



Health Check Your Business

Profit Advantage Group & Amos Insolvency trading as

MACARTHUR BUSINESS RECOVERIES
Business Recovery Experts



Joint Venture Partners:



**Profit
Advantage
Group**

"Every Business Needs A Profit Advantage"

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Amos Insolvency specialises in providing '**Insolvency Specialist**' services, operating from Leumeah

At **Amos Insolvency** we are skilled in minimising risk and providing best possible outcomes in voluntary administrations, receivership, liquidations and in the turnaround management process.

Company Restructuring
Strategy Formulation
Turnaround Management

Voluntary Administration
Deeds of Company Arrangement
Court Liquidation
Creditors Voluntary Liquidation
Members Voluntary Liquidation

Personal Insolvency Advice – e.g. Bankruptcy



**Profit
Advantage
Group**

"Every Business Needs A Profit Advantage"

The **Profit Advantage Group** represents professional business organisations who provide a range of expert business improvement services & information covering;

- Business Development
- Quality Certification
- Compliance Services
- Sale or Purchase of a Business
- Business Ideas & Information
- Meeting Facilitation
- Business Coaching
- Transport & Logistics
- Bus Advertising
- Business Recoveries
- Business Training

Discussion Topics

Economic Data

- Trends & data
- Local issues

The Check-up

- Why?
- DIY or external
- The Issues

Action versus Inaction

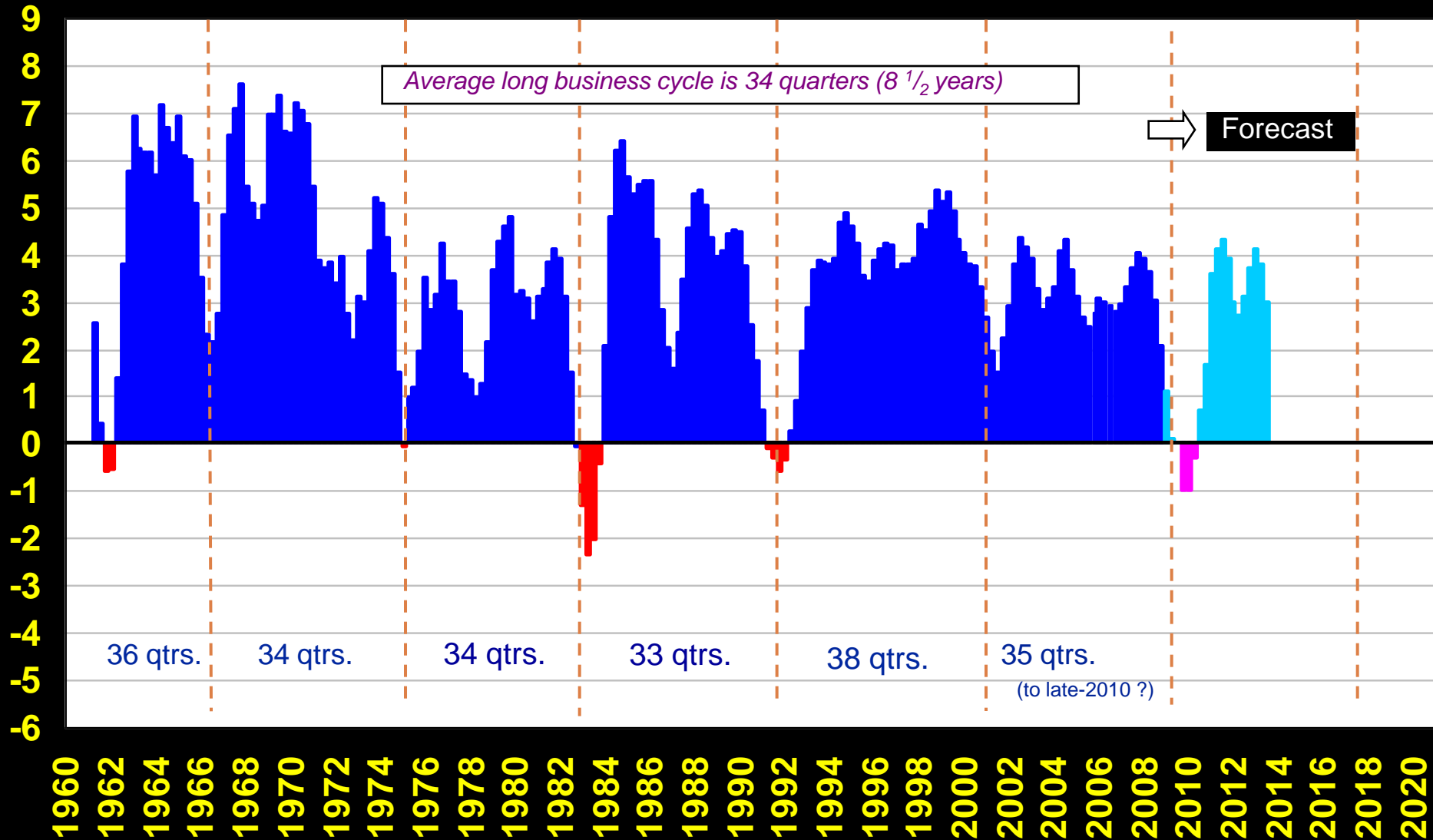
- What to do?
- Dangers of not acting
- Life after Insolvency

