

BUSINESS RECOVERY: RESTRUCTURING & TURNAROUND

Article provided by our specialist partners Ashton Wheelans Business Advisors

If there is a chance to rescue the business, avoid insolvency action and trade on the business, it is important to act before things reach a breaking point. When it comes to turnaround strategies, responding to issues quickly is crucial. Many businesses fail because no one asked for help or took strategic action soon enough.

There are a variety of common reasons why some businesses get into financial difficulties, including external factors like a major change in economic conditions.

As of late the influence of external factors is especially relevant and we are seeing many companies having to reassess their business model and restructure their affairs given the economic challenges during and following the COVID-19 Pandemic. There are often still ways to save a business and restructure going forward if help is sought early.

Straight talking - ABC's

- A) Advice- Seek independent advice
- B) Big Problem areas- Identify the concern areas
- C) Cashflow- Understand your financials and where your cash comes from.

The Ashton Wheelans team can help you navigate the many challenges caused by the financial effects of COVID-19.

Early Independent Advice can be in the form of the following:

1. A Business Appraisal

A business appraisal is an independent review of a company to identify any problem areas, and is completed through services as follows:

- Financial Position Analysis
- Profitability, performance management structures
- Cash Flow Analysis

2. A Business Turnaround Review

A more in-depth review of a company's strategic, operation and financial issues to address poor performance may be required and such an assessment may include but is not limited to;

- Review of strategic direction
- Review of operational effectiveness and process improvement
- Cost and asset reorganisation
- Comparing performance levels through benchmarking
- Tax planning and structuring
- Long and short-term financial planning and the implementation of various corporate finance strategies.

Shaping success in the face of adversity

In the following links you will find 10 useful topics with information and resources to help businesses steer successfully through these unprecedented times.

Specific considerations in the COVID-19 Recovery phase

1. [New income relief payment for businesses](#)
2. [New support to resolve commercial rent disputes](#)
3. [Small Business Cash Flow Loan Scheme](#)
4. [Wage Subsidy](#)

Other key considerations

5. [Working Capital & Cash Flow Management](#)
6. [Supply Chain & Inventory Management](#)
7. [SWOT Analysis](#)

Business Rescue- New & Existing Tools

8. [Business Debt Hibernation scheme](#)
9. [Creditor Compromise](#)
10. [Voluntary Administration \(VA\)](#)

Email us at: admin@ashtonwheelans.co.nz if you would like to arrange a no-obligation initial discussion with one of our team.