



JUNE 2021

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THE ONLINE TURNAROUND TIMES



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CHAIRMAN'S MESSAGE

Dear Members,

I have recently announced that I will be standing down from the board after three years as Chairman, and so I was pleased that my final national conference as a director was so engaging and stimulating, despite not being able to meet in person. I would like to extend my thanks to Gateley as our co-hosts, to the members, partners and stakeholders who spoke and attended, and to the Executive for a fantastic event and showcase for our Institute. I hope you enjoy reading the follow up articles to the sessions that we enjoyed over the two mornings of conference.



We remain in a period of uncertainty. However, our engagement across the market and changes during the pandemic suggest that we will be entering a new period in which business recovery will come to the fore. I recently spoke at the R3 conference to highlight the important role that turnaround professionals can make to business recovery, including in the context of the unfolding use of new Corporate Insolvency and Governance Act tools.

As we look to the future, I am particularly pleased to support IFT Next. We are evolving our IFT Next Generation Initiative to become IFT Next. IFT Next is much broader, going beyond events and networking – it's about building an ongoing relationship with professionals through their careers and supporting the future of turnaround excellence. We want individuals to see the IFT as their professional home, both now and throughout their careers. You can read more about IFT Next in this edition and I would encourage you to involve suitable colleagues and contacts as we develop the programme.

Steve Swayne, IFT Chairman



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NATIONAL CONFERENCE 2021

The IFT brand denotes quality, standards and experience, and provides the key meeting point for the turnaround community in the UK. In a year of virtual meetings and many challenges, we have been pleased to continue to engage with members, partners and the wider turnaround and business community to explore changes in the business environment.

Whilst we weren't able to meet in person, we were delighted to once again welcome so many members, partners and stakeholders virtually to our 2021 national conference in partnership with Gateley.

We were excited to have an agenda that reflected not only the best market insight and technical updates, but also key areas of development, such as our IFT Next offer, which aims to support individuals developing their career at a senior level in turnaround, whether as an adviser, lawyer, banker or investor. Our agenda and audience encompassed the diversity of people, professionals and sectors involved in the turnaround community, enabling us to take a very comprehensive look at the market and to talk about the future. I hope you enjoy all the articles reflecting on this year's sessions.

Thanks to all members, partners and stakeholders who joined us on the day – and we are very much looking forward to catching up with you in person over the coming months.

Milly Camley

CEO, The IFT



THE IFT NATIONAL CONFERENCE AGENDA

WEDNESDAY 28TH APRIL 2021

08:00 - 08:05	Welcome & IFT Update Milly Camley, IFT CEO
08:05 - 08:25	Economic Outlook Mark Berrisford-Smith, Head of Economics, HSBC
08:25 - 08:55	Panel Discussion: 'What the Market Looks Like' Chaired by Sen Alagar, Restructuring Partner at Grant Thornton, with Mahnvir Singh, Partner at Gateley, Garry Wilson at Endless and Annabelle Harling Godber, IFT Independent Member.
08:55 - 09:15	Pensions Update with Lincoln Pensions Richard Farr, Managing Director at Lincoln Pensions, Dan Mindel, Managing Director at Lincoln Pensions
09:15 - 09:25 BREAK	
09:25 - 09:55	Panel Discussion: Debt & Equity Landscape Chaired by Nicola Kirk, Partner at Gateley, with Stephen Pegge, Managing Director of Commercial Finance at UK Finance, Fiona-Jane MacGregor, Partner at Beechbrook Capital, and Phil Emmerson, COO of Rcapital
09:55 - 10:05	Corporate Insolvency and Governance Act (CIGA) Reflections and Case Studies Phil Nicholls, Director at Deloitte
10:05 - 10:35	Panel Discussion: CIGA Reflections Chaired by Clare Boardman, Partner at Deloitte, with Phil Nicholls, Director at Deloitte, Colin Haig, IFT Independent Member & R3 Chair, Nick Goldstone, IFT Independent Member, Stuart Tait, Partner at Gateley
10:35 - 10:55	Crown Preference Steven Chait, Wells Fargo
10:55 - 11:10	IR35 Chris Thompson, National Head of Employment at Gateley

