



# **EACTP Standards and Admissions Committee**

## **Guidance Notes**

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# Committee Terms of Reference

## 1. Purpose

To advise on and support the EACTP Executive to:

- a) Appraise and accredit potential members;
- b) Select and train appropriate Accreditors;
- c) Deal with applications outside of the guidelines;
- d) Approve all applications;
- e) Approve upgrades to Membership;
- f) Approve upgrades to Fellowship;
- g) Review disciplinary matters referred by the EACTP Board to the SAC.

To recommend to the Certification Oversight Committee (COC):

- a) The membership process;
- b) Updates to membership criteria;
- c) Requirements for Practising Certificates;
- d) Upgrades to Companionship.

To recommend to the EACTP Board:

- a) Disciplinary process in relation to breaches of the Code of Ethics;
- b) Disciplinary actions that might arise following a SAC disciplinary hearing.

## 2. Members

- a) All Committee appointments are voluntary and unremunerated;
- b) Will include at least one director of EACTP who will Chair the Committee;
- c) The EACTP Executive shall be represented on the Committee;
- d) Committee members will automatically stand down after three years;
- e) The Chairman shall have the ability to co-opt members who may not be associated with EACTP;
- f) EACTP Board to appoint members to act as Chair and two Vice Chairs.

## 3. Frequency of Meetings

As necessary to enable decisions to be reached in a timely fashion, but with a minimum of four per year.

## 4. Decision-making or approval powers

To be agreed with the COC.

## 5. Governance

The Committee will be subject to an annual review by the COC.

# Membership Approval Process

## 1. Stage one – Application and supply of information by Applicant

- Applicant required to produce a full chronological CV.
- Subject to exemptions, applicants are required to provide a Certificate of academic success for each of the three EACTP certification programme modules: Leadership, Finance & Accounting and Legal Concepts.
- Applicants who are qualified accounting professionals holding a qualification from an exam based and recognised professional institute may apply for exemption from the Finance & Accounting module by providing a details of their qualification and professional body.
- Applicants who are qualified legal professionals holding a qualification from an exam based and recognised professional institute may apply for exemption from the Legal Concepts module by providing a details of their qualification and professional body.
- Applicant to complete EACTP application form (available on EACTP website) and provide their CTA membership number.
- Applicant to complete case studies in standardised format (template form available on EACTP website with an example provided for your guidance). Each case study to be two to three pages and include contact details for the Referee.
- Three case studies required for Members and one for Associates.
- Copies of certificates and other qualifications.

## 2. Stage two – Internal checks for compliance by Executive

- Executive to check paperwork is completed, certificates of academic success are provided.
- case studies are relevant, Sponsor criteria is met, supporting information has been provided and payment has been made.
- Case studies should be checked to confirm they have been signed off by a Referee and are the same as those listed on the Membership Application Form.
- Full application pack comprising application form, CV, case studies and copies of supporting information such as certificates to be uploaded to Dropbox.

## 3. Stage three – Pre interview checks and Accreditor selection by Lead Accreditor

- Lead Accreditor to be appointed from SAC or EACTP Board. Selection of ‘appropriate’ Lead Accreditor to be a key responsibility of the Executive.
- Lead Accreditor to review case studies and if necessary provide feedback for Executive to pass on to Applicant.
- Lead Accreditor to set criteria for Support Accreditor to be sourced by Executive. Support Accreditor to be an EACTP Member who is ideally from the same country as the Applicant but must be able to speak the native language of the Applicant and be familiar with the jurisdiction covered by the Applicant’s case studies.

- Meeting or telephone conference call to be co-ordinated by Executive.

#### **4. Stage four – Interview by Accreditors**

- Interview with two trained EACTP Accreditors with at least one being a current or past member of the SAC or the EACTP Board and the other being familiar with the jurisdiction covered by the Applicant’s case studies but ideally not from the same jurisdiction.
- Interview to last between 60 and 90 minutes.
- Purpose of the interview is for the candidate to demonstrate that they have made a significant and substantial contribution to their case studies and have the appropriate experience and knowledge to become a Member of the EACTP.
- At the end of the interview the two EACTP Accreditors make an assessment of the candidate’s suitability.
- Accreditors will make their own notes of the meeting.
- If the Applicant has the necessary qualities for membership, then they will be moved on to stage 5. However, if the candidate is not considered appropriate then guidance should be given to the Applicant outlining the areas of experience that need to be addressed in order to meet the requirements for membership.

#### **5. Stage five - Completing the process by Accreditors and the Executive**

- Accreditors to speak to Sponsors.
- Other checks such as contacting case study Referees may be made.
- Accreditors to forward recommendation by email to the Executive who will in turn forward it to all members of the Standards and Admissions Committee for formal approval.

# Associate Upgrade Process

## 1. Stage one – Application for upgrade and supply of information by Associate

- Associate to write to EACTP and provide their CTA membership number.
- Associate to complete case studies in standardised format (template form available on EACTP website with an example provided for your guidance). Each case study to be two to three pages and include contact details for the Referee.
- Two case studies required for upgrade to Member plus original case study (provided to become an Associate) to be provided.
- Copies of new certificates and other qualifications since approval as Associate.
- Note there is need to provide a new Sponsor.

## 2. Stage two – Internal checks for compliance by Executive

- Executive to check case studies are relevant and payment has been made.
- Case studies should be checked to confirm they have been signed off by a Referee.
- Case studies and supporting information with original Sponsor document to be uploaded to Dropbox.

