

Faith in the insolvency process can alleviate stress

In Jirsch Sutherland Partner [Stewart Free's](#) 25-plus years as an insolvency practitioner, he's worked with many business owners who have suffered from mental ill-health problems as a result of financial issues. "A few times each month I meet clients who are finding it hard to cope with the associated stress and pressures, and this can affect their physical and mental health," he says.



Stewart Free, Jirsch Sutherland Partner

For Free, a common sign an owner isn't coping is when they ignore their situation, hoping it will simply go away. "They adopt a 'head in the sand' mentality," he says. "As a result, they often leave getting help too late."

Explaining that insolvency is a process designed to get business owners through their troubles can help alleviate this type of stress, Free says. "I explain it's a legal process and to put their faith in it," he says. "I tell them there's a plan with a start, a middle and an end that will get them out the other side. I reassure them they will get through it and life will go on. They can choose to have it as a burden or believe in the process."

"Fortunately, in Australia, the financial laws promote entrepreneurial activity. If a business owner experiences problems, there's a mechanism that alleviates their debt. Once business owners and private clients facing bankruptcy view it that way, it becomes more acceptable and destresses the situation."

But many owners also feel ashamed and that they have failed when they enter into insolvency. "I explain that insolvency isn't a personal failure, so there should be no shame associated with it," Free says. "They are not the only person who has gone through this process. If they have children, I explain that, more often than not, there are other parents who have gone through bankruptcy and continue on with their lives."

Free also tries to get business owners to look at insolvency or bankruptcy in a different light by asking them, 'what's the worst thing that can happen in life?'. "Compared to the loss of a loved one or serious illness, it's not insolvency or bankruptcy. You can see the weight come off

their shoulders when they look at their situation differently.”

But Free says it’s understandable that emotions run high. “I’m a huge believer in having a good cry. Then we can get on with the process. I tell owners ‘the sun rose today and set on the other side and it will do it again tomorrow and the next day’. Life goes on and there’s an end to their situation. I’d like to scream from the rooftops, it’s not that bad as there’s a process!”