

EARLY WARNING

The Danish Example

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EARLY WARNING...

- Provides impartial and confidential help financed by the Danish Government to:
 - ensure that necessary changes are made, so bankruptcy is avoided
 - ensure quick and honest closures, when this is the right way out
 - bring companies on to a new course towards growth
- Attempts to change the general perception of going bankrupt (towards more Americanised conditions)
- Attempts to create more growth companies

THE MAIN PILLARS OF EARLY WARNING

Volunteers

- 120 volunteers
- Experienced business people and specialists

Lawyers

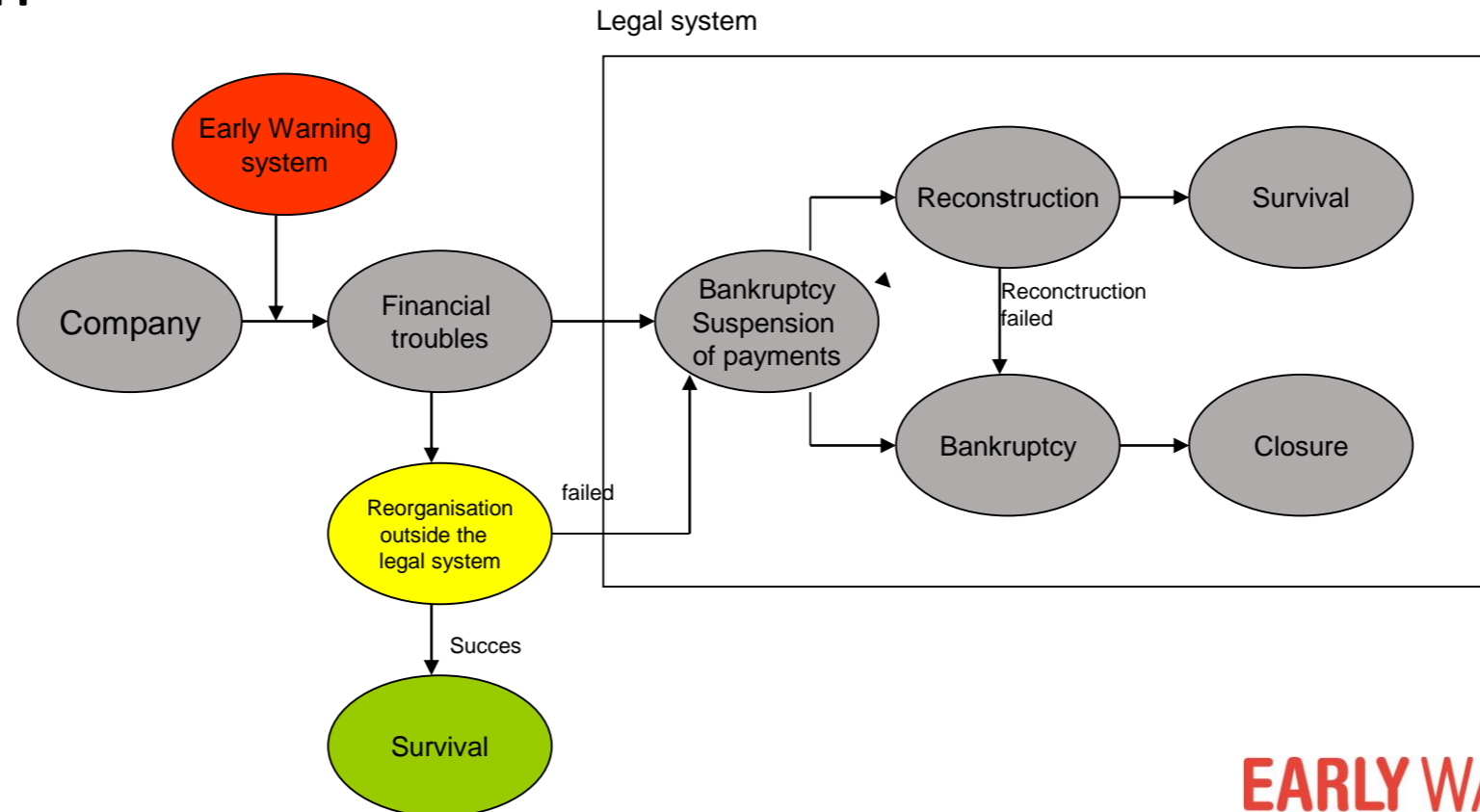
- 15 of the best insolvency lawyers in Denmark