## 6. Stage three – Pre interview checks and Accreditor selection by Lead Accreditor

- Lead Accreditor to be appointed from SAC or EACTP Board. Selection of ‘appropriate’ Lead Accreditor to be a key responsibility of the Executive.
- Lead Accreditor to review case studies and if necessary provide feedback for Executive to pass on to Applicant.
- Lead Accreditor to set criteria for Support Accreditor to be sourced by Executive. Support Accreditor to be an EACTP Member who is ideally from the same country as the Applicant but must be able to speak the native language of the Applicant and be familiar with the jurisdiction covered by the Applicant’s case studies.
- Meeting or telephone conference call to be co-ordinated by Executive.

## 3. Stage four – Interview by Accreditors

- Interview with two trained EACTP Accreditors with at least one being a member of the SAC or the EACTP Board. Selection of ‘appropriate’ Accreditors for each candidate a key responsibility of the Executive.
- Interview to last between 60 and 90 minutes.
- Purpose of the interview is for the candidate to demonstrate that they have made a significant and substantial contribution to their case studies and have the appropriate experience and knowledge to be upgraded to Member of the EACTP.
- At the end of the interview the two EACTP Accreditors make an assessment of the candidate’s suitability.
- Accreditors will make their own notes of the meeting.
- If the Associate has the necessary qualities to be upgraded to Member, then they will be moved on to stage 5. However, if the candidate is not considered appropriate then guidance

should be given to the Applicant outlining the areas of experience that need to be addressed in order to meet the requirements to become a Member.

#### **4. Stage five - Completing the process by Accreditors and the Executive**

- Accreditors to consider whether they should speak to Sponsors although this is not necessary given that the Associate application involved a Sponsor. This is simply a judgement call for the Accreditors to contact the original Sponsor if they feel it necessary.
- Other checks such as contacting case study Referees may be made.
- Accreditors to forward recommendation by email to the Executive that the Associate be upgraded to Member. The Executive will in turn forward it to all members of the Standards and Admissions Committee for formal approval.

# Guidelines for Applicants

The membership application process is split into five stages:

1. The Applicant submits application with CTA membership number, certificates of academic success, case studies, CV and payment to EACTP.
2. Internal checks for compliance by the EACTP Executive to check that application paperwork is complete and the case studies confirm with requirements before arranging interview.
3. Pre interview review of case studies by Lead Accreditor to consider the level and nature of your involvement in the case studies and set criteria for Support Accreditor such as the jurisdiction.
4. An interview with two experienced trained Accreditors both of whom will be also EACTP members and at least one will be a member of the SAC or the EACTP Board.
5. Post interview the Accreditors follow up Sponsors and case study Referees as appropriate.

## Stage one – Application and supply of information by Applicant

Please collate and send the following information to the EACTP Education Coordinator.

If you have any questions then please email [eactp@turnaround.org](mailto:eactp@turnaround.org).

### Complete EACTP application form

- Complete EACTP application form (available on EACTP website)
- Sponsors
  - The form requires details of two Sponsors who are supporting your application for membership.
  - Sponsors should be professionally qualified and know you in a broader professional context.
  - They should have an understanding of the turnaround environment and preferably of EACTP.
  - They should have some standing in their own profession and credibility in the eyes of EACTP.
  - They must know you well (usually over a number of years) but must also be in a position to be objective.
- Education and Professional Qualifications
  - Subject to exemptions attach a Certificate of academic success for each of the three EACTP certification programme modules: Leadership, Finance & Accounting and Legal Concepts.
  - Qualified accounting professionals holding a qualification from an exam based and recognised professional institute may apply for exemption from the Finance & Accounting module by providing details of their qualification and professional body.
  - Qualified legal professionals holding a qualification from an exam based and recognised professional institute may apply for exemption from the Legal Concepts module by providing details of their qualification and professional body.



- Attach copies of your degree, or equivalent, educational qualifications and membership of professional bodies.
- Provide your CTA membership number.

### **Prepare a CV**

This should be:

- Up to date.
- Chronologically complete with no unexplained gaps.

### **Prepare case studies in standardised format (template form available on EACTP website with an example provided for your guidance)**

- A detailed case study in the standardised format of two to three pages for each case which you need to prepare and which will eventually be sent to your Referee for their agreement on its content and your role in the turnaround.
- The most recent case study should be no more than three years old and, in the case of Member Applicants the other two case must have been completed within the last ten years.
- Cases should have lasted at least six months, and should also be complete so there is a clear outcome.
- Case studies should demonstrate that your contribution was significant and substantial.
- Each case study should be counter signed by a Referee and include the Referee's contact details so that Accreditors can follow up if they have further queries about the case.

#### **Note:**

1. If appropriate case study Referees may also act as Sponsor providing they conform to the above criteria for Sponsors.
2. Sponsors will be approached after your interview by the Accreditors.
3. Referees may but will not necessarily be approached after the interview, if the Accreditors wish to follow up on any aspect of the relevant case study.
4. The Sponsor or Referee can not be an Accreditor.
5. All information provided by you will be treated in the strictest confidence.

