



### INTEREST RISE ON HORIZON

**It is far from a convincing argument that a quarter of a point rise in interest rates makes too much difference to the majority of UK businesses but the psychological impact is real enough which does affect those in the financial community who will start examining their risks.**

There are certainly signs of increased activity in the 'intensive care units' at the major banks, some asset-based lenders and specialist lenders. Indeed, it is more than a possibility that banks are gearing up simply because some businesses, especially in the SME and mid-market sector, are appearing on the radar as experiencing problems. Little doubt that many financial directors are experiencing a souring of relationships with their banks especially when things go pear-shaped. Clearing banks will have no compunction in trading out of problem areas to hedge funds without the business even being aware that the bank has sold the risk on.

#### TACKLING THE UNDERLYING CAUSES

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#### EXPERTISE

Many businesses will consider seeking the expertise of a turnaround specialist but, in order to assess whether they are likely to get value for money, some verification is required. Banks have contacts through legal advisers, who will know of the turnaround expertise currently available in the marketplace and where to find good value.

#### WHAT ABOUT THE STAKEHOLDERS

So far as stakeholders are concerned, it is necessary to find out what their attitude is to the position that the business finds itself in.

#### NEED TO BE CREATIVE

Alternatively, in the process of restoring a business to an even keel, there is a huge range of permutations for funding solutions to be found in the marketplace.

