisations experiencing difficult circumstances like financial difficulties, diminishing performance, or operational inefficiencies, revival measures and strategies are crucial. These actions are intended to stabilise the company, regain its competitiveness, and guarantee long-term viability. Several important revival tactics and methods are covered in this section.

Financial Reorganisation

Financial restructuring includes analysing and reorganising the company's debt, renegotiating payment arrangements, and/or looking for alternative financing sources. This lessens financial pressures and strengthens the financial stability of the organisation.

Enhancing operational effectiveness

In order to boost productivity and save expenses, organisations should concentrate on optimising their operating procedures. This may include optimising processes, putting lean ideas into practise, using technology, and enhancing supply chain management [1]–[3].

Planning strategically:

Making a strategic plan is essential for determining the best course for rehabilitation. This entails identifying the organization's opportunities, threats, and areas of strength and weakness as well as developing plans to take advantage of opportunities in the marketplace and strengthen areas of weakness.

Market and product diversification

Organisations may increase their consumer base and lessen their reliance on a particular market segment by investigating new goods or services and entering new markets. Organisations may reduce risks and seize new development possibilities via diversification.

Technology uptake and innovation

Utilising technology and embracing innovation may boost an organization's competitiveness. This may include making investments in R&D, implementing cutting-edge technology, and encouraging an innovative culture inside the company.

Customer-centric strategy: Businesses should place a high priority on learning about and addressing their consumers' demands. Market research, customer feedback systems, and personalised customer experiences may be used to do this, which can help foster client loyalty and boost sales. Employee engagement and talent management During a revival period, skilled personnel must be engaged and kept on board. To increase employee engagement and productivity, organisations should concentrate on developing talent, offering training opportunities, and promoting a happy work environment.

Partnerships and cooperation:

In order to boost revival efforts, working with other organisations, establishing strategic alliances, or enlisting outside expertise might provide new ideas and resources. This may include working together on collaborative projects, doing joint marketing campaigns, or obtaining specialised information. Continuous evaluation and adjustment: Progress should be regularly monitored and evaluated in conjunction with revival measures. Businesses should be adaptable and prepared to change their strategy as necessary in response to shifting market dynamics and internal conditions.

Organisations experiencing difficult circumstances must employ resurrection plans and tactics. Some important strategies that can assist organisations in navigating through challenging times and positioning themselves for sustainable growth and success include financial restructuring, operational efficiency improvement, strategic planning, product diversification, innovation, customer-centricity, talent management, collaboration, and continuous monitoring. Organisations may successfully resuscitate their operations, restore competitiveness, and prosper in a constantly changing business environment by using these steps.

II. DISCUSSION

Small-scale industry illnesses are not limited to a certain commodity, country, or area. It is, more or less, evenly distributed throughout all states and regions, making it a national issue. The fact that there are more ill units in the nation and that there are more outstanding bank loans against them attests to the fact that this industrial sickness of small industrial units is a persistent issue rather than a recent occurrence or passing phase. How to effectively identify the issue, address it, and rehabilitate the troubled small units in the benefit of the national economy is now a pressing challenge. However, there are two phases in the process of solving this annoying issue. These are

- (a) Recognising the illness in a unit as soon as feasible, examining and determining its causes, and
- (b) Quickly treat the unit with the necessary corrective steps in an effort to turn around the ill unit and make it economically viable.

Here, the term "turnaround" refers to a significant and long-lasting improvement in the company entity's performance. It is the combined and joint responsibility of everyone who is interested in the recovery of the health of the unit that is responsible for preventing, treating, and rehabilitating industrial illness. This includes both business owners and banks and other financial institutions. The business owner wants the unit to be healthy because his own capital is locked in and he needs to be compensated for taking the risk to launch the company. Banks and financial institutions want healthy units because if they do, regular interest payments by the units will resume, and it will be possible to recover unpaid interest and capital. The government is also interested in the revival of the economy.

Numerous additional organisations, including management, certified public accountants, and technical and management consultants, are also required to assist with this process. Through routine progress reports, such as financial statements, stock statements, and returns under a routine information system, plant inspections, one-on-one conversations, reports from nominee directors, etc., commercial banks and financial institutions may identify indicators of illness. The RBI has provided guidelines so that banks may examine and evaluate the data obtained from the aided units and perform health tests on them. Similar to this, establishing a management information

system inside the industrial unit will assist its management in identifying the signs of a disease and assisting it in taking corrective action [4]–[6].

As the success of the plan for rehabilitation of a sick unit relies on the collaboration of all those involved in the unit, treating illness also need the assistance of other specialists. With a professional attitude, all of the departmental heads or functional managers of the unit should work together to accomplish the plan. In order to solve the issue and prevent industrial illness, the government should set up a consulting cell in banks, financial institutions, and other promotional organisations, consisting of experts from various fields of industrial activity. This cell would provide ongoing advice regarding the efficient operation of the units while also assisting in the revival of sick units by closely monitoring the implementation of rehabilitation programmes.

Turnaround Techniques:

The organisation has to take prompt, suitable remedial action in order to revive the unit that has gotten ill for a variety of causes. The sort of plan to be used depends on the severity and nature of the company's illness. Hoffer divided turnaround tactics into two major categories: operational turnaround and strategic turnaround. Analysing the existing strategic and operational health of the firm allows one to determine if a sick business requires a strategic or operating turnaround. The following graphic may be used to show the choosing of strategy process.