THURSDAY 29TH APRIL 2021

08:00 - 08:05	Welcome Chris Radford, Partner at Gateley
08:05 - 08:50	Panel Discussion: Future of the High Street Chaired by Dan French, Partner at Gateley, with Katharine Poulter, former CEO of Laura Ashley, Andrea Trozzi, Partner at THM Partners, Claire Fox, Partner at PwC
08:50 - 09:05	Reflections from Leading the IFT Academy & Challenges for the Future Shaun O'Callaghan, Partner at Grant Thornton
09:05 - 09:30	Panel Discussion: IFT Next with IFT Academy Alumnus, Associates and IFT Next Leads Ali White, Principal Consultant at Kingsgate, Paris Clark-Roden, Business Restructuring Services PwC, Aneesh Prasad, Legal Director at Gateley, Matt Leech, Legal Director at Gateley
09:30 - 09:40 BREAK	
09:40 - 10:25	Manufacturing Outlook Chaired by Kelly Jones, Turnaround Director at Kingsgate, Andrew Burn, Partner and UK Head of Automotive at KPMG, Brian Davidson, Chairman of Woodall Nicholson Group and Partner with Mercia Fund Managers EV Growth Fund, Sid Hopper, IFT Independent Member
10:25 - 11:00	The Future of Leadership - Agile Decision Making in a Crisis Dr. Charles Jones, Partner at Kiddy & Partners, Dennis Murphy, Strategic Consultant, Gateley Legal, Kate Forrest, Principal Consultant, t-three
11:00 - 11:30	Close & Networking Steve Swayne, IFT Chair



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IFT NATIONAL CONFERENCE 2021: OVERVIEW

Our 2021 IFT National Conference was held across the mornings of 29th and 30th April 2021 this year.

Due to the ongoing restrictions resulting from COVID-19, for a second year in a row the conference was held in a virtual format. This year it was delivered in partnership with the legal and professional services group, Gateley Plc, who are also one of our corporate partners. We chose to use the Remo virtual conferencing platform, which allowed interaction with our speakers, panellists and attendees through a chat function and live Q&As. It also allowed for virtual networking to take place, which proved very popular and which facilitated some lively discussions after our attendees had taken their virtual seats at their virtual tables!

Once again, we were able to secure some excellent speakers and panellists for the conference, who were able to share their views with us on the uncertain times that lie ahead, how we can best prepare for the future and how IFT members can help businesses, as restrictions are lifted, temporary measures are removed and support schemes are withdrawn.

Around 40 different speakers and panellists discussed the current challenges for the UK economy, the new legislation that introduces new procedures to protect distressed companies and the changes in the world of pensions. They also discussed how the reintroduction of crown preference has created issues for funders, the current state of the UK market and the current opportunities for IFT members. Drawing on their significant experience, industry experts from the manufacturing sector and the retail sector explained the current opportunities in these sectors, and current difficulties, offering some potential solutions for challenged businesses. We also heard about the exciting future plans for the IFT Academy, the IFT Academy Alumnus and IFT Next. The full agenda for the conference is reproduced on page 5 and some of our speakers have provided us with their further comments, which have been included on the following pages.

We were delighted that over 200 members and non-members registered to attend the conference and that most of the attendees chose to view or participate in all of the sessions. Anyone who registered to attend the conference who missed a session, or who would like to view a session again, can do so by viewing one of the recordings.

Links to the recordings have been made available by email. Please contact the IFT if you have not received the links or if you would like copies of any of the slides.

Given the success of our virtual conferences in 2020 and 2021 we would be interested in members' views on the format of future conferences and have sent a survey to our members about this. We are keen to receive feedback from our members given that the planning of our 2022 IFT National Conference starts now!



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ECONOMIC OUTLOOK- "WE HAVE LIFT-OFF"

Mark Berrisford-Smith, Head of Economics at HSBC UK, Commercial Banking

The coming months will be an exciting time for businesses in the UK, as the economy re-opens. GDP is expected to expand at a blistering pace during the second and third quarters of this year, taking annual growth to close to 7%. While the enforced savings of households will be the biggest driver of the recovery, fixed investment by businesses will also play a significant role, especially in the light of the time-limited "super deduction" tax break.