### **Stage two – Internal checks for compliance by Executive**

**Executive will check paperwork is completed, a CTA membership number has been provided, certificates of academic success or exemption details covering the three modules, case studies are relevant, Sponsor criteria is met, Sponsor and Referee details have been provided and payment has been made.**

### **Stage three – Pre interview checks and Accreditor selection by Lead Accreditor**

**Lead Accreditor will check case studies to review the level and nature of your involvement before the interview is arranged and may request that they be resubmitted. The Lead Accreditor will also consider whether specific knowledge is required before selection of the Support Accreditor such as the jurisdiction of the case studies.**

### **Stage four – Interview by Accreditors**

- The EACTP Executive will arrange for you to meet two EACTP Accreditors to discuss your application either in person or by telephone.
- At least one Accreditor will be a current or past member of the SAC or the EACTP board, the other will be an EACTP member.
- You will need to set aside about 90 minutes.

#### **Your responsibilities**

- To talk about your career as a whole, your turnaround activities and, in particular, discuss your case studies to demonstrate your suitability for membership of EACTP.
- To demonstrate your personal integrity now and in the past and your willingness to abide by Code of Ethics.
- To explain your interest and commitment to turnaround and state why you wish to become a member of EACTP.

#### **The Accreditors' responsibilities**

- Discuss the case studies submitted to satisfy themselves that you have significant knowledge and experience of turnaround and that you made a substantial contribution to achieving the outcomes in each of the turnaround assignments.
- Assess the range of skills and qualities appropriate to a turnaround environment.
- Assess your specific experience:
  - The ability to take command and manage any **immediate crisis** while assessing the situation;
  - The ability to develop a **viable and workable plan** that can be implemented swiftly
  - Experience in **negotiating key changes** to the financial and/or operational structure of the business with a range of stakeholders;
  - The skill **to take a lead** in any given situation and to **drive or promote** the changes required.

#### **Stage five - Completing the process by Accreditors and the Executive**

- Accreditors will speak to your Sponsors.
- Other checks such as contacting case study Referees may be made.
- Following recommendation by Accreditors, your application will be submitted to the Standards and Admissions Committee for approval.

# Guidelines for Associates wishing to upgrade to Member

The membership application process is split into the five stages:

1. The Associate submits two case studies and payment to EACTP.
2. Internal checks for compliance by the EACTP Executive to check that application paperwork is complete and the case studies confirm with requirements before arranging interview.
3. Pre interview review of case studies by Lead Accreditor to consider the level and nature of your involvement in the case studies and set criteria for Support Accreditor such as the jurisdiction.
4. An interview with two experienced trained Accreditors both of whom will be also EACTP members and at least one will be a member of the SAC or the EACTP Board.
5. Post interview the Accreditors follow up case study Referees as appropriate and original Sponsor if they so wish.

## Stage one – Application and supply of information by Associate

Please collate and send the following information to the EACTP Education Coordinator.

If you have any questions then please email [eactp@turnaround.org](mailto:eactp@turnaround.org).

**Prepare two case studies in standardised format (template form available on EACTP website with an example provided for your guidance)**

- A detailed case study in the standardised format of two to three pages for each case which you need to prepare and which will eventually be sent to your Referee for their agreement on its content and your role in the turnaround.
- The most recent case study should be no more than three years old and the other case must have been completed within the last ten years.
- Cases should have lasted at least six months, and should also be complete so there is a clear outcome.
- Case studies should demonstrate that your contribution was significant and substantial.
- Each case study should be counter signed by a Referee and include the Referee's contact details so that Accreditors can follow up if they have further queries about the case.

### Note:

1. Your original Sponsors may be approached after your interview by the Accreditors if they so wish.
2. Referees may but will not necessarily be approached after the interview, if the Accreditors wish to follow up on any aspect of the relevant case study.
3. The Referee cannot be an Accreditor.
4. All information provided by you will be treated in the strictest confidence.

## Stage two – Internal checks for compliance by Executive

Executive will check the Associate's CTA membership number, case studies are relevant, Referee details have been provided and payment has been made.

### Stage three – Pre interview checks and Accreditor selection by Lead Accreditor

Lead Accreditor will check case studies to review the level and nature of your involvement before the interview is arranged and may request that they be resubmitted. The Lead Accreditor will also consider whether specific knowledge is required before selection of the Support Accreditor such as the jurisdiction of the case studies.

### Stage four – Interview by Accreditors

- The EACTP Executive will arrange for you to meet two EACTP Accreditors to discuss your application either in person or by telephone.
- At least one Accreditor will be a member of the SAC or the EACTP board, the other will be an EACTP member.
- You will need to set aside about 90 minutes.

#### Your responsibilities

- To talk about your career as a whole, your turnaround activities and, in particular, discuss your case studies to demonstrate your suitability for membership of EACTP.
- To explain your involvement and commitment to turnaround since becoming an Associate.

#### The Accreditors' responsibilities

- Discuss the case studies submitted to satisfy themselves that you have significant knowledge and experience of turnaround and that you made a substantial contribution to achieving the outcomes in each of the turnaround assignments.
- Assess the range of skills and qualities appropriate to a turnaround environment.
- Assess your specific experience:
  - The ability to take command and manage any **immediate crisis** while assessing the situation;
  - The ability to develop a **viable and workable plan** that can be implemented swiftly;
  - Experience in **negotiating key changes** to the financial and/or operational structure of the business with a range of stakeholders;
  - The skill to **take a lead** in any given situation and to **drive or promote** the changes required.

### Stage five - Completing the process by Accreditors and the Executive

- Accreditors will speak to your Referees if they wish to follow on your case studies.
- Other checks such as contacting case study Referees may be made.
- Following recommendation by Accreditors, your application will be submitted to the Standards and Admissions Committee for approval.

