THE LEAD
https://theleadleft.com/lead-left-interview-deborah-hicks-midanek/

Lead Left Interview – Deborah Hicks Midanek

THE LEAD | May 23, 2016

This week we chat with Deborah Hicks Midanek, founder and managing partner of Solon Group. Solon is a restructuring and turnaround advisory firm.

The Lead Left: Deborah, tell us about Solon. First thing we noticed was you are a small firm.

Deborah Midanek: Having served as a principal of AlixPartners when it was still small and then built up Glass & Associates as its President before its 2005 sale to Huron, I have been determined that Solon would stay small. That gives us flexibility to pick and choose our assignments, even in slow markets for conventional restructuring advisors.

TLL: You've also served as advisor to a variety of creditor committees.

DM: That's right. The largest of which has been the Fremont General OCC. We've helped buyers and sellers with due diligence, private companies with acquisitions and divestitures, and so on.

We have also served as Business Advisor to a district court in a complex cross border fraud; as consulting witness for the defense in major litigation against a large law firm; as interim economic development director in a rural county, as strategic advisor to the board of a private pharma company faced with the unexpected loss of a challenge to its patent for a mega profitable drug; as independent director and ultimately sole director, for a deeply distressed series of offshore funds in multiple jurisdictions, and so on. We love a challenge!

TLL: There are a lot of "restructuring" shops out there. What makes you different?

DM: We've played with the big firms, and know most of them. We are, however, not accountants. We do not live in a particular box. We are owners. We are entrepreneurs. Seasoned executives. We are accustomed to the ambiguities and difficulties of sitting in the chair of the guy who needs to make the call, whether he or she is at the company or is an investor or financing source.

TLL: Doesn't being small work against you competing against larger firms?

DM: It's an advantage not to be burdened with cumbersome overhead and junior mouths to feed. In short, we can look at a situation, determine whether we think we can help, and develop a reward structure that fits the scenario. If in or near bankruptcy, we are careful not to create structures that makes us insiders, but other than that, we can be create in crafting win/win compensation.

As we say on our website (http://solongroup.com/), we bring the steady hands of experience, the detachment of outsiders, and the attitude of owners to each assignment. And no matter how smart the people in the situation are, fish cannot see water.

TLL: This may seem like an obvious question, but is your business cyclical?

DM: Not really. There's always someone who needs help unraveling a tricky situation and relies on our discretion. For many of our clients, our role is not disclosed, and officially we were never there.

TLL: Speaking of which, where are we in the cycle?

DM: What cycle? Cycles disappeared as QE arrived. Managed low interest rates have accomplished a lot – good and bad. Market forces are, for the moment, blunted, shall we say.

TLL: Are there differences in the problems borrowers are encountering now vs. pre- or post-crisis?

DM: Depending on the situation, it appears there are many more arbitrary regulations to consider, and borrowing sources continue to proliferate as banks are not really lenders. So constant shopping is now a way of life.

TLL: What are the biggest mistakes senior management teams make?

DM: Operating problems are fascinating to resolve, and I would love to say that these are the issues. Truthfully, though, most management teams are competent and the issues that trip them up can seem silly and easy to avoid, unless you are so close to the situation you cannot even see the risk, let alone address it. How many companies have been brought to their knees by operational issues? Some, but most near death is caused by lack of liquidity.

Contact:
Deborah Midanek
dhmidanek@solongroup.com