



MNP

Ismaili Canada

Business Resilience Planning during COVID-19

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Wherever business takes you

[MNP.ca](https://www.mnp.ca)



KINCENTRIC
Best Employer
CANADA 2019

Introduction

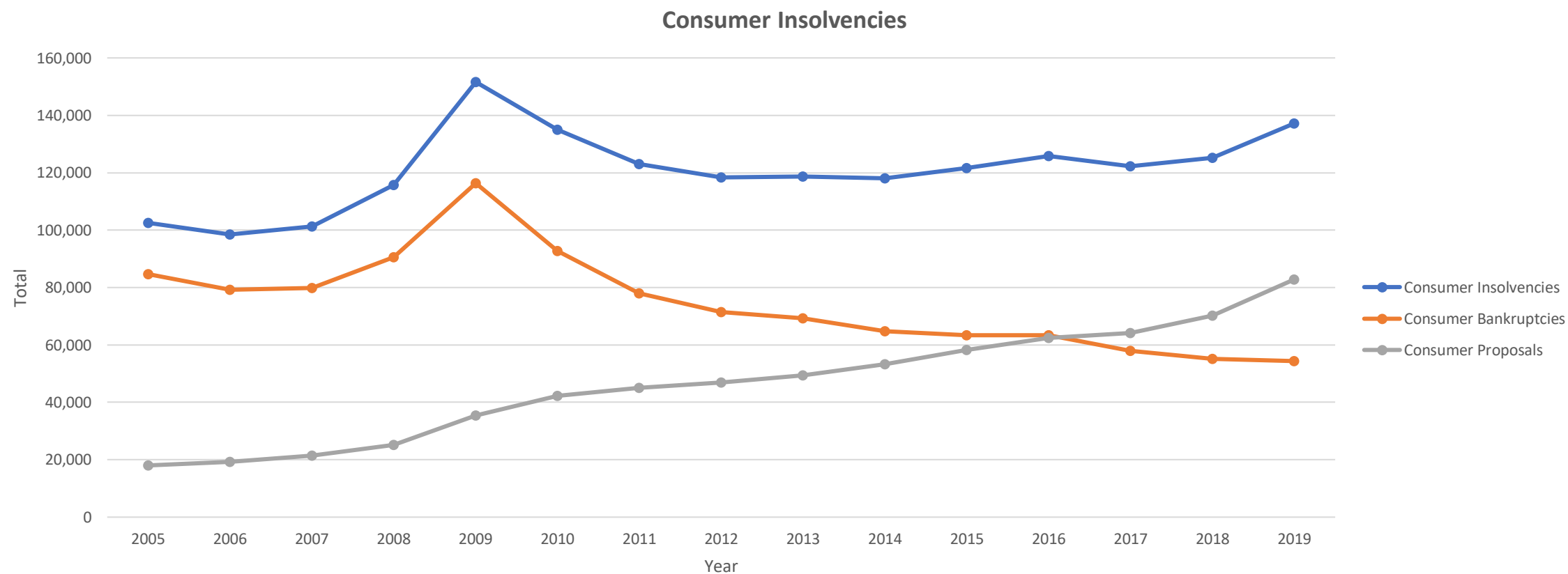
Financial Difficulties

- You are not alone
- Not industry specific
- Not size specific
- Not location specific

