

Business fixers boom under economic cloud

By SHANNON MOLLOY and MELISSA SINGER

QUEENSLAND'S uncertain economic climate is proving big business for the growing "corporate turnaround" industry, which works to prevent receivership and liquidation.

Vantage Performance managing director Michael Fingland, who expects his client list to double this year, says retail and construction businesses are most likely to meet financial difficulty.

The Brisbane-based firm is one of an increasing number of outfits that intervene in the operations of struggling companies before things hit rock bottom.

"This is not insolvency. We work to stabilise a business by improving cash flow, negotiating with stakeholders and creditors and implement a range of rescue initiatives," Mr Fingland said.

"There's an element of financial counselling with a lot of education of management and staff... our staff are usually on site for several months and take a hands-on approach."

Mr Fingland said he had been swamped with demand from business owners eager to avoid collapse, after Queensland's fortunes turned from boom to bust.

"We saw a lot of industries literally hit the wall in about August or September when the impact of this turmoil started to be felt," he said.

"At present we have about 11 live restructures under way but I expect growth to double this year at least."

In most cases, companies ran into trouble when they had too much equipment for their workload, unsuitable finance arrangements or incorrect pricing for their products and services, he said.

Manufacturing, retail, property and construction businesses made up the bulk of Mr Fingland's client list, but he said mistakes were easy to make.

"We work to turn a business around but we also implement initiatives to make sure it doesn't go back where it was before," he said.

"Our mandate is very simple - we



Business solution 'cast in concrete'... Maurie Saccu, left, and Paul Richardson, of Brisbane Concrete Plumbing, with equipment that was heading for liquidation before the rescue strategy was devised.

Photo: Michelle Smith

Concrete firm bounces back from brink

By SHANNON MOLLOY

BRISBANE Concrete Pumping (BCP) was in voluntary administration and just weeks from financial collapse four months ago, but now the business is on the path to recovery.

The Pinkenba-based company was preparing to lay off its workforce of 80 when it engaged a corporate turnaround firm in a last-ditch effort to avoid liquidation. Vantage Performance in October developed a rescue strategy that brought the company

work to avoid receivership and administration."

The group enjoyed a 100 per cent success rate last year, with a long-term average of 84 per cent.

Commerce Queensland spokesman Paul Bidwell said many companies facing financial trouble

back from the brink. Control of the business was handed back to director Maurie Saccu last week, much to the delight of staff and clients.

The construction industry was shocked when BCP went into receivership last year, despite its long-standing reputation and impressive project list.

However, trouble is easy to find in the best of times, let alone in the middle of an economic meltdown, Vantage Performance managing director Michael Fingland said.

"Even the busiest businesses

could not afford a private turnaround service. The State and Federal governments offered business "health check" programs but they could be too generic for some businesses.

"It's always a good time to look at how a business is performing and

can face financial problems," he said. "Sometimes it takes just a few lost contracts, some undervalued products or an oversupply of equipment."

BCP's inefficient operating methods had been replaced with a range of management initiatives, and new arrangements were made with creditors, Mr Fingland said.

"We have prevented a write-off of \$8 million in debt," he said.

Mr Saccu said his company's customers, suppliers and financiers had been "very supportive through this process".

how things can be improved," he said. "You want to start thinking about it before you flounder."

Given current economic forecasts, a number of Queensland small businesses would be expected to close in 2009 "but it won't be widespread", he said.