



“Retaining External Assistance When Your Business is Failing”

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If your business is failing, you may decide to go through a turnaround process to recover it. If you have no experience with this process, then you will likely need external assistance.

After you assemble a list of qualified turnaround candidates, you will interview each one extensively. Check references carefully. This will be a long-term relationship, so you need to be sure you have the right individual for the job.

Certified Public Accountant

You are going to need a CPA who is external to your organization for the reasons discussed above. Spend the extra time to locate one with turnaround experience. It will pay off in the end.

An experienced CPA can file amended tax returns to obtain cash from time periods when your company was more profitable.

A quality CPA will have experience with the IRS on audits and will be able to help negotiate a settlement if you have any issues with unpaid taxes.

Attorney

If your company has serious debt problems, as it likely will if you are in a turnaround situation, a good attorney will help you with these as well as with other turnaround issues like personal assets.

If your turnaround expert has no debt negotiation experience, you may be able to fill that hole with your attorney. Formal procedures exist to address debt negotiation, and they are highly effective. With the right debt negotiation process, you can easily save up to 60% on your outstanding



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debt burden. For this reason, someone on your core turnaround team should have solid debt negotiation experience.

You are also likely going to be dealing with “zone of insolvency” issues, so an attorney is a must for liability reasons. Ideally, you want to select an attorney with turnaround experience. The zone of insolvency refers to the period when your business is close to bankruptcy. During this time period, you are potentially liable for your actions. Each state may define this term differently, thus the need for a good attorney.