

# 3 things borrowers can do (today) to improve lender conflict

Financing relationships don't typically begin with the expectation of conflict. Nevertheless, situations can and do arise that create challenges between borrowers and their lenders. While the preceding drivers may be external or out of borrowers' control, there are actions that can be taken today to improve lender dynamics and create a path to resolution.

## 1. Evaluate your peers

By evaluating your peers' performance and actions, you arm yourself with market context and expectations for your business.

- Assess broader industry performance by reviewing 4-5 publicly traded peers' financials; review earnings call transcripts for color on what peers are experiencing and how they're responding
- Benchmark your performance versus peers and identify areas of variance - consider what's responsible for the variance, including things an outsider may not fully appreciate
- Review peers' recent financing announcements for changes or updates. Particularly when challenges are broad-based, financing resolutions affected by peers can be informative

## 2. Forecast your recovery path

By charting your path to recovery, and ultimately resolution, you stay ahead of execution speedbumps and reduce uncertainty.

- Lay out an action timeline and the steps that will take place between today and resolution. Start everything two to three months ahead of schedule – the solution set looks different when you're late vs. when you're early
- Forecast what financials will look like between now and then. It's helpful to track a schedule of one-time items to show the work you're doing as well as its impact on earnings

## 3. Increase lender communications

By increasing communication with your lender, you create space and opportunity for new or previously unknown solutions.

- Create lender-specific deliverables to be shared on a recurring basis; sharing the right information at the right time can have a meaningful impact on outcomes
- Schedule regular check-ins so there is no room for minds to wander (wonder). No news = bad news. And be mindful of word choice – think about what you would want / not want to hear from a friend who borrowed money from you

## Summary

Two identical companies going through the same challenges can achieve different financing outcomes based on how they handle the things within their control. Lender conflict can be stressful and take away from leadership's time and focus (likely when needed most). Even when the situation feels out of your control, there are steps every borrower can take to improve lender conflict and accelerate positive resolution.

**Looking for assistance developing a game plan? Schedule a consultation.**

[Schedule](#)

EMB Advisory helps borrowers develop and execute credit resolution plans that remove uncertainty and allow leadership to spend more time attending to their business. We utilize our debt capital markets experience to create long-term financing solutions that resolve challenges and stay ahead of future needs.

**EMB Advisory** helps middle-market companies and sponsors secure and manage debt financing. EMB Advisory provides specialized and dedicated support before, during and after the transaction so leadership can spend more time growing their business. EMB Advisory has supported over \$1.4 billion in debt financings to fund acquisitions, refinancings, shareholder dividends and working capital / corporate growth investments. [Get in touch](#)

---

## Disclosure Information

Published on January 29<sup>th</sup> 2025.

These materials have been prepared by EMB Advisory (including its affiliates and subsidiaries) for informational purposes only and on a non-reliance basis and they are not intended to be, and should not be construed as, financial, legal, or other advice. The views and opinions expressed are the views and opinions of the authors. They are subject to change at any time.

In preparing these materials, EMB Advisory has assumed and relied upon the accuracy and completeness of any publicly available information and of any other information made available to EMB Advisory by any third parties. EMB Advisory has not assumed any responsibility for any independent verification of any of such information. Hyperlinks to third-party websites in this document are provided for reader convenience only. There can be no assurance that any trends discussed herein will continue. Unless otherwise noted, information included herein is presented as of the dates indicated. Subsequent developments may affect the information set out in this document and EMB Advisory assumes no responsibility for updating or revising these materials.

These materials may include certain statements regarding future conditions and events. These statements and the conditions and events they describe are inherently subject to uncertainty, and there can be no assurance that any of the future conditions or events described in these materials will be realized. EMB Advisory assumes no responsibility for the realization (or lack of realization) of any future conditions or events described in these materials.

No liability whatsoever is accepted and no representation, warranty or undertaking, express or implied, is or will be made by EMB Advisory or any of its affiliates for any information contained herein. Nothing herein shall constitute a commitment or undertaking on the part of EMB Advisory to provide any service. EMB Advisory shall have no duties or obligations in respect of these materials or other advice provided to you, except to the extent specifically set forth in an engagement or other written agreement, if any, that is entered into by EMB Advisory and you. By accepting this document each recipient agrees to be expressly bound by the foregoing limitations.