Operating turnarounds are simple to implement and should only be used in situations when the company's strategic strength is between average and strong. The four different sorts of operations turnaround strategies are: revenue-increasing, cost-cutting, asset-reduction, and combination strategies. The strategic turnaround options might include starting a brand-new company or finding a new strategy to compete in the current industry. The strategic repositioning of an established firm focuses on either growing market share within a certain product market framework or changing the connection between the product market in a new way. The improvement of product perception via dealer push or even customer pull might result in a rise in market share. The focus of strategic reorientations that aim to maintain market share may shift from one product market category to another [7]–[9].

Implementation of the turnaround process:

Making a failing business profitable is a pretty complicated and challenging procedure. It is complicated since a good turnaround plan involves making improvements in several areas where the company is inadequate. All of these avenues of attack must be coordinated, integrated, and must not conflict with one another. The turnaround process is challenging because it calls for perceptual and attitude adjustments across all levels of personnel. When a company is in a crisis, these human transformation processes may become very sensitive. As a result, it is sometimes recommended to alter the leadership or even to actively intervene from outside the company to effect the desired change.

Based on their research on turnaround strategy and methods, Prahlad and Thomas have offered 10 suggestions for improving sick units. These arguments are laid down below:

- (a) Revival of a sick unit required the formulation and implementation of a new strategy.
- (b) Localising problems and sequencing the corrective actions help in the revival of the sick unit.
- (c) The successful implementation of turnaround strategy requires appropriate organization structure, participative type of decisionmaking environment, effective administrative and budgetary controls, training, performance evaluation, career progression and rewards.
- (d) The turnaround strategy must focus on profit generation and profits must be regarded as legitimate goal.
- (e) The acceptance and the commitment of managers and employees of the organization towards revival measures must be high if not total. Openness in management processes helps in gaining commitment and thus facilitates the implementation process.
- (f) Openness in the change process leads to confidence in the top management and its strategy.
- (g) Understanding of technical processes and problem-solving attitude in overcoming technical snags is essential for turning around sick companies.
- (h) Consultants can play a vital role in objective analysis of problems as well as in implementing innovative change.
- (i) The active support given to the chief executive by the appointing authorities is critical for the implementation of turnaround strategy.

- (j) Leadership provides the focus for action in sick units.

The catalytic agents responsible for destroying evil should do their duties effectively. The business owners should acknowledge that the company must eventually survive, advance, and move ahead with new vigour rather than abdicating their responsibilities by blaming the workforce, input suppliers, market, and governmental laws. Managerial staff inside the organisational structure should be aware that disease does not appear suddenly, except in rare circumstances like accidents. They must make sure that their abilities and professional knowledge enable the unit to effectively carry out its diverse tasks. As any delay in assessment, sanctions, or payment places the unit in a variety of annoyances, banks and financial institutions must play a significant part in accurate appraisal, especially regarding sales potentials and marketing expertise. While it is important to avoid washing, window dressing, and weak monitoring and follow-up systems as much as possible, bankers must approach this duty with the mindset of a professional banker and not just as deposit collectors. To combat illness in the small industrial sector, the relevant parties should take situation-specific corrective actions as opposed to impersonal, generalised ones. In order to address this national issue, banks should diversify their business operations by allocating a significant amount of their budget to the implementation of rehabilitation programmes for ill units, especially in the small sector [10].

To aid entrepreneurs, the government has established a variety of development institutes. District Industries Centres (DICs) and Industrial Estate, Small Industries Development Organisation (SIDO), Small Industries Service Institutes (SISI), Small Industry Development Corporation (SIDCO), Entrepreneurial Guidance Bureau (EGB), National Alliance of Young Entrepreneurs (NAYE), National Productivity Council (NPC), and Venture capital funds (VCF) are a few of the organisations that offer support to entrepreneurs. Additionally, to support small business owners in various ways, all India's financial institutions—IDBI, IFCI, and ICICI—have fostered or funded a number of Technical Consultancy Organisations (TCOs). To aid small size businesses, the Small Industries Development Bank of India (SIDBI) was recently founded. Additionally, organisations like the National Science and Technology Entrepreneurship Board, Commercial Banks, Cooperative Banks, EXIM Bank, and Khadi and Village Industries Commission engage in promotional initiatives to aid in the growth of entrepreneurship. The government must play a key role in preventing disease, especially in the SSI sector, by discouraging any policies like price control, overlicensing, free import licences for commodities earmarked for the SSI sector, and similar ones that contribute to this unwelcome phenomenon.

III. CONCLUSION

When it comes to lost jobs, underutilization of capacity, regional imbalance, etc., this economic ill known as industrial disease is highly expensive for emerging nations like ours. Furthermore, industrial illness has a significant impact on the recycling of money at banks and other financial organisations. The parties involved should start taking corrective and preventative measures to address this economic blight. It is important to note that the government should appropriately revamp its sales tax policy. To sum up, if everyone involved (i.e., the owner, banker, labourers, professionals, management, financial institutions, government, etc.) makes a concerted effort to study the causes and cures through their temporary sacrifices with a sense of dedication and belongingness, the incidence of industrial sickness in general and in small industrial units, in particular, can be reduced. The strategy should, however, be stitch in time save nine.

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