Economic Data

Gross Domestic Product (GDP) measures growth in the economy:

- y/e 2009 forecast growth was 0.5%
- y/e 2010 forecast growth by 2.25%
- y/e 2011 forecast growth by 3.75%

Economic Growth – The Good News!!!



Years, ended June

Source: IBISWorld: 23/04/09

Locally

- 2010 will be a tough year for many
- Unemployment and interest rates will be high on the agenda
- Improved conditions in 2011!

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Why does my business need a check-up?



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Because this does not work!

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Why does my business need a check-up?

- Avoid failure – ensure viability
- Third party perspective – fresh eyes!
- Uncover new ideas, methods, systems
- Assistance through uncertain times
- Position your business for the good times
- Because businesses evolve
- Ensure growth / maintain position

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How do I check the health of my business?

- Self-assessment
- 360° Employee Appraisal Process
- Customer Surveys
- Peer reviews
- Engage a professional

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The Business Recovery Assessment (BRA)

- Analysis
- Report
- Red Eye Graph

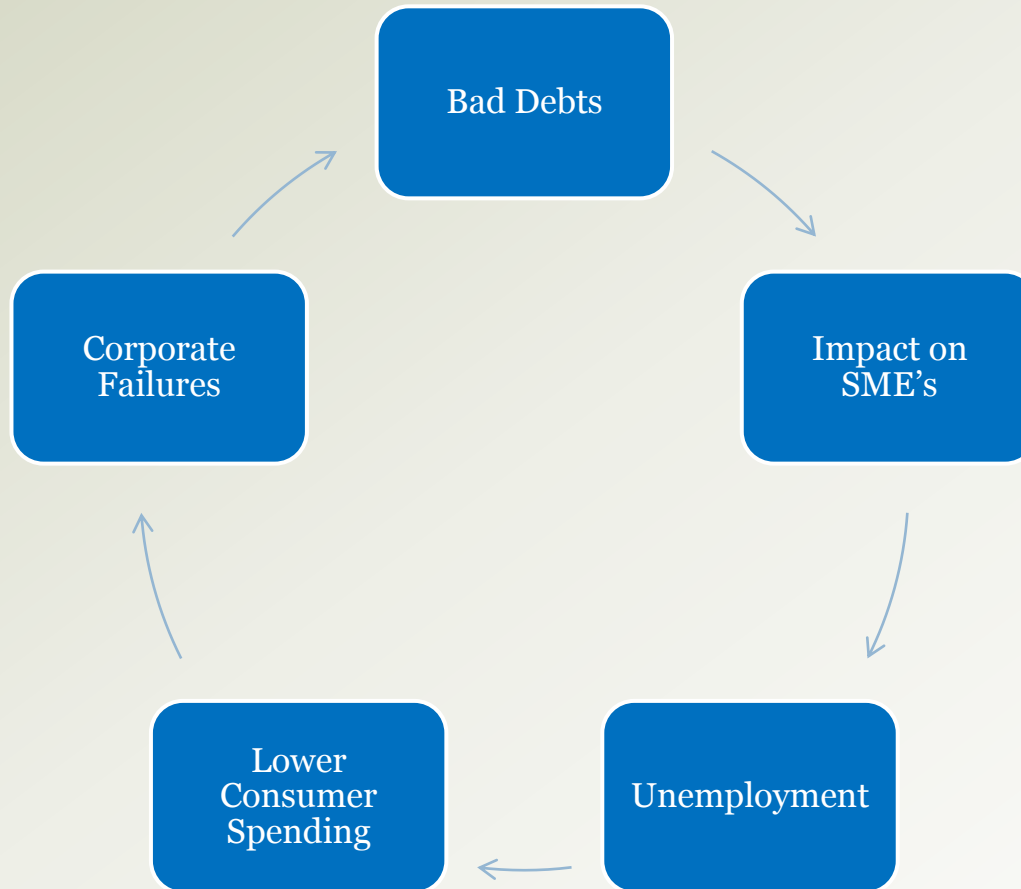
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The Economic War



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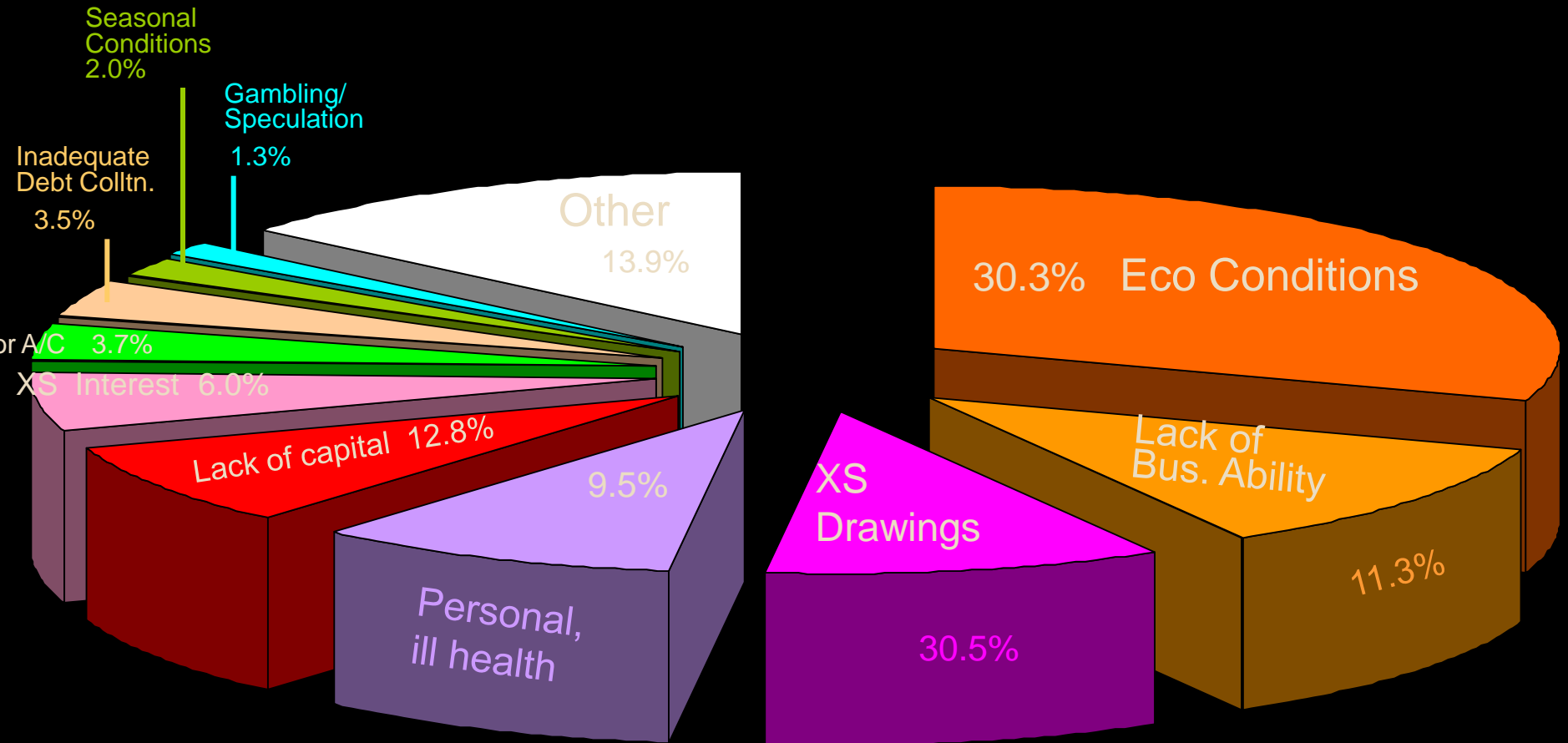
Why does my business need a check-up?

