

NAVIGATING BUSINESS CHALLENGES IN THE WAKE OF THE COLLAPSE OF 200 BUSINESSES IN NORTHERN IRELAND IN 2023

Recent reports indicate that throughout 2023 a staggering 200 businesses faced collapse in Northern Ireland, due to the unprecedented challenges facing Businesses here. Factors such as Increases in the cost of borrowing and ongoing global uncertainties leading to supply chain issues, has prompted companies to seek strategic solutions for survival.

Understanding the Landscape:

The level of businesses collapsing in Northern Ireland in 2023 is indicative of the volatile and challenging economic environment businesses are having to navigate. Factors such as changing consumer behaviours, supply chain disruptions, and regulatory uncertainties have contributed to financial instability across various sectors.

When operating in such challenging conditions, it becomes imperative for businesses to assess their financial health, identify challenges, and explore viable solutions. The restructuring team at CavanaghKelly, specialises in providing tailored advice to address the unique circumstances a business may face, and seeks to promote Business Rescue as the primary goal.

The advice from the Restructuring team to Businesses trying to navigate these headwinds and help avoid the pitfalls of insolvency is:

Regular Financial Health Assessments:

- Proactive financial monitoring will help address issues before they escalate.
 - conduct regular reviews of your company's financial health.
 - identify potential red flags early on, such as declining revenue, increasing debt levels, or liquidity challenges.

Strategic Cost Management:

- Implement strategic cost management measures to optimise operational efficiency.
- Identify areas where costs can be reduced without compromising the core functions of the business.

Effective Working Capital Management:

- Efficient management of working capital is crucial for maintaining liquidity.
- Negotiate favourable payment terms with suppliers to enhance working capital to improve cash flow

Debt Management and Negotiation:

- Proactively manage existing debt levels and engage in open communication with creditors.

Scenario Planning and Contingency Plans:

- Prepare for all eventualities by developing scenario plans to anticipate potential challenges and creating contingency plans to address these challenges .

By embracing regular financial assessments, strategic cost management, and effective working capital practices, businesses can help navigate the challenging times facing them. Feel free to contact our Restructuring team to secure the support and guidance needed to help your business maintain sustainability and financial health. Get in touch on [028 8775 2990](tel:02887752990)

OUR RESTRUCTURING TEAM



Michael Drumm
Partner.

Michael.Drumm@CavanaghKelly.com



Shauna McStravick
Director

Shauna.McStravick@CavanaghKelly.com

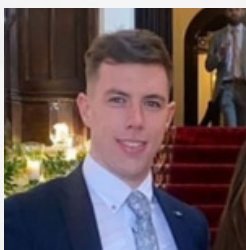


Ciara Maguire
Manager

Ciara.Maguire@CavanaghKelly.com



Corin Kelly
Senior Associate
Corin.KellyCavanaghKelly.com



Michael McEvoy
Associate
Michael.Mcevoy@CavanaghKelly.com



Jenny McKee
Associate
Jenny.McKee@CavanaghKelly.com