

"Distressed Situations" Accelerated M&A

We have not yet seen the full extent of the credit crunch, there are sure to be many more casualties in this economic downturn. Owner managers struggling with their cashflow and trading have an opportunity to retain control of their future by being proactive about their current situation.

Devonshire Corporate Finance has an experienced team of advisors focused on achieving a speedy conclusion to providing alternative solutions and executing a transaction which is aimed at maximising the value of a business in an accelerated time table.

This service for SME's is designed to provide the client with a number of options to consider before making a decision about the future of their business.

Typical scenarios in which a business could require this service are;

- The loss of a major customer
- Withdrawal of a banking line
- Significant bad debts
- An over leveraged company
- A downturn in the businesses cycle
- A significant increase in raw material cost
- Poor financial management

Time Scale

In these circumstances the value of a business can diminish quickly as financial performance deteriorates. The core ingredient of the process is to ensure that all potential interested buyers or funders are aware of the key benefits a particular business will offer them.

Interested Parties

By solely focussing on external parties, existing stakeholders (Management, shareholders, creditors, banks, customers, and suppliers) could be missing the simple solutions.

Important potential buyers often reside within the business supply chain. They provide a sensible positive remedy which leaves all of these parties more comfortable after the deal than before the deal.

How much is the business worth?

The valuation of distressed private companies is not an exact science and is notoriously difficult. However our detailed analytical process enables us to present the leverage and advantages of working with the business together the synergies it could offer any buyer with consequently deriving the maximum exit value.

How we can assist you?

Our process addresses the challenges facing your business. Whether its poor cashflow, customer loss, supplier price increases or lack of management time, we are able to bring our specialist advisory skills and experience to assist you at the most challenging time.

Typically the output of our process results in the following;

- Sale of your business or assets
- A fundraising or business refinancing
- A group reorganisation
- Offering choices that were not considered before the process commenced.

Action Points

- Make sure you have up-to-date financial information
- Prepare detailed future cashflow forecast
- Consider sensible cost cutting
- Understand the core business USP's
- Maintain financial flexibility
- Be realistic about the value of the business
- Get early advice about how to structure your finance and business planning
- Motivate senior staff and encourage their commitment.

Key people

- [Steven Neal](#)

Contact

- [T: +44 \(0\)20 7566 3583](tel:+442075663583)
- [F: +44 \(0\)20 7689 6783](tel:+442076896783)

Enquiry

- [If you would like us to contact you please complete our enquiry form](#)

