

Module 6: Corporate banking

Unit 3: Company restructuring and loan modification

LISTENING 1

KM = Karl Mayer; K = Mr Kowalski

- KM Good afternoon, Mr Kowalski. I'm afraid we have to discuss the problems you are having with profit and liquidity in your company.
- K Yes, I know. We're having a real problem paying our bills at the moment, Mr Mayer.
- KM I think we first need to look into a way to manage your debt. I would like to recommend an outside adviser to come and talk to you. We have worked with several firms that do this type of work.
- K What would happen if we agreed to see an outside adviser?
- KM We could arrange a meeting within a few days. The adviser would visit you on your premises.
- K Do you think if we can get some advice on how to generate cash, we could solve the problem?
- KM I think we need to do more than that. Would you be willing to consider restructuring the company if necessary?
- K Yes, I would.
- KM The adviser will then work with you to look at ways to cut your costs and create profit. This may involve changing suppliers or your accounting system, or even reducing the number of staff you have. OK. And the next step?
- K Well, we will need to discuss the strategies the adviser recommends. The first thing you need to do is make a list of all the creditors you have and how much you owe them.
- KM OK, I can put that together for you.
- K Then I would suggest liquidating some assets to pay them off.
- K What about selling off some buildings we don't need for production at the moment?
- KM That could be a possibility. This is the type of advice our restructuring expert can give you. But settling bills with creditors is the first step.
- K And then?
- KM Once we have done that, we will see where we are. The next step will be to discuss how we can modify your loan with us. We will need to look into changing the terms and the repayments. Thank you so much. I appreciate this help.
- K This is what I am here for. It's also in our interest to help you as we would like to recover our money,
- KM too. I think if we work together on this problem, we will find a solution for both of us.