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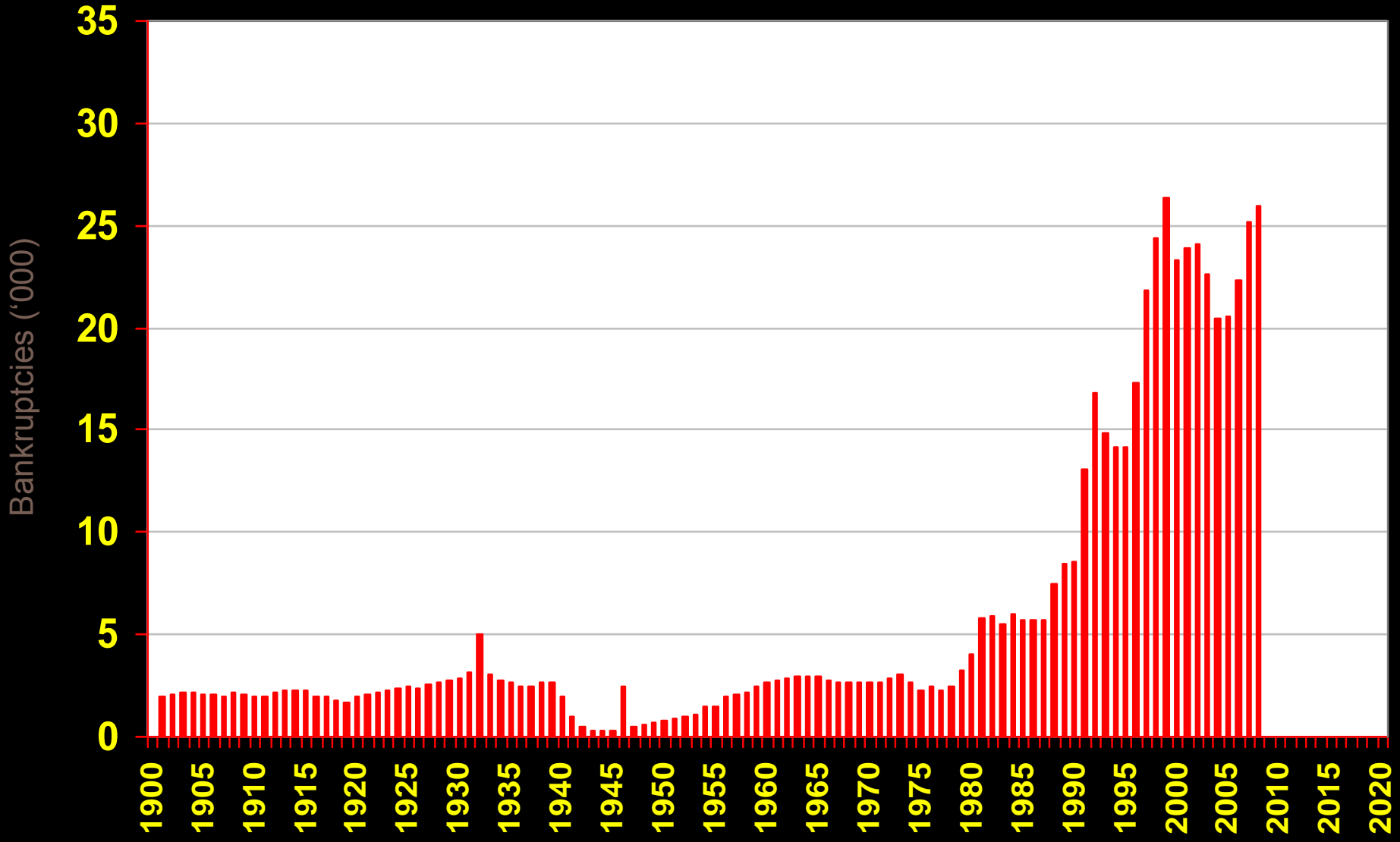
Causes Of Insolvency

