THE R3 STRATEGIC PLAN

TAKING US TO 2023

R3'S PURPOSE

Members of the insolvency and restructuring profession protect and restore value at all levels of the UK's economy. Their expertise promotes economic regeneration, resolves financial distress for businesses and individuals, saves jobs, and creates the confidence and public trust which underpin trading, lending and investment.

R3 protects and promotes the environment and strong restructuring and insolvency framework required to enable our members to fulfil their vital role in the economy and in society.

WE...

Are a home for our community of members throughout their careers.

Bring the profession together to collaborate and share expertise.

Support career-long learning and raise standards across the profession.

Develop and refresh talent.

Encourage members to innovate.

Give our members a united voice on the issues and legislation which affect them and the hundreds of thousands of businesses and individuals with whom they work.

Strive to ensure that the work and value of our members is publicly recognised, understood and appreciated.

R3'S VISION

We are the thriving, inclusive organisation at the heart of the UK's insolvency and restructuring profession.

We are **the** association which embraces the entire community of professionals within the UK restructuring and insolvency world, whatever the size of their practice, their experience or their specialism.

We play a leading role in ensuring the UK remains a global centre for resolving financial distress, promoting economic regeneration, and maintaining integrity in our framework.

A MESSAGE FROM R3'S PRESIDENT & CHIEF EXECUTIVE

Next year, R3 turns 30. Established in 1990 as the 'Society of Practitioners of Insolvency', our founding objectives were to: advance the theory and practice of insolvency administration; promote high standards of conduct and performance across the range of the profession's work; promote and provide training and education to develop the knowledge and skills of insolvency professionals; facilitate the exchange of views and debate; and inform public and professional opinion on the role and value of the profession. These objectives still resonate today.

Working towards these objectives, R3 has established itself as an integral part of any career in restructuring and insolvency. In turn, R3 has grown through the commitment and passion of its members and staff. We're extremely proud of the work we do to support our members, and all that we have achieved together.

To keep up with a rapidly changing profession, economy and society, and to maintain our current work, R3 needs to change, too. We cannot stand still. To stay relevant – to our members, our stakeholders and the broader economic, social, and political landscape in which we operate – and to continue to lead the profession, it's vital that we assess what it is we do, and how we do it.

Building on our three decades of history, this plan sets out how we are going to develop our existing strengths and make the changes which will enable us to support our members for the next three decades and beyond. This plan sets out the direction we're heading in, and how we're going to continue our journey with our members. It sets out how we will represent everyone in the profession, whether they're a licensed practitioner, a lender, a lawyer, a restructuring specialist, or anyone else; whether they're working in a global practice, or running their own business; whether they have ten years' experience or ten days'.

It sets out how we will ensure R3 is an organisation ready to help the profession build one community, have one place to learn throughout their career journey, speak with one voice, and develop and share innovative ways of supporting the UK's businesses and individuals.

This plan is an ambitious one. It will require us to make major changes and we will need to be bold in doing so. We recognise that a great deal of work is required to achieve the appropriate pace of change and to successfully implement the initiatives set out in the following pages over the next three years. With R3 members and staff working together, we believe that everything set out in this plan is achievable.

A thriving insolvency and restructuring profession is an integral part of any economy. A thriving R3 is an integral part of the UK's insolvency and restructuring profession.

We'd like to thank all of the R3 members, volunteers and sponsors who have committed their time and resource to supporting our journey so far, and the dedicated team of R3 staff who are committed to making R3 the thriving, dynamic and inclusive professional association our members need.

We'd also like to thank the hundreds of R3 members and others who directly fed into the development of this plan. We're excited to share it with you, and we're excited to work with our current and future members to put it into action.

Emma Lovell (R3 Chief Executive)

Duncan Swift (R3 President 2019-20)

BACKGROUND TO OUR PLAN

R3's Strategic Plan is the outcome of over a year's worth of consultation and engagement with our members and others from across the insolvency and restructuring world: lenders, investors, academics, turnaround and restructuring experts, insolvency practitioners, insolvency lawyers, and more.

We've listened to hundreds of individuals and practices about what they want from R3, and where they want to see us go next. We started these conversations to help us understand how we can make sure R3 is fit for the future, and that we remain at the forefront of the restructuring and insolvency profession. We have put everything under the microscope: who we represent, how we represent them, and why we exist.

We've already made a number of important changes to R3 as an organisation as a result of those conversations. This plan sets out how we're going to continue to turn our conversations into action.

THE WORLD AROUND US

R3 was founded in 1990 as the Society of Practitioners of Insolvency (SPI), becoming the Association of Business Recovery Professionals – or 'R3' (Rescue, Recovery, Renewal) – in 2000. The operating environment in which R3 and our members find ourselves now is very different to where we were in 2000, let alone 1990.

The world around us has changed: R3 needs to adapt, and we need to help our members adapt. Later in this plan, we'll set out the changes we're making which will enable us to do so. In the following pages, we set out the factors and issues to which our profession must respond, and which have influenced our thinking and planning.

THE WORLD AROUND US:
SOCIETY AND BUSINESS

THE CHANGE

Today's business environment – and society – is much less hierarchical, with increased awareness of the importance of diversity and with a 'younger' generation more confident in expressing itself and looking for opportunities for career advancement. Younger professionals also want different things from their careers than other generations. There is also growing demand for more personalised and responsive training. Representation matters, authority is more frequently challenged, and trust in institutions and the professional world is often questioned.

The way the business world works and the corporate structures involved have become much more complex. In the restructuring and insolvency world, innovation has created business models and practices which were unimaginable 30 years ago.

