

## Supplier Crisis and Insolvency Countermeasure Assessment

Risks along the value chain are complex as it is and the corona inflicted impacts will continue far longer than any shutdown. Business and supply chain disruptions regularly cause serious production losses for which companies are often not prepared. The number of risks continues to rise as supply chains become more complex and interdependent. While countless risks can have a devastating impact on unprepared companies, a global pandemic is even more critical. Luther and Horváth & Partners have combined their extensive experience to provide a holistic approach in identifying appropriate and legally supported countermeasures for situations when companies are faced with suppliers sliding into financial distress or in case of already apparent insolvencies.



The Corona Pandemic has led to many business and supply chain logistic shut downs across the globe. The experienced supply interruptions during the last months have rarely caused severe issues, as almost the whole world came to a halt. Further interruptions, in particular long-term ones as a result of insolvencies in the supply chain, can lead to severe impacts to their direct customers, whole supply chains and in some cases even complete industries. The number of insolvencies is expected to rise in the upcoming month. It can be difficult for many companies to deal with these situations in their supply chain appropriately in quantity and in operational and legal details.

### Our services

Luther and Horváth & Partners provide a **holistic** approach in identifying appropriate and legally supported countermeasures for situations when companies are faced with suppliers sliding into financial distress or in case of already apparent insolvencies.

The approach provides a framework which leads quickly from an initial assessment of the situation to **resilient countermeasures to secure the supply**.

As **legal challenges** often play a **significant role** in executing these countermeasures, finding the right answers to these challenges is part of the approach.

The aim is to quickly **provide proven and executable recommendations** to deal with the suppliers and secure the own business.

**Red flag financial, operational and legal due diligence** are the basis to define the best option to react on supplier crisis. Our proven project approach is based on three phases **resulting in recommendations for executable next steps**:

- Initial Situation Analysis
- Countermeasure Development
- Summary Report and Recommendations

## Our expertise

Luther was named law firm of the year in 2019 by the German legal publisher JUVE and holds the title „Digital Law Firm 2020“. In 2019, we received the PMN Management Award for our collaboration platform



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