

“Keeping the communication channels open”

At a time when so many businesses are struggling under mounting debt, it is more important than ever that they should negotiate deals with their creditors. In the main creditors would much prefer to negotiate a deal rather than have recourse to the Courts. After all, most formal insolvency processes leave creditors with little or nothing so it is in the interests of all parties to agree alternative ways of payment.

“If a business is struggling to satisfy creditor payment pressures it is essential that lines of communication with both creditors and funders are kept open. There are currently thousands of good, viable businesses suffering temporary cash flow problems and many of these can survive the economic downturn with additional time to pay outstanding debts, said Phil Wood, managing director of chartered accountants and licensed insolvency practitioners, Barringtons.