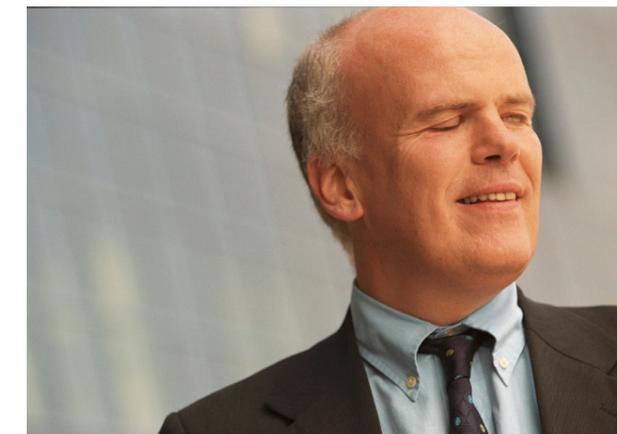
But these extraordinary times may also prove to be challenging for some. In many sectors, the way in which customers interact with suppliers will not revert to how it was before the pandemic. But these changes, whether in the way we shop or in the way in which companies use office space, will be unpredictable, so that it may be some time before anybody can say what the "new normal" looks like. Meanwhile, those businesses which entered new markets to keep themselves afloat during lockdowns now face choices about whether they remain in them or revert to their original focus.

There is the inevitable risk that some firms will run short of cash in the face of buoyant demand. SMEs, in particular, have emerged carrying a significantly higher burden of debt. Yet although some casualties are inevitable, funding conditions remain benign, so that a deluge of failures, as seen during the recessions of the early 1980s and early 1990s, is not on the cards.

That said, there will be businesses, especially in hard-hit sectors, that will need to restructure in order to repair their balance sheets. This means that there will be much trading of assets, with foreign buyers also likely to be interested. Now that Brexit is done and dusted there is an element of certainty about the UK's business environment which has been absent for the past five years.

Even for those businesses which have strong balance sheets and decent cash flows, the present environment still has its pitfalls. Many raw materials are in short supply, leading to big price increases, while re-opening businesses may struggle to hire the staff they need without paying higher wages.

Finally, many firms will still be looking to reconfigure their supply chains. Businesses are getting to grips with the implications of Brexit, and will also be learning lessons from the bottlenecks caused by the pandemic.



Mark Berrisford-Smith

Head of Economics, HSBC UK, Commercial Banking



Our newest Corporate Partners, Lincoln Pensions provided us with a timely pensions update on day. Here **Richard Farr** and **Dan Mindel** re-cap on some key takeaways.

Previously we wrote about the draft pensions legislation that was likely to have a profound impact on companies and directors, particularly in turnaround and distressed situations where there is a defined benefit (DB) pensions scheme.

To recap, the new Pension Schemes Act (PSA), amongst other things, brings in new offences which have criminal liabilities of unlimited fines and up to 7 years in prison and, in one case, also potential civil liabilities of up to £1m.

The legislation is now an Act, with most of the key provisions becoming law this autumn. The first, carrying criminal sanctions, applies to any person who acts (or fails to act) in a way intended to prevent recovery of employer debt or intended to compromise or settle employer debt, and does so without 'reasonable excuse'.

The second, which has both criminal and civil liability risks, applies to any person who acts (or fails to act) in a way intended to cause material detriment to security of scheme benefits, who knew or ought to have known this would be the outcome and does so without 'reasonable excuse'.

Corporates, directors, lenders, commercial counter parties and advisors all in scope under the definition of "person"

Further, the PSA brings in reporting requirements where a company with a DB scheme is going through a restructuring. This includes mandatory advance notifications to the UK Pensions Regulator of any plans as well as mandatory impact statements showing how the DB Scheme will be affected.

This will inevitably impact on restructuring timetables which are usually by nature already compressed and failure to comply also could result in up to £1m in civil penalties.

As the types of transaction caught under the act are wide and varied there is a concern that they will

incorporate many of the usual tools of restructuring (eg refinancing, new debt and new security, sale of assets etc) and potentially could impact the use of the new Restructuring Plan, introduced last year under CIGA. This is new technology which is gaining momentum and popularity, but has not yet been tested in the context of a DB scheme.

Directors could find themselves facing a real dilemma as to whether to continue to trade and seek a restructuring or file for insolvency just to avoid the risk of falling foul of the PSA offences.