Business F2007 & F2008



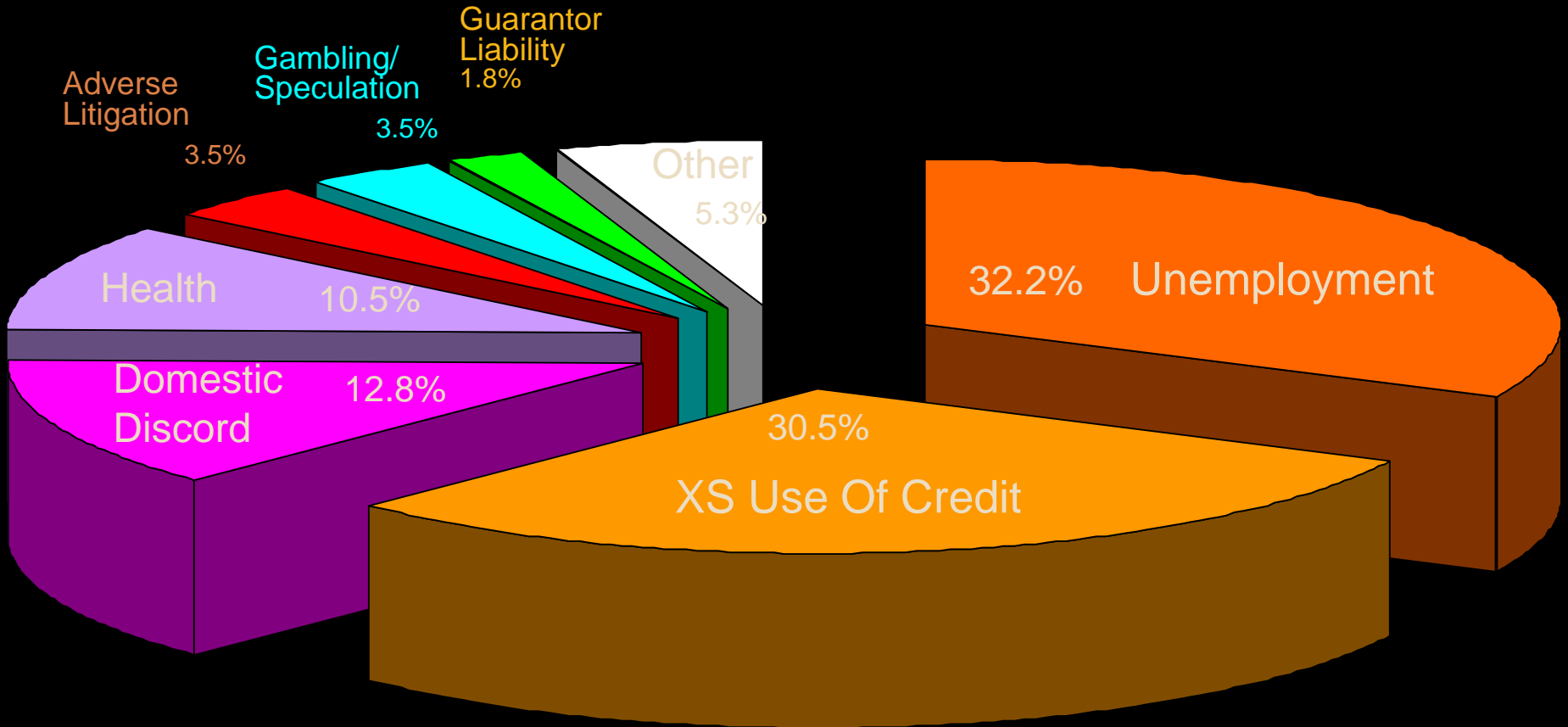
Bankruptcies

Number ('000)



Source: Attorney Generals Department

Why?? Causes Of Personal Insolvency



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Excessive Credit

- changes in circumstances e.g. unemployment
- ignorance of reality of situation
- society focused on ‘entitlement’
- economy fueled on consumption
- spending makes people feel better
- spending can be an addiction
- Gen Y factors – mobile phone, credit cards
- banking products promote spending

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What is Corporate Insolvency?

- A company is considered to be insolvent when it is unable to pay its debts as and when they fall due
- Cashflow test is the key
- Risk = personal liability if debts are continued to be incurred when a reasonable director should know the company is insolvent



Insolvency issues

- Weight of issues
- Business Owner has many responsibilities
- Experience has allowed us to prepare list
- Many are common sense

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Warning Signs

1. Poor wage for owner
2. Creditor pressure
3. No accountant or b/k
4. Bad debts
5. Poor planning

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Warning Signs

6. Forced COD terms
7. Demands/Court action
8. Ongoing losses
9. Bouncing cheques
10. Overdraft limits >

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Warning Signs

11. High gearing (debt)
12. Stock problems
