



When creditors start to chase, things can get very stressful.  
**Don't be tempted to bury your head in the sand or be over optimistic, take action, take control and know your position**

**1****Are you being honest with yourself?**

Business owners and directors tend to be optimistic by nature, but there is a big difference between optimism and not being honest about the situation.  
*If creditors are calling and you feel pressured, you clearly have a problem. You need to ask yourself if you are seeing the problem realistically.*

**2****Have you got a problem, or one building, with HMRC?**

Your immediate creditors make the most noise, which makes HMRC very easy to forget or downgrade in importance. They will want their money though, and they will chase hard, so you need to account for them.  
*Do you know your true position with HMRC? You must be able to say what is owed and when they will want payment.*

**3****Are you treating creditors with the right priority?**

While all creditors are important, not all creditors are necessarily equal. You must pay everyone, but make sure you know who your key strategic accounts are. They will usually be the ones who keep the cashflow moving.  
*Are you sure of who is being paid and when? How many of those are strategically important to the business? Where are your priorities?*

**4****Honesty is the best policy for creditors.**

Silence will only do harm. If you avoid talking to creditors they will move to the next stage very quickly and that could push you to insolvency.  
*Could you talk to your creditors more? How could you work with them and HMRC to head towards a solution. Can you avoid further difficulties, or worse still, debt collection action against your business?*

**5****Understand your legal position and how your creditors will act**

If you are in a position where you think there is nothing more you can do and legal action is likely, call us immediately. In the meantime, it's really important to understand the likely result of continued creditor pressure.  
*Creditor pressure can be the final straw for a business and can affect your wellbeing. How can you understand more about what will happen next?*

# Thoughts on the 5 points



This is a 'back to basics' sheet. Its purpose is to give you space to stand back and look at your options. It is a simple way to focus down on the 5 areas and think about how they relate to your situation.

**1 - What is the realistic position**

**2 - Where are you with HMRC**

**3 - Who are priority creditors?**

**4 - Are you being transparent?**

**5 - What will happen next?**

# Actions to take



Take the thoughts from the previous page and create some timed actions. Keep them simple - the goal is to create actionable starting points for long term change.

We created these guides in to give you a focus... To provide a tool that would help you drill down into your finances. We hope they will give you ideas that will resolve your issues before they build to a crisis point.

If you need more guidance though, we offer a range of services to help you with business recovery. So if you are concerned your business is heading towards insolvency, or you think you may already be at the point where you need to talk about it, we are here to listen.

**Go to our website and book in for your free initial discussion if you are concerned about insolvency  
The sooner we talk... the sooner we can help**



**Find out more about our insolvency, liquidation or recovery service.  
Learn how we can support you with clear, straightforward and empathetic guidance and support.**



**[www.smartbusinessrecovery.co.uk](http://www.smartbusinessrecovery.co.uk)**



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