The Pensions Regulator (TPR) has issued draft advice to try and alleviate industry concerns saying that they will focus on "more serious or reckless conduct", not commercial norms; however there are still questions as to the precise meaning of treating a DB Scheme "fairly" and "acting reasonably", especially in a distress situation where there is an inherent risk in decisions made and multiple stakeholders to manage.

Given the potential significant impact of the PSA, directors should therefore be mindful in restructurings and turnarounds where there is a DB scheme and, in order to mitigate the risks, should:

- Proactively engage with scheme Trustees, TPR and the Pension Protection fund
- Build-in interaction and engagement with the DB scheme stakeholders into the transaction timetable
- Provide timely and accurate information
- Document all discussions and rationale for decision making where the DB Scheme is impacted
- Get advice from pension covenant advisors and pension lawyers.



The landscape for debt and equity was considered by a panel of industry experts and chaired by **Nicola Kirk** (Restructuring Partner, Gateley Plc).

Stephen Pegge, Managing Director, UK Finance Limited, shared insight from market data to reflect on the availability of debt and equity. Bank of England statistics had shown gross lending to SMEs to be £100 billion from £50 billion 12 months ago, because of the government schemes. There had been a 26% increase in outstanding borrowing in overdraft and loans. The latest results from HSBC and Lloyds highlighted that banks were writing back provisions demonstrating growing confidence. Capital and liquidity had remained strong, but parts of the market had been crowded out for example, invoice finance utilisation was down to 44% and the use of overdrafts against limits very low. This is likely to pick up as liquidity tightens, but there is a real feeling of a "calm before the storm" given the position of landlords, deferred tax, and reliance on government support. The recent City UK report on recapitalisation highlighted the need for restructuring with equity playing an important part. Government announcements regarding pay-as-you-grow schemes and continued forbearance by finance providers was welcomed however, was there enough equity capacity to enable the recovery to take hold?

Phil Emmerson, COO of Rcapital, reflected that there was a lot of liquidity and debt available in the SME market with well-funded private equity and trade parties looking for "value" and offering for assets. Strong businesses managed to raise debt, but others have struggled. Substantial amounts of "soft debt" had been created with deferred payments for landlords and HMRC, balance sheets weakened as a result. Furlough had been a "saving grace" but bounce back loans, CBILS and crown debt needed to be repaid. Whilst funds had been raised including by Rcapital, opportunities in the stressed/distressed market were limited as businesses had been supported.

Fiona Jane MacGregor, partner at Beechbrook Capital, explained that time had been spent ensuring portfolio companies had access to the relevant information and government financing. 13 week rolling cash flows had been prepared to help with contingency planning. Senior management had taken the opportunity to review their business strategies, made changes where required and cut costs appropriately. Coming out of

the pandemic, less working capital would be available. "Zombie companies" will have an ongoing effect on the economy and productivity as they are unable to pay off debt. Further, stakeholders may not be able to increase their exposure. In some companies, the debt stack had been looked at, reductions negotiated, and restructures had been managed on a consensual basis. Strong management was required (and incentivised), businesses needed to be viable and lenders needed to be supportive of the working capital journey.

Stephen reflected that 120 lenders were accredited under the Covid loan scheme, the new RLS scheme was building up and may be more complimentary to the commercial market as there is no interest rate subsidy. A variety of finance and working capital solutions and providers was required with invoice finance and asset-based lending providing support. Many companies had started this journey with their main bank taking out bounce back loans. These were intended to be an emergency source of cash injection but had displaced the market. More diversity was now needed.

The outlook for the future would be interesting. Many are skilled at finding opportunities in a changing landscape, but the opportunities are different to those available 12 months ago. Liquidity would tighten through Autumn as the government schemes unwind. The outlook was not as negative as first thought with growth in second half of year predicted to be 7%, unemployment not above 6% and consumer spending bouncing back. There were however concerns about the fragility of this and the impact of Brexit. Autumn 2021 and 2022 were likely to require turnaround and restructuring in a financial and business operating sense, investment in digital and quality management. Good advice is essential, and this was where the IFT members can really add value.



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CIGA: EARLY REFLECTIONS

Clare Boardman of Deloitte discusses CIGA at the National Conference 2021.

