

HOW TO MAXIMISE
PROSPECTS OF
BUSINESS REHABILITATION

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Liam Bailey is a Partner of O'Brien Palmer Business Advisory. He uses his qualifications in Law, as a Registered Liquidator and Trustee in Bankruptcy and his experience in business to turnaround businesses suffering from stress or economic downturn. He has successfully revitalized businesses operating in industries such as Construction, Hospitality, Retail, Medical Services, Professional Services and Education. His biggest success to date was restructuring the business of Pie Face, but works primarily with small and medium sized businesses.

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OBJECTIVES OF BUSINESS ADMINISTRATION

- CORPORATIONS ACT 2001 - SECT 435A
- Object of Part The object of this Part is to provide for the business, property and affairs of an insolvent company to be administered in a way that:
 - (a) maximises the chances of the company, or as much as possible of its business, continuing in existence; or
 - (b) if it is not possible for the company or its business to continue in existence--results in a better return for the company's creditors and members than would result from an immediate winding up of the company.



BUSINESS REHABILITATION – FOR CREDITORS

- Every business turnaround strategy succeeds or fails on the support of creditors. Turnaround strategies need to be in the interests of creditors
- Voting in Voluntary Administrations or Small Business Restructures
- Angry creditors can pursue directors beyond liquidation

ITS ALL ABOUT GOODWILL

- What is a business without goodwill?
- How does a business survive in a community without trust?
- What value is in your business name?
- What value is in your own name?

FIVE TIPS FOR SURVIVING IN STRESSFUL TIMES

- 1. Know your Directors Duties and Act Accordingly
- 2. Know your Business Circumstances – Maintain your Accounts, Get the Right Advice
- 3. Know your Risks – Personal Liability, Guarantees, Director Penalty Notices
- 4. Act Early to Maximise Prospects
- 5. COMMUNICATE

In summary....

- Do right by others and they'll do right by you
- Be honest with people and with yourself
- If the solution seems too good to be true, it usually is
- Walk a mile in your creditors shoes
- Don't be afraid to ask for help



Questions?