

INSOL INTERNATIONAL SMALL PRACTICE GROUP

The INSOL Small Practice Group (SPG) is a platform for professionals in small to medium-sized practices to create technical content and connect globally. Our initiatives include the 'Touchpoint' newsletter, technical manuals on practical issues, and quarterly Open Calls for member engagement.

We are pleased to be holding an ancillary meeting alongside the annual conference in Hong Kong, on the 17th of March, with a very practical programme - with a session on practical insights, tools, and case studies on efficient cross-border asset tracing in insolvency proceedings, emphasising economic viability and the value of a strong advisor network, and a second interactive session to explore legal finance in insolvency, featuring insights from insolvency practitioners, legal finance providers, and lawyers, while discussing key concepts, practical tips, and a workshopped case study to apply these concepts.

The Group will also continue with its Open Calls, following positive feedback and turnout from members last year. Details for our next open call will be shared in due course - we invite members to attend and share their thoughts, updates, and ideas.

We also invite editorial proposals from members for this feature, as well as comments and suggestions for future initiatives you would like to see developed by the INSOL Small Practice Group. Please send your suggestions or feedback to Jelena.Wenlock@insol.org.

Further information about this focus group, including how to join the SPG Network, can be found at <https://www.insol.org/focus-groups/small-practice-group>.

FROM SMALL TO LARGE - AND IS IT WORTH IT?



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"We're human. Understanding and expectations differ. Untangling and aligning are the defining characteristics of a sought-after Insolvency Practitioner (...)"

In the insolvency industry, getting bigger, better and stronger feels like trying to build a beach one grain of sand at a time. The journey can also be troublesome, given the breadth of activity that any practice will encounter. In any assignment, events come without apology and are often ahead of our learning in how to deal with them. Pursuits of bigger, better and stronger must be met with knowledge, skills and execution if success is to be the outcome.

My quest for this article is to put a frame of thinking around the runway for getting big and identifying some critical points of focus to achieve that. If infinity and beyond is the mission, then it may be worthwhile to read on.

A distinction is easily drawn between a large and small practice, the group we belong to. An important question is what are the distinguishing features that classify them into the two categories? Assuming one to be a progression of the other, what hand-me-down learnings can we glean so that the small practice may earn stability and growth by following in the footsteps of our siblings?

It turns out, or at least in my opinion, that there is just one important universal difference between the large and the small, and it is the time of existence in the marketplace. Although longevity itself does not mean big, or even valuable, if the practice is observed to be large, then it will have some age under its belt.

Knowing that high level difference, though, is not enough. For this conversation to be of any use, we need to understand the distinguishing characteristics. Empirically, time on the tools results in experience, which unsurprisingly, is comprised of the accumulation of methods and the skills of communication to show how they can fit in the physical universe, together with the wisdom that glues them all together.

All we need then is to gain an understanding of what experience is comprised of and learning and wisdom will then accrue. We will then become capable of growing the practice at any size that we may choose, and wealth will flow in abundance! This, of course, is much easier said than done. There are no shortcuts. Hard work, commitment, and attention to detail are essential. A focus on some key limbs of activity, as I have noted below, will help.

Promotion: It is essential to come out of the shadows and let people know who you are. The medium to choose is easily made. About 40% of appointments come from direct engagement that find their beginnings in a google search. Another 40% will come from referrals, but those enquirers will also look to your online presence as a reference point.

A website is a must if a continuous stream of work is desired.

The development of an online presence requires commitment in time. Developers will say that it is a work in progress and that there is no end to the work it requires. The website should be perceived as a personality for the practice with a role to speak to the world on new, relevant and interesting topics. If it becomes aged and stale, it will soon resemble a static bollard that has no benefit to anyone other than stopping things. For the website to have, and to continuously develop its personality, it must be refreshed. It's also important to note that Google knows about shortcuts and stale content, and if rankings are important, then you must be nice to the algorithm.

Communication: Numbers are the home base for accountancy, and language is the medium for lawyers. Although the Insolvency Practitioner straddles both these doctrinal endeavors, the world of words will be of the utmost importance.

Formal states of insolvency touch the broadest range of human interaction, and the Insolvency Practitioner will be cast in a lead role when challenges surface. When situations occur, the IP must, with calmness and dexterity, navigate toward an outcome that is the best that is able to be achieved in the circumstances. A feat that will require calmness to lower the temperature and perhaps, at least, bring about an outcome that, while still irresolute, can be deferred for another time when cooler heads may prevail.