# Guidelines for Members wishing to upgrade to Fellowship

**The process for admitting members to Fellowship is by recommendation of and have the unanimous support of the SAC**

To become a Fellow, members must demonstrate:

- Leadership in turnaround cases that were demanding, complex or severe;
- A recognition in the marketplace as a leader in the turnaround profession;
- Completion of a number of at least ten years operating at this level; and
- Contribution to the turnaround profession.

To allow the SAC to determine whether a member is suitable for Fellowship, the candidate should produce the following information:

- An up to date chronologically complete cv
- A summary demonstrating recognition of leadership in the turnaround profession over a number of years
- A summary [supported by a referee] demonstrating contribution to the turnaround profession
- The names of two individuals who are prepared to sponsor the member's application. The sponsors must be either Directors, members of the SAC, or a Fellow.

# Guidelines for Accreditors

This guide has been developed to support EACTP Accreditors whilst ensuring a consistent and fair approach to every interview. Three accreditation interviews in one day is the recommended maximum.

## Accreditor selection:

- Lead Accreditor to be appointed from SAC or EACTP Board. Selection of ‘appropriate’ Lead Accreditor to be a key responsibility of the Executive.
- Lead Accreditor to set criteria for Support Accreditor to be sourced by Executive.
- Support Accreditor to be an EACTP Member who is ideally from the same country as the Applicant but must be able to speak the native language of the Applicant and be familiar with the jurisdiction covered by the Applicant’s case studies.
- The Executive must ensure that there is no conflict of interest with the Applicant.

## Lead Accreditor should:

- Check the certificates of academic success and details of any exemption documents.
- Review case studies and if necessary provide feedback for Executive to pass on to Applicant such as deficiencies that may require resubmission of case studies.
- Set criteria for Support Accreditor to be sourced by Executive.

## Accreditors should:

- Inform the Applicant that the interview will take between 60 – 90 minutes and that everything discussed will be treated as confidential unless agreed otherwise.
- Outline the structure and format of the accreditation interview.
- Conduct interviews in a positive and encouraging manner.
- Keep an open mind.
- Reassure the Applicant that whilst the interview is formal there can be open discussion about their experiences in turnaround and more specifically the case studies.
- The interviews are an opportunity for EACTP Accreditors to satisfy themselves that the Applicant has the right level of integrity and experience.

## Accreditors should not:

- Prejudge the application, influence a fellow Accreditor or reach a conclusion prior to the interview.
- Inform the Applicant from the outset that they are not satisfied with particular aspects of their application.
- Use the interview as an opportunity to intimidate or undermine the Applicant’s credentials and achievements.
- Refer to the Applicant’s gender, age, race, religion or sexual orientation.

## Pre interview (Lead Accreditor in conjunction with Support Accreditor if possible)

- Check the Applicant’s name and background to ensure there is no conflict of interest.
- Check there is a full set of paperwork which should consist of the following:

- EACTP Application Form has been completed and signed and includes details of two Sponsors;
  - CTA membership number;
  - CV including employment and status covering period of the case studies;
  - Completed case studies EACTP in standardised format using case study template available on the website;
  - In the case of an Associate upgrading to Member only the CTA membership number and two case studies need to be provided.
- Familiarise yourself with the Applicant's background and the case studies.
  - Decide the areas to explore most to bring out the major skills and attributes.

### **Certificates of academic success and exemption documents**

- Subject to exemptions, a Certificate of academic success should be provided for each of the three EACTP certification programme modules: Leadership, Finance & Accounting and Legal Concepts.
- Qualified accounting professionals holding a qualification from an exam based and recognised professional institute may apply for exemption from the Finance & Accounting module by providing details of their qualification and professional body.
- Qualified legal professionals holding a qualification from an exam based and recognised professional institute may apply for exemption from the Legal Concepts module by providing details of their qualification and professional body.

### **Case Studies**

- **Case study format**  
All case studies should be provided using the case study template which requires responses based on answering five questions (A-E). Case studies should be the same as those listed on the Membership Application Form and must be signed off by a Referee. As a guide each case study should be about three pages long and an example is provided as further assistance.
- **Age of case studies**  
All case studies should be within the last ten years, with the most recent being within the last three years.
- **Level of involvement for each case study**  
The minimum duration for each case is usually **six months**, and cases should also be complete so there is a clear outcome the Executive will filter out case studies that do not meet these basic requirements.
- **Nature of involvement**  
Applicants undertaking roles such as CEO, MD, CRO, FD and Chairman within case studies should be able demonstrate their significant knowledge and experience of turnaround and their substantial involvement in implementing each of the turnaround assignments and how they influenced the outcome. Other roles may also be considered, however the Applicant must demonstrate that they have made significant and substantial contribution and understood the nature of the problems and responsibilities involved. Applicants who are from the advisory community (such as bankers, lawyers, accountants) need to demonstrate that they made a significant and substantial contribution towards achieving the outcomes of their case studies.

### **Interview guidance:**

- **The primary focus of the accreditation interview process** is to discuss the Applicant's case studies in detail to satisfy yourself with the content. We are relying on your judgement and experience as an EACTP accredited professional to ensure that you are entirely satisfied with the Applicant's answers.

### The interview

- Following introductions, outline the format of the interview ensuring that the Applicant is aware of his or her responsibilities during the interview.
- Give the Applicant ample time to talk about themselves, the case studies and their approach to business in general and turnaround in particular.
- Consider whether the suggested Referees and Sponsors are still appropriate and discuss alternates if necessary.

