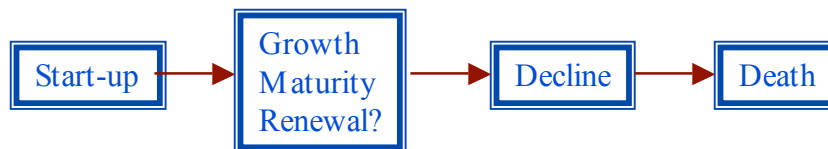


Symptoms of Dry Rot

Problems in Later Stage Companies

Organizations in the growth phase of their life cycle should not be complacent. For unless executives continue to make strenuous efforts at revitalization, it's easy to slip into decline.

Once the decline phase starts, it must be arrested or organizational death typically follows. But just like the mythical Phoenix, firms can rise from the ashes of their own threatened demise and return to a stage of healthy growth.



Signals that later stage or maturing organizations headed toward decline include:

- Inability to pay . . .
- Betrayal of trust between employees and management
- Increasing of aging on accounts payable or accounts receivable
- Crumbling morale
- Increasing absenteeism
- Increasing turnover among the most productive employees.
- Deteriorating financial ratios.
- Substituting long-term planning with short-term crisis management.
- Stagnating or declining sales.
- Political decision making
- Blaming others and bitching
- Rampant turf protection and catering to special interest groups.
- Inadequate or nonexistent training
- Resource scarcity leading to infighting and disruptive competition.
- Innovation becomes risk aversion and fear of experimentation.

If your organization comes up with more than five "positives" on this checklist, you should seriously think about taking action.

For Assistance With These Problems or For More Information . . .

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