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BTG Global Advisory's Bespoke Forensic and Investigation Services

As a result of discussions held during the BTG Annual General Meeting in Atlanta in May 2018, it was agreed that there is huge value in expanding our Forensic and Investigation offering which specialises in all aspects of fraud, anti-corruption, asset tracing and recovery. These bespoke service lines complement the group's core Insolvency and Restructuring and M&A Corporate Finance practices, and provide experienced and professional support to clients involved in international cross-border matters.

We are hoping to explore and create more opportunities with international engagements and an international profile for BTGGA as a group, which should also benefit individual member firms.

Services include:

- Fraud investigations
- Forensic accounting
- Anti-corruption and bribery
- Money laundering and proceeds of crime
- Asset tracing and recovery
- Digital and electronic forensics
- Fraudulent conveyances and other bankruptcy fraudulent preferences

GlassRatner Joins B. Riley Financial and Expands Cross-Platform Resources

GlassRatner is thrilled to announce they have joined B. Riley Financial (B. Riley), a diversified provider of financial and business advisory services. Through its affiliation with B. Riley, GlassRatner will be able to provide extensive resources to its clients across a team of 1,000 professionals. Please see below an excerpt of the press release.

“GlassRatner has always been dedicated to providing a comprehensive suite of advisory solutions to help our clients navigate through a variety of business problems. This merger further strengthens our ability to provide a level of service our clients have come to expect,” said Ron Glass, Principal at GlassRatner. **“By joining B. Riley Financial we now have access to a robust platform comprised of extensive resources and expertise that we can leverage to not only enhance, but also build upon our current service offerings.”**

“This is an exciting new chapter for GlassRatner. We have a unique opportunity to collaborate with our B. Riley affiliates and generate new business opportunities where the combination of resources better positions us to provide well-rounded solutions to clients through services all under the same roof. I simply could not be more excited for our team and I look forward to see what the future holds,” added Ian Ratner, Principal at GlassRatner.

Basler Fashion

PLUTA Rechtsanwalts GmbH was advisor to the German companies in the debtor-in-possession proceeding of the Basler Fashion group of companies. They were appointed to liquidate the foreign entities and enlisted support from several of the BTGGA member firms:

Basler UK was advised by Begbies Traynor to identify the options of the company and duties of the directors.

Basler France This German retailer in the ladies' ready-to-wear fashion sector went first into administration and then into liquidation in 2017 after failing to find a buyer for the business on terms acceptable to its creditors.

Zalis was asked to help to find a solution for Basler's French subsidiary, which depended entirely on the group both for the supply of goods and for its financing.

By taking on the management of the company, Zalis was able to achieve a solvent liquidation of the business in a voluntary and self-financing wind-down process in the best interests of all stakeholders.

The stores were all shut with successful closing down sales, the wholesale activity and head office were closed down, and all liabilities and commitments were met without any requirements for cash from the group.

Basler US Over the course of about seven months, GlassRatner advised the German parent relative to the liquidation of Basler US. Briefly, Basler US existed largely to distribute product shipped in from Germany and into Bloomingdale's stores in the USA. The operating assets of Basler US consisted principally of a leased HQ building in Manhattan, a couple of leased warehouses, and captive stores within about 25 Bloomingdale's stores. In the course of the assignment, GlassRatner worked through the local management (General Manager and CFO) to:

- Review the monthly report of operations, which included evaluating actual results for the prior month, variances versus projection, and projection for the next several months.
- Providing/reviewing various liquidation analyses.
- Providing a point of view on various wind-down issues, including severance compensation for the staff.
- Reporting regularly to German management.

Digital Transformation or Bust

Frederick Buhr, Head of Digital Practice at Zalis, discusses the current hot topic of digital transformation.

It is ironic that digital transformation is seen as the new promised land for companies, and that the model they are looking to adopt is found mainly in California's Silicon Valley...

The old 'California or bust' situation represented by an image of a depression-era family, squeezing themselves and their meagre possessions into a jalopy, sums up pretty well the feat of companies caught off guard by the rise of the digital era.

Unless you've been living under a rock for the last two years, digital transformation is a red-hot topic nowadays. There are at least four new articles related to the topic indexed by Google every day, as well as numerous newspaper and magazines covering it on a constant basis.

Adding to the buzz, every new tech solution and every new vendor is promising to revolutionise a business category and instantly solve companies' digital pain points.

If this pace of innovation is not fast enough for you, let's add a huge amount of complexity, a good measure of hype and fake news, and now tell me how any normal executive can figure it out. It has become extremely hard for companies to distinguish between solutions they really need and expensive digital snake oil readily available from the usual technology vendors...

The good news is that if you are trying to figure things out it means you are still alive. Some companies did not make it that far. Since 2000 the list of those departed to the corporate junkyard is full of great names that did not see, did not want to act, or were not fast enough to transform their business before the death knell tolled.

With the amount of help available from consultants and vendors alike you would think that organisations should have aced their digital transformation by now. Apparently, they are still struggling. So what happened?

In the last ten years we have seen companies engaging in digital-related strategies, firstly by hiring talent and securing the budget to execute a plan. When this strategy was not paying dividends, they realised (or were told) that the rest of the organisation was:

- 1) not structured to align with its digital strategy, and
- 2) did not use the right tech and tools...