Consultants

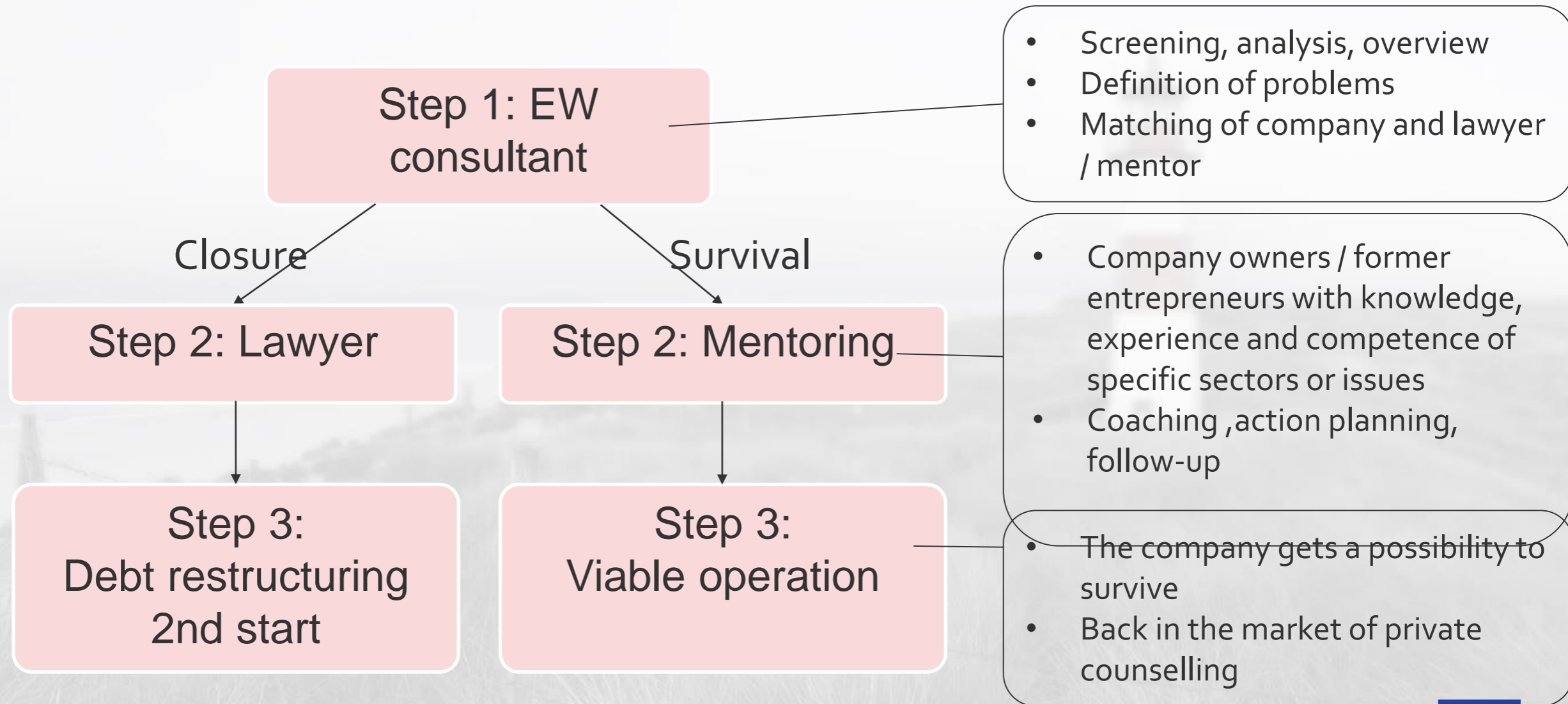
- 10 Early Warning consultants
- Very extensive experience in identifying specific opportunities for each company and owner

THE IDEA BEHIND EARLY WARNING

- Helping the enterprise **before** it ends up in the legal system



THE PROCESS OF EARLY WARNING



WHY DO ENTREPRENEURS ACT TOO LATE?

- Skills gap:
 - Lack of overview, capacity within accountancy / budgeting / planning
- Psychology:
 - Denial, blame, stress
- Society:
 - Cultural perceptions, legislation, possibilities for debt discharge

EARLY
WARNING
EUROPE

Early Warning Europe 2016 - 2019

Co-funded by the COSME programme
of the European Union



Early Warning Europe

- A three-year pilot project to spread best practice in early warning to several European countries.
- Derived from the experiences from Early Warning Denmark since 2007.
- Total budget 4.8 million €. Funded by Cosme up to 3.6 million €.
- 15 European partners in 7 countries.
- Responds to EASME's ambition of building knowledge and good practice in early warning, restructuring and second chance.

Early Warning Europe

A network of European partners working to support companies in distress: authorities, sector organisations, NGOs, private partners

Mentor countries with more than 10 years of Early Warning experience: Denmark, Germany and Belgium

1st Wave: Poland, Italy, Greece and Spain

2nd Wave: Croatia, Finland, Luxembourg, Lithuania, Slovenia and Hungary

3rd Wave: the rest of Europe

Partners in Italy:

- Employers' Association of Turin (Unione Industriale Torino)
- 100.000 ripartenze, Veneto
- University of Florence



Facts and Figures

- 6.000 companies assisted since 2007 in DK
- 3.300 companies assisted since 2016 across Europe
- About 50% of the assisted companies survive
- 30% go bankrupt – of which 1/6 carry on in a new legal construction
- 20% close while solvent or reduce operation to less than 13.000 € per year

Compared to companies not assisted by Early Warning (stats from Denmark):

- 20% saving for public treasury from closed companies
- Companies that survive do it with a 6% lower loss of turnover and an 11 % higher first-year growth
- Companies that carry on entirely or partially preserve 50% of the original jobs





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PIYA MUKHERJEE

PARTNER

Piya Mukherjee is head of Horten's insolvency and restructuring group and President of INSOL Europe.

She is specialised in insolvency law and has more than 30 years' experience in restructuring and winding up of commercial enterprises in distress.

Career

Certified insolvency attorney since 2013
Partner, Horten, 2007
Right of audience before the High Court, 1990
Admitted to the Danish bar, 1990

Education

LL.M., King's College, University of London, 1992
Master of Laws, the University of Copenhagen, 1987

Positions of trust

President, INSOL Europe
Member of International Insolvency Institute
Appointed by the Maritime and Commercial Court of Copenhagen as permanent trustee since 2009

Practice areas

Insolvency and restructuring