### Post interview

- Contact the Sponsors to obtain answers to the questions contained on the Sponsor questionnaire.
- Submit the answers from the Sponsors.
- Contact the Referees if necessary.
- Forward your recommendation by email to the Executive who will in turn forward it to all members of the SAC for formal approval.

## Accreditors' Frequently Asked Questions

### Case Study Questions

- **What is a 'significant and substantial contribution' to a turnaround assignment?**  
'Significant' refers to the Applicant's knowledge and experience and how they contributed to the outcome of the turnaround, essentially this relates to their involvement in planning the turnaround. 'Substantial' refers to their actual involvement in implementing the turnaround plan and how they dealt with stakeholders and issues as that arose. All members have to understand the full turnaround spectrum, though not customarily they may not do everything themselves they need to demonstrate their substantial role in project managing the turnaround related activities. For example, cash managers and lawyers focus on specific aspects of a turnaround whereas CTPs are expected to have knowledge of and oversee all aspects of a turnaround.
- **What if my case study is outside of Europe?**  
Case studies can be from outside Europe so long as the turnaround professional is based in Europe (which includes EU countries, continental Europe plus UK, Eire, Greenland, Iceland, Cyprus and Malta).
- **Are subsidiary or division assignments of a larger business acceptable as case studies?**  
Provided the assignment allowed the Applicant actively to employ skills and attributes within the key core competencies that we look for in our members then such a turnaround would be considered.
- **Two case studies are completed and one is ongoing, does this qualify?**  
Yes, provided a satisfactory outcome for the organisation and stakeholders involved is close to realisation.
- **If a process was used, would this qualify as a case study?**  
Yes, provided the process was associated with operational change to ensure the future of the organisation. The Executive reserves the right to ensure such case studies meet EACTP code of



ethics; and will consider the Applicant's terms of engagement, whether these were modified during the course of the assignment and the involvement of the Applicant in any insolvency event. Such case studies will be thoroughly vetted.

- **Can an Applicant use an assignment that is less than six months in duration?**  
There are some instances where a shorter assignment maybe considered provided the Applicant can demonstrate their significant and substantial contribution and show a wide range of competencies and real added value throughout the assignment.
- **What if all or most of the Applicant's assignments are less than six months in duration?**  
Ideally all case studies will be longer than six months in duration. However, where this is not possible the Applicant will need to provide additional case studies to demonstrate that he or she has a strong track record in turnaround.
- **What if a case study is older than 10 years ago?**  
This will not be accepted.
- **What if a case study is over many years in duration? Does this qualify?**  
There is no limit to the duration of a case study, some assignments may last a few months' others may require a much longer time commitment. Where this is the case Accreditors should exercise their judgement and are asked to recognise the challenges for longer term assignments as well as the scale of the organisation. Ultimately, Accreditors should satisfy themselves with the outcomes.
- **Does the case study have to be successful?**  
It is understood that insolvent company turnarounds can sometimes result in a formal insolvency procedure which can be outside the control of a turnaround practitioner. The case study should cover the initial turnaround plan and the actions taken by the Applicant and how they improved the situation. Any change in the circumstances that led to an unforeseen outcome should be explained as part of the case study.

## Referees

- **Is there a need to contact the case study Referee?**  
Each case studies ought to be signed off by a Referee who can vouch for the Applicant's role. Any contact should only be if there is a need for clarification.
- **Who can act as a case study Referee?**  
Typically, the Referee will be the company Chairman, CEO or owner of the business. If this is not possible, then a professional or venture capital investor and/or specialist banker will be acceptable. It should be someone who has first-hand knowledge formed over time of your activities and achievements with the business.

## Sponsors

- **Can a case study Referee also act as a Sponsor?**  
Yes, Referees can also act as a Sponsor, provided the Sponsor criteria are met.
- **Who qualifies as a Sponsor?**  
Sponsors should be professionally qualified and ideally have knowledge of or operate in turnaround and are known to EACTP. Sponsors are two people who have known the Applicant throughout a reasonable portion of their commercial/professional life, including their time in turnaround.
- **Should Sponsors have worked with the Applicant?**  
Sponsors need to know and understand the Applicant's involvement in turnaround. It is not necessary for a Sponsor to have worked with the Applicant. It is preferable that Sponsors are

independent of the Applicant and in a position to comment objectively. Where this is not possible the Executive will ensure Sponsors' suitability (for example an EACTP Member or well known to EACTP).

- **How long should an Applicant have known their Sponsor?**

At least four years. If fewer the Executive will request for an alternative Sponsor should the responses not satisfy the criteria.

- **What if an Applicant's Sponsor is not from the turnaround community?**

If this is the case the Executive will verify the standing of the Sponsor. In many instances this is straightforward e.g. a director of a quoted company or a partner in a reputable professional practice. As a rule, Sponsors with an economic interest in placing Applicants in roles e.g. headhunter may not qualify; though a sector Regulator could. As each case is unique the Executive will identify the most appropriate individual(s). Sponsors can also be discussed with the Applicant at interview stage.