I was delighted to chair the IFT conference session covering the Corporate Insolvency & Governance Bill (CIGA), introduced by UK Government in May 2020. I was joined on the panel by **Phil Nicholls**, Director at Deloitte, Colin Haig, IFT Independent Member & R3 Chair, **Nick Goldstone**, IFT Independent Member and **Stuart Tait**, Partner at Gateley. Our panel debate followed a presentation from **Phil Nicholls** (Deloitte) on key considerations of the Restructuring Plan ("RP"), including the role of the "relevant alternative" and fair allocation of the Restructuring Surplus.

The panel started by discussing the permanent provision of the Moratorium and the Monitor role. Whilst there has been little use of the Moratorium given the temporary provisions protecting corporates against creditor enforcement action, it was agreed that there may be increased use of the Moratorium when these protections fall away. The panel also agreed that the appointment of a Turnaround Executive ("TE") could support the Monitor role and the wider RP process. A TE would work with the Board and provide the level of independent scrutiny that the Monitor would need. The TE would also keep a close eye on liquidity and assume project management responsibility to ensure delivery of the corporate turnaround.

I did question whether an RP could be a realistic option for SMEs. Whilst the Virgin Active gyms' RPs had not been sanctioned at the time of the panel, I don't believe views would have been any different after its sanction. The panel agreed that an RP was not currently affordable for SMEs given the level of professional fees being incurred in dealing with the process and creditor challenges. However, there was optimism that the RP could become commoditised with more use (similar to CVAs) and become a restructuring tool for SMEs.

The panel also considered if the Moratorium could be used before an RP or CVA. We discussed when a Corporate and its proposed Monitor would be comfortable that the proposed solvent restructuring was likely to succeed and whether this 'test' could be met before a creditor vote? We questioned how much certainty could be gathered before a vote but perhaps 'lock-up' structures would help with this certainty test.

Whilst restrictions on termination of contracts and supplies of goods and services (the "Ipso Facto" provision) are designed to enable businesses to continue trading, it was agreed that implementing the provision may need time and funding (potentially with court intervention) but trading during an insolvency often cannot be easily 'paused' whilst a court process plays out.

The panel wrapped up by discussing the government driven consultation inviting views on options for dealing with rent arrears when the temporary moratoriums covering forfeiture and winding up petitions end. Six options are being discussed including 1) allowing the moratorium to expire and 2) using adjudication. Everyone agreed with a need for urgent attention given a reported £5-7bn of arrears although a blanket approach may not be optimal for all.

Deloitte.

Clare Boardman
Partner, Deloitte



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FUTURE OF THE HIGH STREET

A panel of industry experts shared their views on the future of the High Street, and how it might evolve post pandemic. **Daniel French** (Restructuring Partner, Gateley Plc) chaired the panel.

Claire Fox, a Partner in PWC's Turnaround and Transformation team, shared insight from their recent consumer sentiment survey, which highlighted that, generally, confidence is high amongst consumers and, unusually, this picture is largely uniform across all age groups and geographies. Of particular note was the strong confidence in the over 65's, following the success of the roll-out of the vaccine programme. Consumers had money burning a hole in their pockets after a period of "enforced saving" and indicated that they wanted to spend it on fun and frivolous things, such as eating out and fashion items.

Whilst this is undoubtedly good news for retailers, particularly those in fashion, hospitality and leisure, who have been particularly hard hit by the lockdown restrictions, there will still be winners and losers.

Katharine Poulter, former CEO of Laura Ashley and a hugely experienced retailer, shared her views on customer engagement and how vital it is that retailers really focus on providing a consumer-led offering, if they want to benefit from the anticipated spending spree. Katharine explained that is more important than ever for retailers to really understand what it is that their customers truly value about their products and services and to focus on their core offering, to differentiate themselves from their competitors. Consumers want to feel that the products and services that they buy (and, as importantly, the businesses that they buy from) are closely aligned with their own central beliefs and values; properly explaining and demonstrating your core values as a business is vital to building and retaining customer loyalty. ESG (Environmental, Social and Governance) issues should be at the top of the agenda for many.