Trends

Consumer Insolvency

15 Year Trend



Consumer Insolvency

Pre-COVID vs. Current

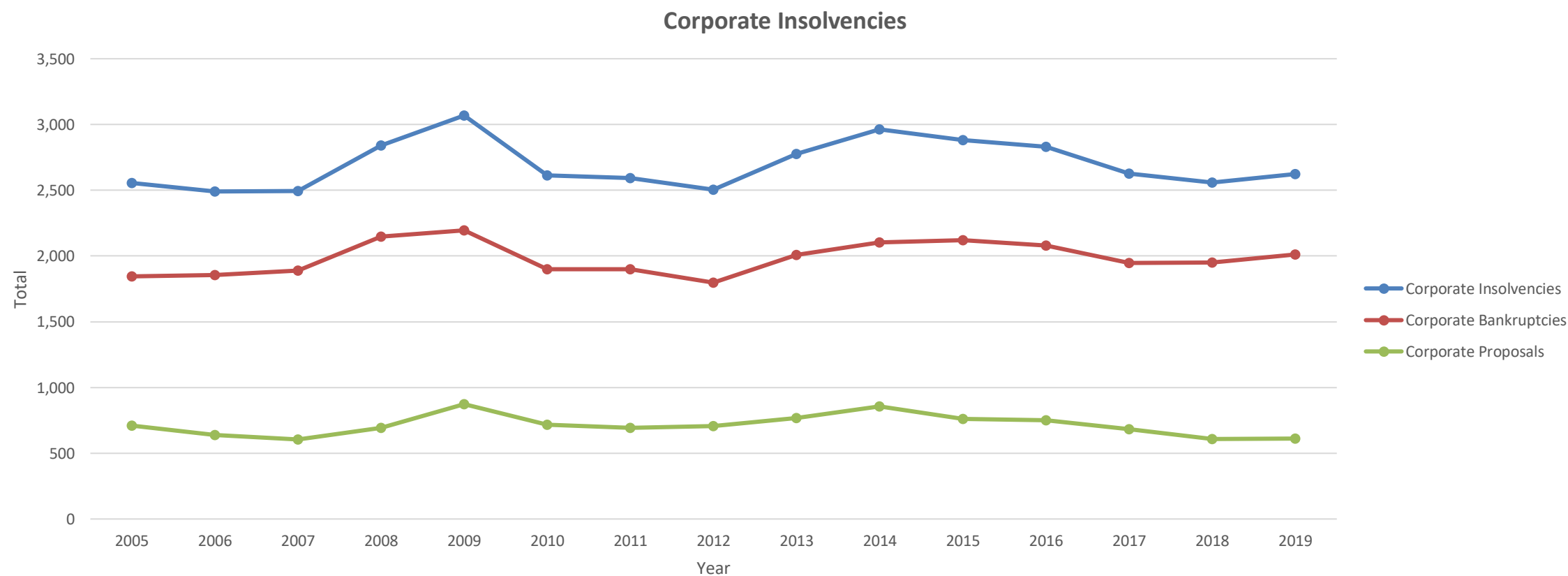
Consumer Insolvencies	February 2020 (Pre-COVID)	September 2020	Delta
Total Filings	11,221	7,627	32%
Consumer Bankruptcies	3,856	2,597	33%
Consumer Proposals	7,365	5,030	32%

Explanation - Government Assistance, Reduced Collections, Reduced Spending, Mortgage Deferrals, etc.

Prediction - Removal of and/or a combination of the foregoing (Tipping Point)

Corporate Insolvency

15 Year Trend



Corporate Insolvency

Pre-COVID vs. Current

Corporate Insolvencies	February 2020 (Pre-COVID)	September 2020	Delta
Total Filings	320	232	28%
Corporate Bankruptcies	229	188	18%
Corporate Proposals	91	44	52%

Explanation - Government Assistance (wage subsidy), Rent Deferrals, Loan Deferrals, Interest only Loan Payments, Reduced Collections

Prediction - Removal of and/or a combination of the foregoing (Tipping Point)

Warning Signs

Top 10 Signs a Business is in Trouble

1. Lack of profitability
2. Loss of key customers
3. Liquidity or cash flow problems
4. Build-up of unpaid statutory creditors (unauthorized credit)
5. Loss of key employees

Top 10 Signs a Business is in Trouble

6. Owner/manager distracted
7. Mismanagement of assets
8. Lack of management tools
9. Major litigation by customer(s)
10. Actions and litigation by creditors

Costs and Benefits

Informal

- Your time only
- No cash outlay
- No Stay of Proceedings
- Not all creditors equal
- Harder with many creditors

Formal

- Third party and your time
- Cash outlay
- Stay of Proceedings
- All creditors equal
- Easier with many creditors

Informal

- Not structured
- You deal with creditors
- No protection on credit terms
- Bound to office leases
- Poorer optics

Formal

- Very structured
- Third party deals with creditors
- Protection on credit terms
- Leases can be terminated
- Better optics

Links

[MNP Debt Website](https://mnpdebt.ca/en) (https://mnpdebt.ca/en)

[MNP Corporate Brochure](https://mnpdebt.ca/-/media/files/mnpdebt/corporate/pdfs/corporate-recovery--restructuring-professionals-brochure-pdf.pdf) (https://mnpdebt.ca/-/media/files/mnpdebt/corporate/pdfs/corporate-recovery--restructuring-professionals-brochure-pdf.pdf)

[Contact an MNP Advisor](https://mnpdebt.ca/en/corporate/iicanada-webinar)

(https://mnpdebt.ca/en/corporate/iicanada-webinar)

Questions?