Communication is the universal solvent. Throughout the ages, its use has stopped, moderated or ended conflict. The indignant claiming creditor that demands answers has neither interest nor appreciation that Humpty Dumpty has had a great fall and is broken and persistently chooses to not understand that answers stem from detail, and there is an acute shortage of that in the circumstances. The IP lives in this adversarial environment, and learning the skills of a patient moderator can ameliorate harsh intent. Meeting Godzilla with the righteous justification that Hollywood infuses in the image of King Kong, will rarely bring about much more than round two of bloodshed.

Education: Keeping up your Continuing Professional Development is a great way to network with others in the industry and engage in social times while telling war stories. It does not, however, have much to do with the graft of study. This is the activity where you labour intently to lift words off a page and assimilate them into a store of knowledge. Often done while others are at the beach, or your partner is enjoying a glass of wine and watching TV.

It's hard work! You wish to stretch your brain with new learnings, and you are doing so in the abstract. You don't have a real problem you wish to resolve, and you are accumulating knowledge in the hypothetical, in a perception that it may be useful on a future occasion.

Many will contend that study, for study's sake, is no more useful than the impression made by the earning of credentials. I disagree. Study not only accumulates knowledge, but it also elasticises the brain so that the learning reads better when brought out into writing or is heard more appreciably when spoken. Luck and respect tend to follow the path that self-education creates.

Administration: It seems at times that there is more time spent on administration than hours spent on productive output. If the focus of the day is to achieve billable hours, then administration seems to just get in the way. That's right - yet not right. At its lowest level of importance, administration is about recording events and storing information. That part is easy and has little

time inconvenience. As you ratchet up the ideals of administration though, it will include convenient and rapid retrieval as well as recording into related settings so that summaries can be quickly drawn off and conclusions reached that are based in fact. Good administration is the torch that can get you out of the dark woods at night.

Administration is also the lifeblood for the recording of time for billings. This is often apprehended as a most undesirable task when you struggle to recall events that may be two or three days old. There is a caution here which should be addressed at the outset. Being paid with justification is the biproduct of the intersection between the need for the service and its provision. The need will be obvious, but the service provided may not. The justification for being paid demands that the IP record, with event-related detail, what was undertaken and in such a way that a third person can perceive a value provided.

The Insolvency Practitioner frequently controls a fund, in respect of which there are competing interests, and with a right of deduction from the fund vested in the IP. In my part of the world, the Courts have taken the view that the right to deduct results in an imbalance of power unusual in commerce. In those circumstances, and upon the event of the IP's rights to deduct being contested, the Court is very clear that the onus of proving a right to be paid, is upon the IP.

Nowhere will the quality of administration seem more important. The question for the Court will be, what did the creditors get for the amount deducted? This question may not be asked for many months after the event. Accurately recording what value was provided and the time related to that activity will support the claims for fees as well as providing something of a diary of your activity.

Networking: We conceive of networking as drawing together connections to improve our chances of achieving sales. That definition is too narrow. It ought to include people who feed into all aspects of the practice - lawyers, accountants, marketers and key service providers, all of which are necessary for the practice to grow.

Final thoughts: The industry is becoming more sophisticated as it strives to match the refined expectations of the people who appoint us. The ever-increasing demands of compliance, the findings of the judiciary, and the demands of creditors add to the daunting list of achievements the IP is expected to meet. Insolvency is not an easy industry because an engagement starts with the knowledge that loss prevails, and expectations differ. The activity is based on disappointment yet to be realised, and the task of the IP is to unwrap those issues so that participants can reconcile themselves to the disappointment that must be absorbed - as the following poignant, yet fitting, example illustrates.

Grandpa, Grandpa - do you know how to make animal noises?

Looking to please - Grandpa responds - of course I can, to his wide-eyed grandson.

But can you make a noise like a frog - grandson asks?

I guess so - says Grandpa - but why do you ask?

'Cos Mum says when you croak, we're all going to Disneyland.

We're human. Understanding and expectations differ. Untangling and aligning are the defining characteristics of a sought-after Insolvency Practitioner, and these are qualities to be learned.

Good luck for 2025.