The panel then moved on to discuss the relationship between landlord and tenant and how that might shape the High Street of the future. **Andrea Trozzi** of THM Partners is currently acting as CRO and Independent Director of intu (SGS), a UK property company owner of four large shopping centres with a value of £750 million. **Andrea** stressed the need for

true partnership between landlords and tenants, to build an enticing and exciting environment that will encourage consumers back onto the High Street. There will be a greater focus on mixed use leisure and retail, to drive greater footfall and browsing time, with a move away from the traditional "stock piled high on shelves" model. The panel also considered what might replace the traditional "anchor tenant" in developments that have previously depended upon department stores to draw in consumers. The panel discussed the need for more flexible space and rental arrangements, to allow retailers the ability to experiment with new concepts, without having to commit to long term fixed costs, to facilitate a regular "refresh" of the shopping experience.

Finally, the panel went on to consider how High Street retailers might compete with online-only retailers. The panel discussed the challenges presented by the high level of investment needed to develop an effective omni-channel service and how retailers ought to prioritise their capital expenditure. **Katherine** and **Claire** shared their views on how effective outsourcing to dedicated third party partners could be for services such as IT and logistics, when compared to the significant investment of time and money involved in developing solutions "in house".

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Daniel French
Restructuring
Partner, Gateley Plc



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IFT *NEXT* PANEL DISCUSSION

At the IFT National conference, IFT *Next* leads **Paris Clark-Roden** (Senior Manager at PwC) and **Ali White** (Associate Director at Kingsgate) led a panel session to discuss some of the plans for the upcoming year, joined by **Matt Leech** and **Aneesh Prasad** as panel members and Legal Directors at Gateley to discuss experiences of IFT's previous Next Generation programme as well as The IFT Academy programme. **Shaun O'Callaghan** (Partner at Grant Thornton) had earlier spoken to the conference about the IFT Academy, which has had almost 140 delegates since 2013, and plans for the academy's future.

Paris and **Ali**, both IFT Academy alumni, launched the session by discussing the objectives of IFT *Next* and tactical plans over the coming months. Broadly the objectives include;

- Developing engagement and relationships across the IFT and improving the diversity of the network
- Promoting the achievements and capabilities of those associated
- Supporting a structured route to membership

Keen to understand the voice of the current network, a survey has been designed and will be published this month to help the IFT Next working group led by Paris and Ali to define opportunities to create more value, pre-Academy and post-Academy.

Matt Leech from Gateley, a member of the IFT's North East Committee and a previous member of the first incarnation of the IFTs *Next* Generation Committee, provided a view of work done to date. The committee early on were keen to move away from a "one size fits all" approach to membership entry, and a recognition of the different roles played and work undertaken by the various different professionals who made up a holistic turnaround programme. They worked on developed bespoke pathways to membership, encompassing not just accountants, funders, independents and lawyers but also now professionals working with and within the public sector.

Matt explained lessons learnt regarding the importance of regional engagement and regional integration and how these could be better addressed within the new offering.

Building on the views of the integration of the three core phases of IFT Next, pre academy, academy and integration, Aneesh gave his views as an academy alumni. He explained the value of the academy was that it wasn't limited to financial restructurings but that it equipped the participants with the hard and soft skills required to deliver a successful turnaround. For example, there were a wide variety of topics, including leadership modules, delivering operational turnaround and real life case studies. A particular opportunity is for IFT Next to maximise the benefit of the existing cohort of academy alumni and develop a wider community of professionals not just from their cohort but also all previous academy graduates.

The IFT and the new IFT *Next* Working group are particularly keen to ensure that the programme delivers value and is useful to corporate partners and independent members alike and builds upon all of the fantastic work done to date. If you would like to be a part of the IFT *Next* offering or have ideas of how best we can add value to you, your teams or the turnaround community as a whole please let us know. Please feel free to get in touch with Tyler if you would like to discuss this further - tduffield@the-ift.com



Ali White, Principal Consultant, Kingsgate



Paris Clark-Roden, Business Restructuring Services, PwC



Matt Leech, Legal Director, Gateley



Aneesh Prasad, Legal Director, Gateley

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MANUFACTURING OUTLOOK

During IFT's National Conference, **Kelly Jones** (Head of Private Sector Practice, Kingsgate) chaired a panel discussion on the Outlook for the Manufacturing sector. The session provided insights into current industry sentiment, as well as a look at some of the accelerating trends faced by the industry.

