

BARRINGTONS

Licensed Insolvency Practitioners
Business Rescue, Recovery & Turnaround

E-mail News Release

“Still struggling to survive”

Thousands of small businesses are still struggling as the recessionary effects continue to take their toll. There are certain areas in business life which must be given priority when things appear to be going from bad to worse. It is a sad fact of life that most businesses fail, not due to losses, but simply running out of cash. For a short period losses can generally be covered from reserves, running down stocks or accelerating debt collection. However, cash is cash and both payroll and suppliers need to be paid. Otherwise the inevitable happens, employees will leave and suppliers will not supply.

“It is vital for small businesses to understand that if income falls and costs do not, reserves will be eaten away very quickly. Many small businesses will take the window of opportunity to chase new business. However in these recessionary times some companies will simply ditch longstanding suppliers as credit limits are reached. It is vitally important for all small business to conjure up a ‘Plan B’. Any business, struggling but still solvent, has far more options open to it than those who fail to grip the basics,” said Phil Wood, managing director of chartered accountants and licensed insolvency practitioners, Barringtons.

ENDS

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