# Guidelines for SAC Executive

This guide has been developed to support the SAC Executive

## **SAC Executive should:**

- Be familiar with Accreditors' Guidelines.
- Administer the appraisal and accreditation of potential members.
- Deal with Applicants.
- Coordinate the approval of all applications.
- Coordinate applications by Associates for upgrade to Member.
- Liaise between SAC members.
- Liaise between SAC and the EACTP Executive.
- Liaise between SAC Chair and the EACTP Board.
- Coordinate disciplinary matters on behalf of the SAC.
- To attend SAC meetings and take minutes.
- Select the Lead Accreditor.
- Select the Support Accreditor based on criteria set by the Lead Accreditor. Support Accreditor to be an EACTP Member who is ideally from the same country as the Applicant but must be able to speak the native language of the Applicant and be familiar with the jurisdiction covered by the Applicant's case studies.
- Ensure there is no conflict of interest with the Applicant.

## **Pre interview (in conjunction with Lead Accreditor)**

- Check the Applicant's details and background to ensure there is no conflict of interest with Accreditors.
- Check payment has been made.
- Review documents provided by Applicants to ensure they are complete before passing to Assessors. Specifically check there is a full set of paperwork which should consist of the following:
  - EACTP Application Form has been completed and signed and includes details of two Sponsors;
  - CTA membership number;
  - CV including employment and status covering period of the case studies;
  - Certificate of academic success and exemption documents;
  - Completed case studies EACTP in standardised format using case study template available on the website. Check they have been signed off by a Referee and are the same as those listed on the Membership Application Form; In the case of an Associate upgrading to Member only the CTA membership number and two case studies need to be provided.
- Inform the Applicant/ Associate that the interview will take between 60 – 90 minutes and that everything discussed will be treated as confidential unless agreed otherwise.
- Coordinate the availability and fix interviews on behalf of the Accreditors (maximum of 3 per Accreditor per day).

### **Certificates of academic success and exemption documents**

- Subject to exemptions, a Certificate of academic success should be provided for each of the three EACTP certification programme modules: Leadership, Finance & Accounting and Legal Concepts.
- Qualified accounting professionals holding a qualification from an exam based and recognised professional institute may apply for exemption from the Finance & Accounting module by providing a details of their qualification and professional body.
- Qualified legal professionals holding a qualification from an exam based and recognised professional institute may apply for exemption from the Legal Concepts module by providing a details of their qualification and professional body.

### **Case Studies**

- **Case study format**

All case studies should be provided using the case study template which requires responses based on answering five questions (A-E). Case studies should be the same as those listed on the Membership Application Form and must be signed off by a Referee.

- **Age of case studies**

All case studies should be within the last ten years, with the most recent being within the last three years.

- **Level of involvement for each case study**

The minimum duration for each case is usually **six months**, and cases should also be complete so there is a clear outcome the Executive will filter out case studies that do not meet these basic requirements.

- **Nature of involvement**

This is a pre-interview check by the Lead Accreditor.

### **Post interview**

- Coordinate recommendations from Accreditors.
- Forward recommendations by email to all members of the SAC for formal approval.
- Coordinate responses from SAC members.
- Congratulate and welcome successful Applicants/ Associates once approval from all SAC members has been received.

### **Frequently Asked Questions - refer to above Guidelines for Accreditors**

# Questions for Sponsors

- How long have you known the candidate? In what capacity?
- How has the candidate performed when they done work for you?
- Would you choose to work with them again?
- Is the candidate a team player / team leader?
- How is the candidate regarded in the industry?
- What are the candidate's strengths?
- What are the candidate's weaknesses?
- What are the candidate's commercial skills?
- What do people think of the candidate?
- How do you find the candidate as a person to deal with?
- Do you know the candidate outside of the work environment?
- How do they perform under pressure?

## Case Study Example

<b>CASE STUDY 1</b>	<b>EXAMPLE LIMITED (Private &amp; Confidential)</b>
<b>ROLE</b>	<b>CHIEF RESTRUCTURING ADVISOR</b>
<b>DATES (FROM &amp; TO)</b>	<b>NOVEMBER 2012 - OCTOBER 2013</b>
<b>A</b>	<b>What were the key issues identified on the assignment</b>
	<ol style="list-style-type: none"> <li>1. Solvency of business - negative net assets and inability to pay debt when due, but no precipitous creditor action as at Nov 2011. Principal debt was HMRC and temp labour agencies.</li> <li>2. Accumulated losses of £600K over last 18 months due to price pressures, GP% down from 36% to 25% and lower sales to budget. Operational &amp; Sales issues within these financial KPI's.</li> <li>3. Higher material costs over the last 18 months.</li> <li>4. Disproportionate mix of temp agency staff &amp; employees.</li> <li>5. Legacy intra-group balances that were not getting paid down via dividend due to losses.</li> <li>6. An earlier time to pay HMRC arrangement that was too ambitious for Cash flow.</li> <li>7. A factoring facility that was costly and inflexible given cash-flow demands.</li> <li>8. The company and small group were in terminal decline without identifying &amp; implementing a turnaround plan.</li> </ol>
<b>B</b>	<b>What were the key actions identified as being necessary for the turnaround / restructuring</b>
	<ol style="list-style-type: none"> <li>1. The assignment had all the hall marks of a Turnaround including - Crisis management, Stabilisation (Implementation), &amp; regrowth.</li> <li>2. A key action was to identify &amp; understand the financial &amp; operational risks and either to accept them or mitigate them.</li> <li>3. A diagnostic business review was the 1st step: issues identified, an analysis of stakeholder agendas, an estimated outcome statement under various scenarios (solvent restructure, trade sale, CVA, Pre-pack Admin &amp; Liquidation) to establish the value breaks &amp; Intra-group consequences of those options.</li> <li>4. Ultimately either a significant debt forgiveness or time to pay (3 -5 yrs) was required to pay down the accumulated losses, balanced with a reshaped business.</li> <li>5. Adopt plan A (solvent restructure) BUT prepare for plan B (insolvent restructure - CVA vs. Pre-pack)</li> <li>6. Proposals (Restructure plan + forecasts) submitted to HMRC and Temp labour Agencies.</li> </ol>