Kelly was joined by panellists with wide-ranging sector experience:

Sid Hopper – Independent IFT member

Mark Orton – Partner, KPMG

Brian Davidson – Chairman of Woodall Nicholson Group, and partner with Mercia Fund Managers EV Growth Fund

The discussion and insights covered not only the impact Covid has had on the sector, but disruption events more broadly, such as Brexit and Net Zero.

Sid Hopper observed that "The manufacturing sector is going through a lot of disruption and change. This change has only been accelerated by events such as Covid and world politics. Both of which are leading businesses to increasingly want to manufacture closer to, if not entirely, at home." And everyone echoed the difficulty of forecasting in such as uncertain environment. And that volatility in customer demand is having a knock-on impact on supply chains - a point illustrated by the crisis in semi-conductor supply.

However the panellist agreed that the impact of Brexit was less than initially expected.

Turning attention to disruptions to the environment inside of manufacturing businesses, Mark Orton pointed out that while businesses "had to cope with virtual working. Whilst it's worked largely very well, and better than expected, it also throws up issues around wellness and diversity and teamworking, such as morale, team cohesion, and learning." He pointed out that because of manufacturing is a blended remote and physical environment, companies tended to largely return to the office or all stay remote – rather than adopting the hybrid model seen in some other sectors.

Looking at the industry from the perspective of an

investor, panellists felt the Manufacturing sector represents strong investment opportunities. A key value driver will be the move to Net Zero, and particularly the funding requirement for commercialising technologies and the government support available to accelerate progress towards this aim.

The key take-aways from panellists was that the key challenge for management is keeping up with the range of changes. However taking businesses through change is what IFT members do, so the manufacturing sector is expected to present great opportunities for the IFT to help businesses prepare for the unknown.



Sid Hopper, Independent IFT Member



**Mark Orton
Partner, KPMG**



Brian Davidson, Chairman of Woodall Nicholson Group, and partner with Mercia Fund Managers EV Growth Fund




**Kelly Jones
Head of Private Sector Practice, Kingsgate**

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People expect a lot more from their work experience today than ever before. We spend more time than ever before at work and culturally it can shape a great part of our identity. And so, we want to know that our effort was worth it - that we add value and are seen as more than a number.

People want all of this against the backdrop of a working experience more precarious than in previous decades – compounded now by the impact of covid, the pace of change and an imbalance of focus on profits over people. This is a tough space in which to be a leader, and to successfully turn around struggling businesses.

The greatest assets or blockers on the ground are the people. After your work has finished, they will be the ones who carry on and determine your legacy. They will make behavioural choices that support the identified and implemented changes, or they can simply revert back to how things were done before. Much of how people will behave – and whether they choose to occupy the role of asset or blocker to your cause – will come from how they feel they have been treated.

So, it is vital to start building connections and putting people at the centre of the solution from the outset.

Connecting people to a strong sense of purpose (the why) and connecting to those you lead (the human element) drives deeper employee engagement. Research shows that engaged people deliver better quality outcomes both in terms of effort and the quality of the work that is produced.

Spending the time to build these connections can feel easier to do when things are going well but is often the first thing to be side-lined in times of crisis. And it is exactly at this point that people centred leadership needs to be the focus. Even though the message may be difficult to hear, does every single person understand what is happening and the role that they will be expected to play? Has the space been created to give everyone safety to speak up about how they are feeling? Is anyone seeking and listening to other experiences and perspectives that could benefit the solution? Are people being treated with dignity and respect? Most importantly when leading at pace through intense change and ambiguity, is the communication transparent, factual and frequent, and

does it have a feedback mechanism?

One might argue that this is not as important as the financial element – that without the money there are no jobs, no organisation. But the same is true when flipped. You can have all the money, but if the people are not working with you, you will constantly find yourself blocked and with a far more difficult mountain to climb.



Kate Forrest, Principal Consultant, t-three

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IFT NATIONAL CONFERENCE 2021 SPECIAL EDITION AWARDS 2021

We're excited to be able to meet in person again and our Annual Awards will take place on **Thursday 11 November 2021**. This will bring together the turnaround community in a celebration in the beautiful surroundings of Rosewood London.

To book early and to secure your place or a table please contact **Natasha Proctor** at NProctor@the-ift.com



Submissions for awards will open in mid-June.



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