



Find a way forward

**When times are tough in your business,
don't shoulder the burden on your own**

KPMG Business Rescue Services



Practical support for the challenges ahead

Financial challenges to your business can slowly creep up on you. Or they can suddenly arise from something completely unexpected. Either way, they're stressful and they need addressing – fast.

- 1 There's a short and sensible list of things you should consider doing. The first is to realise that you're not alone; many businesses experience setbacks.
- 2 The second is to act promptly. The sooner you act, the more options will be available to help your business find a way forward.
- 3 And the third is to get help. You should seek practical advice from people who can understand your business and that's where we can help.

At KPMG Business Rescue Services we focus all our efforts on smaller, independent businesses. The sooner you get in touch with us, the sooner we can be by your side – ready, willing and able to offer you the practical support to move forward.

What are your business challenges?

Funder pressure

You may have made commitments to a bank or investment partner. However, for various reasons, you may not be able to meet those commitments within agreed terms or your business needs additional funding to grow or weather a downturn in trading.

Knowing what to do can be difficult, which is why it's a good idea to talk to us. We can understand your situation, and have the expertise to help you assess the options that may be available to your business.



You need to retain the support of your key suppliers

Supplier pressure

Suppliers will likely be at the heart of your business. Without their support, it may be difficult to trade. Prompt, thoughtful planning and careful discussions can help if you are coming under pressure from suppliers.

If you need to buy some time with suppliers, but still maintain their trust and credit, we can give you the best chance of business continuity by helping to build a better understanding of your business and its needs.



You need to honour your tax obligations

HMRC and tax compliance

Every business has a duty to meet its tax obligations. Whether those obligations are known quantities or contain unexpected surprises, they can hit businesses at awkward times.

Knowing which sensible steps can be taken to weather the storm isn't always easy. We can help to find a way forward by assessing the position and better understanding the challenges you face as a business.



You need to tackle competing demands on cash

Cash flow pressure

Even profitable businesses can run into cash flow difficulties if revenue isn't received in time to honour your commitments. For instance, you may have been trading successfully but customers are late in settling and you still have your employees to pay. Or, you may win a profitable order but it needs an immediate outlay on materials that you can't cover.

It's a vicious circle, but if you act fast you can have more potential solutions to help you break out. We can help you find them and develop a practical plan.

"Without the help from KPMG, along with their patience and understanding, I doubt we would be trading successfully today."

Managing Director,
Health and Fitness Company



The way forward

These steps provide pointers that may assist you to find the best way forward for your situation.

Step 1: Understand the issue

You need to look objectively at your business and the specific problems you're facing. It's likely the challenge of paying a bill is a symptom of a broader business issue. You should check:

- Do I have a customer or product that is unprofitable?
- Are my costs too high? Can I afford my premises or payroll?
- Is this issue seasonal, and should I put more money away when sales peak?
- Do I have the right funding sources?
- Have I managed my cash flow effectively?

Identifying the underlying issue is not only crucial to getting back on a sustainable footing, it can also help you win over your stakeholders and secure the goodwill to support your turnaround

Step 2: Plan

Your understanding of the key issues should lead to a workable plan. Your plan should include checklists so that you can keep track of your progress and identify any critical costs that may arise from implementing it.

It is also important at this stage to remember to maintain lines of communications. Keeping key stakeholders like your employees, your suppliers or your funders on side can be vital to ensuring your business gets back on track.

Identify someone to test your plan, whether that is a dedicated advisor, a friend or a colleague to give you confidence. We regularly review plans for our clients, and provide guidance to help them prioritise and deliver these effectively.

The way forward

Finding an advisor to help you through this process is often crucial. Whether a personal contact, your bank or a specialist advisor like us. You'll find that we're committed to staying by your side, listening, advising and helping you find a way forward.

Step 3: Assess

With the plan in place, it's time for you to take a step back and assess its implications before execution. How will it immediately affect specific aspects of your business? What will the long-term effects be, both in general and in the way you manage your finances?

1. One key step is to forecast your cash flow, so that you have visibility over any potential peaks or dips of cash in your business
2. If you need to maximise cash flow quickly, you could consider an early settlement discount initiative for your customers, or a small reduction in pricing to drive more sales. Whilst this might not be a long term solution, it may improve your short term cash position and give you the time needed to assess your options.
3. Explore opportunities to immediately reduce your outgoings. Are there any loss making contracts or areas of trading that you could cease quickly? If you are paying suppliers quicker than your credit terms require, then you should consider the implications of continuing to do so.

Step 4: Keep moving forward

The plan may now be under way, but momentum needs to be maintained. Don't lose sight of those checklists or you may have further unwelcome surprises. Here are some final thoughts for you to keep in mind as you move forward;

1. Be mindful of incurring new credit. If there are concerns over the future of your business, you need to carefully consider any new commitments you enter into.
2. If you are concerned that your business may be insolvent, it is essential to get advice to ensure you protect yourself and meet your legal responsibilities.

Why KPMG Business Rescue Services?

Dependable

We bring our skills, ideas and experience to bear on behalf of all kinds of businesses. Whatever your sector or circumstances, it is likely we have experienced them before.

Approachable

We are here to listen and provide reassurance. Our initial consultations are always free of charge and there are no obligations to continue working with us. All of which means we can provide the calm reassurance businesses need. This way, in whatever form, we can help you find a way forward.

Connected

We know who to speak to. The breadth and depth of our team means we have connections across the UK with lenders, investors and other people. We can help you have the right conversations to move forward. In the UK alone, we operate from 22 offices across the country with approximately 13,500 partners and staff – so we can offer you prompt, local, dedicated support

In addition to all these practical benefits, our resources, knowledge base and a personal touch can help you find a way forward.



Our aim is to ensure no business has to face its problems alone

Contact KPMG Business Rescue Services.
If your business has financial challenges,
we can help you find a way forward.

Don't shoulder the burden on your own.
Get in touch today.

www.kpmg.com/uk/businessrescue



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