



ADVISORY ROLE VS FORMAL INSOLVENCY WHICH ONE IS BEST FOR ME

The tph Difference

When a director requires either feedback or specific services of an insolvency practice it is not uncommon for that director to have had limited experience in engaging insolvency expertise. **tph** ensures that every potential client is offered either our advisory services where we act for the director or our formal insolvency services where we act for creditors and all parties.

We have developed these options because a formal insolvency solution (eg Liquidation or Voluntary Administration) is not always the best approach. Where we see an opportunity of leading a company away from a formal insolvency solution for a chance of a better result, we will always promote that approach.

It does mean however that we are ineligible for the Liquidation or Voluntary Administration if **tph** is the advisor. We have no difficulty in accepting the advisory role as that will generally provide a superior outcome. Advisory roles allow the insolvency advisor to act for the directors (whilst aiming for better outcomes for all stakeholders/creditors).

Common Alternative Approaches adopted by Insolvency Firms

Not all insolvency firms are motivated to offer advisory services and much prefer to push for an official appointment such as liquidator or voluntary administrator (VA). That is their prerogative, and some would say that avoids any of the difficult questions concerning conflict of interest.

In **tph's** view it also limits the options available to a company and its directors as the 'choices' provided by the insolvency expert will often be directed at a VA/Liquidation and not an advisory turnaround reconstruction type scenario. The other reason advisory is not offered by many insolvency firms is that it is actually more challenging than doing VA/Liquidations which are very prescriptive and offer a certain amount of protection to the insolvency practitioner.



The tph Smart Solution

At **tph**, we find this very limiting and that is why we will consider either role for the most effective outcome. Recent legislation has created a legal category called 'small business restructuring'. **tph** supports and offers this service.

Appointing an insolvency firm, whether it is in a formal capacity or in an advisory role, the approach should be to arm you with the information so that the best outcomes can be achieved. All too often a quick decision is made to appoint an insolvency firm without first understanding the philosophy and approach of a firm. **tph** will provide options and opportunities which is a clear difference when comparing against other firms.