	<ol style="list-style-type: none"> <li>7. The solvent plan included a TTP with HMRC &amp; Labour agencies, operational changes, a debt for equity swap for the £282K owed to the sister company, a refinancing of plant &amp; machinery, disposal of surplus equipment &amp; stock, and keeping the incumbent bank finance (SGL's and Invoice finance).</li> <li>8. Communicate a core message to suppliers, employees, &amp; lenders to support.</li> <li>9. Coordinate a professional team to execute the restructuring plan and keep timings and control within client (Legal, IP &amp; Valuers coordinated by XYZ Partners).</li> <li>10. Simultaneously Implement an operational restructure, recruit a new operations director, reduce head count, keep committed core team, be tough on fixed overheads, rationalise variable costs (specifically material costs) and sack certain customers to preserve margin &amp; mgmt time to reshape the core business.</li> <li>11. Produce with the mgmt team an integrated set of forecasts for the reshaped business.</li> <li>12. Work up a consistent marketing message to get the buy in from customers.</li> <li>13. Open dialogue with incumbent lenders (ABL's and Bank) and look to new lenders with a standard information pack to refinance the company &amp; / or group.</li> <li>14. Work up strategic &amp; tactical plan to deal with legacy intra-group balances that would be an issue in a Admin or Liquidation scenario.</li> <li>15. Plan A favored a solvent plan / CVA route.</li> </ol>
<b>C</b>	<b>Please provide brief details of the assignment including the type of business, sector, turnover etc</b>
	<ol style="list-style-type: none"> <li>1. Template 1 Ltd is a private company registered in England &amp; Wales &amp; is a wholly owned subsidiary of a Holding Co. It has a sister company held by the Holding Co.</li> <li>2. The business is a plastic injection moulding business, moulding products for its customers &amp; its own range, with both UK and overseas customers. It also manufactures small moulding tools. Many of the products are for the heating, plumbing, medical and FMCG sectors.</li> <li>3. The company had 100 workers, a mix of employees and temp labour.</li> <li>4. The year end is March &amp; turnover in 2011 was £3.5mn &amp; in 2012 £3.3mn, the budget for 2013 was £3.4mn.</li> <li>5. There are significant intra-group balances from the holding co to the company, from the sister company to the company and a smaller balance from the sister company to holding company.</li> <li>6. The nature of these intra-group balances are both acquisitional, loan and trade loans.</li> <li>7. Template 1 Ltd was acquired &amp; placed into a group structure, the sister company was acquired at a later date. The small group has a majority shareholder &amp; director.</li> </ol>
<b>D</b>	<b>How and when were these actions implemented?</b>
	<ul style="list-style-type: none"> <li>• Nov 2012 - Initial discussions with principal director, review of mgmt accounts.</li> <li>• Dec 2012 - Diagnostic business review &amp; report plus options.</li> <li>• Dec 2012 - Full TTP proposal to HMRC (forecasts &amp; restructuring plan)</li> <li>• Jan 2013 - Operational changes start to be implemented.</li> <li>• Jan 2013 - Recruitment of new Operations Director.</li> </ul>

	<ul style="list-style-type: none"> <li>• Feb 2013 - Valuation of Business Assets.</li> <li>• Feb 2013 - Discussion with IP's, legal's, Bank, ABL's, deal structure &amp; refinance.</li> <li>• Mar 2013 - Plan B implemented, offer formatted, Pre-pack Admin implemented &amp; appt'ed.</li> <li>• April 2013 - Monitoring of Operational impacts / Prep of statement of affairs.</li> <li>• Summer 2013 - Ongoing dialogue re valuation of holding co and legacy intra-group balances to finalise Administrator realisations.</li> </ul>
<b>E</b>	<b>What was the outcome of the assignment? Is it complete?</b>
	<ol style="list-style-type: none"> <li>1. HMRC rejected the TTP proposal (2 yr request was not policy) - Plan A moved to Plan B.</li> <li>2. The merits of CVA vs. Pre-pack was discussed in detailed.</li> <li>3. The incumbent bank decided to exit business but supporting the exit, panel firm (Top 4) appt.</li> <li>4. Pre-pack route devised, timings established, SIP 16 complied with.</li> <li>5. Sister company's offer for business &amp; assets formatted, (Heads of terms).</li> <li>6. Deferred terms negotiated and debtor collect out organised.</li> <li>7. The refinancing of the merged entity - new invoice financing, new banking arrangements.</li> <li>8. Bank paid out immediately upon Administrators appointment.</li> <li>9. Valuation of all group companies (using DCF, comparisons, bal sheet etc) to assist decision making.</li> <li>10. Review of all legal papers for Administration &amp; Acquisition.</li> <li>11. Completion achieved upon Admin Appointment.</li> <li>12. To assist tactically with the legacy intra-group balance with the holding group the shares in the sister company held by holding co were sold to a 3rd party prior to the Admin</li> <li>13. Preparation of formal Statement of Affairs for Director.</li> <li>14. Monitoring of Operational changes</li> <li>15. The assignment is not quite complete - a final negotiation of the intra-group balance owed from holding co to Template 1 Ltd.</li> </ol>
<b>F</b>	<b>What was the nature of your personal involvement in the case?</b>
	<ol style="list-style-type: none"> <li>1. I've been involved at every critical decision &amp; initiative strategically &amp; tactically since Nov 2011 to date.</li> <li>2. I dealt with Template 1 as a supplier in Oct 2011 when restructuring a tool making business.</li> <li>3. I considered I had no ethical or professional conflict in the assignment.</li> <li>4. The Director contacted me in November 2012 directly, to ask for assistance.</li> <li>5. An initial conversation led to a business review &amp; report dated 3rd Dec 2012 &amp; feedback.</li> <li>6. An initial time to pay proposal to HMRC report prepared dated 20th December 2012.</li> <li>7. Discussions re operational &amp; financial changes plus timing required for a sustainable business.</li> </ol>



