**Tuesday 5th May 2020**

**![A close up of a sign

Description automatically generated]()**

**Business rescue opportunity should be grasped early to avoid unnecessary insolvencies urges Institute for Turnaround**

* Thousands of viable businesses now in distress from the impact of Covid-19, despite government measures
* In 2019 IFT estimate its members and partners saved 200,000 jobs and £2 billion in enterprise value
* IFT urging swift intervention to reduce unnecessary insolvencies and protect the economy, communities and society
* Rehabilitation possible for a significant number of businesses, but Institute for Turnaround (IFT) concerned business rescue expertise and opportunity not widely understood

The Institute for Turnaround (IFT) is urging businesses in distress to avoid unnecessary insolvencies by exploring turnaround options that could protect people’s jobs and livelihoods, ensure continuity of service to customers, support suppliers and boost UK plc.

In its new report, *Unlocking Jobs, Saving Value*, The IFT estimates that in 2019 its members and partners – a group of highly-experienced business turnaround experts – saved more than **200,000 jobs** and **protected £2 billion in enterprise value**. The report highlights the profound social as well as financial impact of preventing business failure, with successful turnaround interventions last year helping to preserve jobs and livelihoods, uphold local industries, protect economic value and strengthen public service organisations.

With a sharp increase in distressed businesses reported in the quarter to 31st March 2020 as a result of Covid-19, IFT members expect to see higher demand for turnaround services during 2020. However, the organisation has warned that a lack of awareness of this essential business discipline may mean many businesses in the UK are at risk of rushing into insolvency without first considering immediate professional intervention which could resuscitate their business.

**Steve Swayne, Chair of The Institute for Turnaround said:**

“Not every company can or should be turned around. But there are also many stressed businesses that, even in these hugely complex and challenging times, will be able to reverse their decline and prosper. Government measures have provided much needed breathing space and we are urging businesses in distress seek swift early intervention from experts who may enable them to survive and thrive as a business, helping to protect suppliers, employees and customers.”

“The UK has a skilled but little-known turnaround community committed to business rescue. The skills of turnaround professionals in providing immediate viability and confidence to businesses and stakeholders, with the space to recover and where necessary build a long-term plan in response, are critical to avoiding unnecessary insolvencies during and after the Covid-19 crisis.”

**-Ends-**

**For further press information please contact:**

**Francesca Rivett-Carnac (**[**francesca@standagency.com**](mailto:francesca@standagency.com) **/ 07966 227 390)**

**Grace French (**[**grace@standagency.com**](mailto:grace@standagency.com) **/ 07906 630 501)**

**About the IFT**

* The Institute for Turnaround (IFT) is a membership organisation that brings together professionals in turnaround and transformation
* Its members are accredited to the highest standards and together with its corporate partner organisations, help to support businesses that are under-performing or at risk of failure
* Its aim is to bring together those working in turnaround and transformation, and to provide support to those who may need a recognised accredited professional to help in their business
* Visit [www.the-ift.com](https://www.the-ift.com/) for more information

**The IFT’s *Unlocking Jobs, Saving Value* report also found that:**

* During 2019, companies in the North, Wales and the West were most likely to be in trouble. Companies in Scotland and the Midlands were showing the lowest signs of distress. While a relatively modest proportion of businesses in London and the South East are showing signs of distress, this region accounts for the most distressed businesses overall, due to the intensity of business activity
* During 2019, IFT members’ work fell predominantly in the manufacturing, construction and retail industries, reflecting the highest rise in the number of distressed businesses in these sectors
* They are expected to be joined by the struggling casual dining market in 2020, which saw a steep increase in distressed companies in the last quarter of 2019 and is likely to come under intensifying pressure during 2020 after the government called an abrupt ‘time’ on pubs, bars, cafes and restaurants in the wake of the coronavirus outbreak, constrained construction, and put increased pressure on property and commercial real estate in particular
* The IFT predicts that industries with complex supply chains and those with high levels of customer contact, such as leisure, travel and airlines are likely to struggle in the aftermath of COVID-19.

**The IFT’s corporate partners**

FTI Consulting

FRP Advisory

Barclays

KPMG

Gateley Legal

THM Partners

PwC

DLA Piper

Deloitte

Lloyds Banking Group

BDO

Grant Thornton

Playfair Partnerships

Macfarlanes

Kingsgate

HSBC

Freshfields Bruckhaus Derigner

Duff & Phelps

BTG Advisory

Sullivan & Cromwell LLP