13. Sheriff action
14. Tax debts
15. Paying off creditors

Warning Signs

16. Workers Comp issues
17. Winding up action
18. Poor work/life balance
19. Superannuation debt
20. Dir. Penalty Notice

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Opportunities for survival

- Know the warning signs
- Strategic review and implementation
- Planning
- Restructuring & turnaround strategies
- Take advantage of opportunities
- Partnerships and mergers
- Acquisitions of distressed assets

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Opportunities for survival

1. **RECOGNISE LIMITATIONS**
2. **ASK FOR HELP**

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Failing to Act / Motivation to Avoid Failure

- ❑ Loss of income, wages
- ❑ Loss of investment into the business
- ❑ Wasted time, opportunity cost
- ❑ Personal liability, g'tees, insolvent trading
- ❑ Loss of family home
- ❑ Bankruptcy
- ❑ Breakdown in relationships
- ❑ Breakdown in health e.g. depression

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Life after Insolvency

- Weight of pressure is lifted
- New opportunities
- Asset Protection strategies
- Bankruptcy ain't all that bad....

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Questions....

AMOS INSOLVENCY

Chartered Accountants | Insolvency Specialists

P. (02) 4626 8522 | F. (02) 4627 2146

A. 25/185 Airds Road LEUMEAH NSW 2560

E. peter@amosca.com.au

W. www.amosinsolvency.com.au

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