



Turnaround & Restructuring Newsletter

May/June 2024



Views from our leaders

Michael Epstein, Global Situations Leader

Hi all

As I look toward retiring from Deloitte, I've been asked to share some broad perspectives on what I've seen in the turnaround industry since I began in 1989, both here at Deloitte as well as the restructuring world at large. During my 12 years with Deloitte US, the firm remains committed to the practice of restructuring globally, even as the field continues to change. At times our clients' problems are large and complicated which often demand professionals that are able to deploy solutions in multiple jurisdictions, multiple languages, and can be multi-currency in nature. Deloitte does that. I'm proud to have helped bring our teams together to think globally and act locally. We're as small as our clients want and as big as they need.

However, the restructuring world has evolved and our practice has evolved with it. When I began in the late 1980s, capital structures were less complicated and while stakeholders' interests were not always aligned, we followed



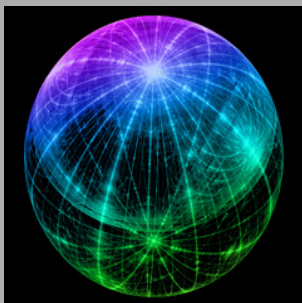
a simple motto: let's figure out how big the pie can be, then we'll figure out how to best divide it up. In other words, fix the P&L and the balance sheet solution will be more obvious. We all know that has forever changed. With the advent of financial institutions whose structures have changed, whose risk appetite has evolved and who are adept at operating up and down the balance sheet, the motivations have often been reoriented to one where liquidity needs have allowed those with the leverage (beneficial control) to resolve the balance sheet first and then set about using their own resources or specialized professional services firms to optimize the business model, thus transferring value accretion to the post-restructuring stakeholder.

I have also seen another phenomenon that either promoted the concepts above or is coincidental but aligned to them: The velocity of capital and its transparency, using electronic information flows, has allowed risk takers to move faster, go deeper and bring capital to situations sooner than ever before. This means that business cycles that might have necessitated the use of turnaround firms, like the ones I had been associated with in my career, have narrowed such cycles. Money stays in longer, returns sooner and the cycles are shallower than ever before.

So what does that mean for my colleagues at Deloitte US and other firms?

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Our latest eminence



DIO: 4 Ways to Make Working Capital Work Smarter, Not Harder

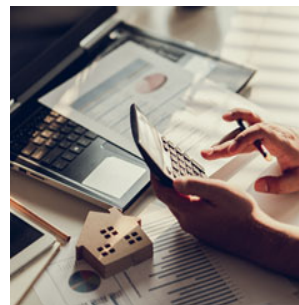
With just-in-time inventory management falling out of favor, find out how companies can improve returns by tracking inventory excesses and insufficiencies more closely with DIO.

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Recent engagements

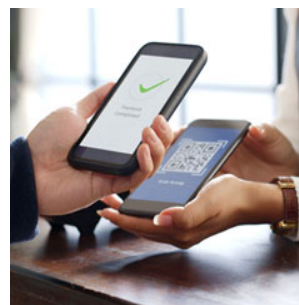
Deloitte T&R extended their portfolio of services to a Global Financial and Retail Technology Company

Deloitte T&R provided bankruptcy accounting, reporting, tax, and project management support for the implementation of fresh start accounting for a global financial and retail technology company.



Deloitte T&R offered insights to a SaaS company

The Deloitte Cash & Working Capital Services team assisted in identifying and advising on Lead-to-Cash improvements for a customer experience and call center technology company. The company is backed by a leading private equity group and was experiencing challenges identifying root causes for the delays in customer collections. Deloitte assisted in identifying key root causes for delayed collections, and provided recommendations related to a billing in arrears model and backlogs created as a result of purchase orders challenges.



Upcoming Dbriefs & Webcast



Generative AI and the fight for trust

May 21, Tuesday | 1:00 PM ET

Participants will distinguish how to calibrate risk from AI internally and externally.

[Register](#) to learn more.

Additional insights

Explore how we have helped clients devise and implement an optimal strategy to achieve wind downs. [Read our latest insights](#) to find out.

About Deloitte Turnaround & Restructuring (T&R)

Deloitte T&R is a leading provider of financial and operational restructuring services, turnaround and performance

management, fiduciary services, and bankruptcy administrative services to underperforming companies and their advisers, lenders, investors, courts, and other stakeholders. We specialize in helping both large multinational organizations and midmarket companies overcome challenges, from enhancing the performance of healthy companies to complex bankruptcy reorganizations. Our talent, global reach, and commitment to driving results set us apart and enable us to help create value in the most challenging and complex restructuring matters.

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