

Evolution in the world of restructuring and a possible new professional approach

The last GGI Debt Collection, Restructuring and Insolvency newsletter includes one article of mine, reporting contents about my presentation performed in last European Conference in Brussels. It is a short and simple business case on a restructuring plan and related turnover deal. It was a quite usual situation, of a medium sized company suffering a deep financial crisis, with good technical skills and on the other hand poor market strategy and approach. The CEO was an engineer, with great production knowhow, and old styled distribution and market politics.

Key aspects of the deal were (which is typical of restarting plans):

- short time window,
- distressed financial situation, getting Net Financial Position day by day worse,
- credit lines shortage,
- suppliers relationship becoming difficult,
- key employees and agents quitting rapidly.

To have a reliable turnover plan in place, advisors must go through very different aspects, in a short time:

First of all, since nobody is interested in a not profitable enterprise, advisors must understand if a new strategy plan and marketing / communication approach is possible, and estimate impact on product range, to support a concrete sales and gross margin forecast. On the other hand, plant efficiency, building and machinery law compliance, as HR availability need to be checked, and investment budget to be defined. Only when restarting plan is clear, reliable, and the project globally seems to make sense, lawyers and accountants can focus on takeover legal structure, tax impact and funds collection.

In my personal experience it is crystal clear that this kind of professional engagements need a strongly experienced and multi professional team, since a reliable plan is to be prepared and presented in a very short time.

From this angle we should probably think about how advisors could improve and innovate their approach.

Giving a look to even most famous and big law firms in Italy, Europe and probably in USA as well, the feedback is that they have always been focused on services they

were skilled on. A kind of product oriented (or I would say service oriented) approach, assuming the customer is able to understand how and when those services could be useful or not.

Time has come probably, to create advisory structures, networks or alliance including skills and technology devices to support a real team-thinking approach. To be committed of a restarting plan mean to be asked a really complicated question. A modern and innovative advisor should be able to give back a **reliable answer**, in a **short time**, at a **reasonable price**, and, on top, **wherever** in the globalized world.

Modern advisors are asked to keep their mind open, and to modify their approach, from services oriented to client oriented, to create solid value for their customers.

Everybody probably remember the famous Steve Jobs speech to Stanford University graduates, in 2005 summer. Advisors have an awesome opportunity for their future, together with an exiting challenge, but are asked to stay hungry and foolish, with means curious and open minded in developing efficient and flexible structures to cooperate, and Geneva Group International is a wonderful platform to support it.

As far as restructuring, this new approach is probably more important than in other advisory fields, because the commitment is complicated and intense.