	8. Further strategic & tactical options explored with assistance of external valuer's and an insolvency practitioner. 9. Exploration of a pre-pack Admin vs. CVA, considering the consequences for the company, the group as a whole, individual companies, intra-group bals and the principal director / owner. 10. Introduction of a restructuring solicitor. 11. Discussions with bank & bank panel IP firm, options for bank, refinancing, negotiating a deal structure for a pre-pack admin to be implemented. (15th March 2013). 12. Negotiation & sale of business & assets to a group sister company in common ownership. 13. Valuation of each group company. 14. Certain post-admin realisations remain within the group & are still being negotiated to date.	
<b>Applicant</b>	Signature	Date:
<b>Referee</b>	Signature:	Date:
	Name:	Email:
	Job title & Company:	Phone:

# Checklist

Member Type	Documents required
<b>ALL APPLICANTS</b>	<input type="checkbox"/> Completed and signed membership form <input type="checkbox"/> CTA membership number <input type="checkbox"/> Certified copy of your passport and recent utility bill <input type="checkbox"/> Diplomas/ degrees/ professional qualifications <input type="checkbox"/> Membership certificates <input type="checkbox"/> CV <input type="checkbox"/> Sponsors name and contact details
<b>ASSOCIATE</b>	<input type="checkbox"/> One case study counter signed by Referee
<b>MEMBER</b>	<input type="checkbox"/> Three case studies counter signed by Referees
<b>FELLOW</b>	<input type="checkbox"/> An up to date chronologically complete CV <input type="checkbox"/> A summary demonstrating recognition of leadership in the turnaround profession over a number of years <input type="checkbox"/> A summary [supported by a referee] demonstrating contribution to the turnaround profession <input type="checkbox"/> Sponsors name and contact details

# Frequently Asked Questions

## **Can I apply for membership if I do not hold the CTA qualification?**

Passing the exams and being awarded CTA is a pre requisite for applying for Associateship or Membership. Subject to exemption for applicants qualified as *veterans* as per criteria outlined in Veterans Approval Process section.

## **How do I decide who should be a case study Referee?**

This will depend on your role on the assignment. Typically, it will be the company Chairman, CEO or owner of the business. If this is not possible, then perhaps you could choose a professional or venture capital investor and/or specialist banker. It should be someone who has first-hand knowledge formed over time of your role, activities and contribution in relation to the turnaround assignment.

## **How do I choose my Sponsors?**

Sponsors are more than character Referees. We are looking for two people who are preferably professionally qualified and who have known you for a reasonable portion of your professional life, including your time in turnaround. They must know and understand what you do. It is preferable if they have worked with you. They must be independent of you and consider you a suitable person to join EACTP.

## **My Sponsor appears to meet your criteria but is unlikely to be known to EACTP. Is this acceptable?**

If this is the case, we must be able to independently verify the standing of the Sponsor. In many instances this is straightforward e.g. a director of a quoted company, a partner in a reputable professional practice, a banker or an institutional investor so long as they are familiar with your turnaround activities. In other circumstances it can prove more difficult. As each case is unique please discuss this initially with the EACTP Executive and then with your interviewers to ensure the process can progress smoothly.

## **Other than Sponsors and Referees, do you undertake any further checks?**

We will acquire a list of directorships, past and present, search the disqualified directors' register and check professional memberships. We reserve the right to undertake further checks if we feel it appropriate.

## **What do you mean by 'significant and substantial contributions' to a turnaround assignment?**

'Significant' refers to your knowledge and experience and how it contributed to the outcome of the turnaround, essentially this relates to your involvement in planning the turnaround. 'Substantial' refers to your actual involvement in implementing the turnaround plan and how you dealt with stakeholders and issues as they arose. We want to see turnaround assignments usually covering a number of months or longer - usually at least six months. We recognise that members and prospective members do other work from time to time that is both valuable and satisfying but does not have the turnaround elements we require. Ideally the case study assignments should have had a

satisfactory outcome for stakeholders. When this is not the case we need to be satisfied that real added value was displayed during the assignment.

**One of my turnarounds was with a subsidiary/division of a larger business. Is this acceptable?**

Provided the assignment allowed you to actively employ the skills and attributes that we look for in our members, then such a turnaround would be considered.

**One of my turnaround case studies was undertaken some years ago. Would this be acceptable?**

All case studies must be within the past ten years with at least one being less than three years old.

**What if I am unable to use the case study name?**

If for reasons of confidentiality the case name may not be disclosed, you may use the code or project name but we still require a Referee.

# Committee Members and Contacts

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