So, the next phase was ushered in precipitously and digital transformation was fast-tracked at every level of the organisation. By hook or by crook everyone was rushed into a new digital dawn and became swamped with digital work.

From their computer, laptop, tablet or smartphone, people were trying to cope with a constant influx of urgent emails, 'do or die' tasks, 'drop everything and run' notifications, flash mob meetings, 'must attend' webinars. All of that generated a maelstrom of shared documents to check and update...

The result of this digital death march? People burned out, either leaving the company or becoming numb, detached from their work and resisting change.

Then came the rude awakening for the leadership team. This death march revealed that they never had the foundation of a strong digital culture upon which to build a successful transformation. No matter how hard the changes were pushed there never was a fertile ground for them to flourish.

Anxious to finally get it right, leadership went for the big shake-up and made another bad decision. Older employees were shunned or given the boot and recruiting managers went out of shape to seduce and recruit digital natives with the objective of immediately obtaining the outstanding benefit from their digital culture.

Wrong again! The type of digital culture younger generations brought to the workplace was clashing with the existing culture and not really compatible with corporate policies (when it was not downright disruptive...).

Watching and sharing videos, producing memes, commenting on Facebook status, non-stop texting friends and colleagues are all very 'digital', but this also breeds totally unproductive behaviour.

Is this the outcome companies expect when they hire digital natives to restart their transformation?

After so many years of taking the wrong turn and losing opportunities, what should be done?

The answer is blindingly obvious:

"First, grow a strong digital culture in your organisation."

Begbies Traynor – Red Flag Alert Report Q4 2019

481,000 UK businesses in significant financial distress as winter freeze impacts

The number of UK businesses in significant financial distress leapt by almost 15,000 in Q4 2018.

Businesses now in 'critical' financial distress increased 25% YoY to 2,183.

The number of businesses in 'significant' financial distress now stands at 481,000, leaping by 15,000 during Q4 2018, after a winter of uncertainty, according to the latest Red Flag Alert research from Begbies Traynor.

The hardest hit sector was real estate and property, which not only saw a 7% (3,134) increase in the number of companies in significant distress from Q3 2018 to Q4 2018, but a 9% year on year increase, equating to 4,013 extra businesses.

The research data, which monitors the financial health of UK companies, also shows that thousands more companies in support services (4,245, a 4% increase), construction (2,599, a 4% increase) and professional services (1,027, a 4% increase) were plunged into significant financial distress during Q4 2018.

Surprisingly, the figures show that retail was not as badly affected as expected, with only a 2% increase in the number of companies in significant financial distress between Q3 and Q4 2018. This equated to an additional 529 businesses. However, Q4 is typically a strong cash trading period for most retailers, with any underlying problems in this sector likely to appear during Q1 2019.

Such was the impact of the slow end to the year that the number of companies in 'critical distress' has risen 25% in comparison to the same time in 2017 to 2,183.

Rodgers Reidy Expands Further by Introducing Singapore Office

Since the firm's inception almost 19 years ago, Rodgers Reidy has grown to be one of the foremost providers of specialist forensic, insolvency and reconstruction services to distressed businesses throughout Australia, New Zealand and Asia. Together with their partners in the BTG Global Advisory network, their expertise across all sectors of the economy and in all corners of the globe continues to grow.

Rodgers Reidy Singapore goes to the heart of their commitment to service clients efficiently and cost-effectively. Singapore is an important and strategic hub for trade and commerce. Being located in Singapore allows them to further strengthen the provision of their services, not just in Asia but all over the world.

Their understanding of the unique relationship that exists between regional business centres, coupled with an ability to provide cost-effective, innovative solutions, has resulted in numerous appointments to mid-SME businesses in these areas. Their services transcend traditional insolvency roles to include targeted crisis management.

The Singapore office is located at 10 Anson Road, #31-10 International Plaza, Singapore 079903, and is led by James Ng, Lim Tian Huat, Evonne Khoo and Alex Chiang.

Our People

Geoff Handberg of Rodgers Reidy in Australia has taken the reins as Chairman of BTG Global Advisory, effective from February 2019.

GlassRatner continues to expand service offerings and team in key markets, with the hire of five senior professionals: Mark Spizzirri, an expert in the automotive industry; Jeanne Aulbach to support their Big Data Analytics practice, plus talent for the Atlanta, Kansas City, and Tampa offices.

Farber are pleased to announce that Ray Forzley has joined the firm as Chief Financial Officer (CFO), effective February 25 2019. Ray will assume the role of CFO, taking over from Alex Fiore, who has transitioned into a newly created Chief Operating Officer (COO) role.

Piers Marsden has joined the Farber team as a Vice President in their Insolvency and Restructuring practice. Piers and his family have recently relocated to Toronto from Matuson Associates in Johannesburg.

Nick Welch, formerly of Begbies Traynor, completed his secondment at GlassRatner's head office in Atlanta in 2018. He was offered a permanent position to remain at GlassRatner, which he has accepted.

Steven Prager of GlassRatner, Atlanta, began his secondment at Begbies Traynor in London in February 2019.