IMPACT FOR R3 & OUR MEMBERS

We have to adapt how we develop, promote, and retain talent.

We need to adapt how the profession earns and rewards the trust placed in it by the public and business world, and how we vigorously promote the value of the profession.

We need to consider how professional innovation aligns with existing regulation; how regulation can adapt; and how the profession can adapt to an increasingly regulated world.

R3 will also need to support career-long learning within the profession, while giving members a voice on the issues that affect them.

THE WORLD AROUND US:
TECHNOLOGY

THE CHANGE

Technological improvements have led to huge advances in accessibility and flexibility, with services – including educational courses, creditor meetings and stakeholder engagement – previously delivered in person, now delivered from afar.

A fast-moving world, awash with data, presents opportunities for insolvency and restructuring professionals, but it increases the complexity of fixing financial distress, too.

Artificial Intelligence presents one solution to tackling compliance and data-driven complexity in case administration, but there are questions about how it can be best harnessed by the profession, and about how far every profession is prepared to accept the new reality of a stark choice: fully embrace technology or face competing with it.

IMPACT FOR R3 & OUR MEMBERS

Adaptation to changing technology and working practices must start now – if not yesterday. To continue supporting businesses and individuals in an increasingly complex and technology-driven world, our members themselves need support.

If our members aren't up to speed with technological – and social – transformation, they will struggle to protect and rebuild value in a new business world built on new foundations.

R3 needs to support its members in building an awareness of new technology and in developing their skill sets and business models to help them build upon, and not compete with, the changing world.

THE WORLD AROUND US:

THE ECONOMY AND THE PROFESSION

THE CHANGE

Our profession's work is entwined with the fortunes of the economy. The work required from the profession is affected by contemporary economic challenges, and by whether the economy is growing or contracting. As we publish this plan, businesses are grappling with the implications of Brexit; ten years ago, businesses were navigating the aftermath of the global financial crisis; in ten years' time, new challenges will prompt businesses and individuals to seek our members' advice.

There are wider, more long-lasting trends to deal with, too. For years, UK economic growth has been sluggish – and uneven – while the UK 'productivity' puzzle remains unsolved. 'Growth' is not being experienced by everyone. Household debt, and demand for personal debt solutions, is climbing, with many individuals struggling to make ends meet on a monthly basis.

The nature of corporate restructuring and insolvency has changed, too, with greater focus on value preservation and early intervention.

There are relatively high levels of creditor forbearance – or, at least, a greater desire to support a restructuring over an insolvency procedure. The identity of lenders, particularly secured creditors, is changing, too, with 'traditional' High Street banks being joined by a much more diverse pool of capital providers.

The UK's insolvency and restructuring profession doesn't exist in a bubble when it comes to the economy, and it doesn't exist in a bubble relative to the rest of the world, either. Efficient restructuring and insolvency systems are vital in helping economies transition between economic cycles and the UK has one of the best frameworks in the world.

The UK is, however, only one of scores of restructuring and insolvency jurisdictions, any of which may be used by companies and individuals, and their creditors, to restructure or protect value in insolvencies. The UK is one of the world's restructuring and insolvency hubs, but other jurisdictions are taking steps to catch up. The UK will need to make its own changes to stay one step ahead of the crowd.

IMPACT FOR R3 & OUR MEMBERS

Whether it's helping members adapt to innovation – or innovating to adapt – throughout their careers or helping members scale up and scale down services in response to demand, R3 has a key role to play in supporting the profession by keeping technical skills up to date, and helping to train changing teams. R3 members' businesses are dynamic and R3 needs to be dynamic too.

The profession has its own insights on the economy to share, and R3 must remain a key conduit for doing so. We can help make sure members' voices and views are heard by policymakers and stakeholders.

We will also have to be at the forefront of pushing for reforms which will keep the UK's framework and profession at the centre of international insolvency and restructuring.

THE WORLD AROUND US: GOVERNMENT

THE CHANGE

Insolvency and restructuring exists in a highly politicised environment: in an uncertain economy, it isn't long before attention is drawn to the work of the profession, and the insolvency framework is often the prism through which wider structural economic problems are viewed.

Politicians are sensitive to public perceptions of insolvency and restructuring, and will react to – and influence – changes in the levels of public trust in the profession.

Working with political stakeholders is vital if the profession is to ensure that external proposals for reform do not cause damage to the wider economy and the businesses and individuals with whom our members work. Cooperation is vital if the profession's own proposals for reform are to be turned into legislation.

Government plays a unique role in the UK framework, acting as policymaker, regulator (of regulators), and practitioner. How the Government balances these roles will have a large impact on the wider insolvency and restructuring landscape.

IMPACT FOR R3 & OUR MEMBERS

The insolvency and restructuring profession needs a united voice to ensure its work and value are understood and appreciated by key stakeholders, including legislators and policymakers.

R3 is that voice. We help the profession to get its message across, and we help it to influence the world around it.

R3 is a trusted source of technical help and policy expertise, and should always be the first port of call for politicians and stakeholders looking to work constructively with the profession – and vice versa. These relationships must be ongoing, and R3 must be proactive in influencing policy and government thinking, as well as reactive. Influencing policy and change isn't simply limited to responding to consultations.

R3 must also be a voice on finding the right balance between public and private sector provision of restructuring and insolvency services. We should help ensure the UK economy always benefits from a professional, commercially-aware, efficient and accountable insolvency profession.

Promoting and defending our profession and framework is more important now than ever.

THE WORLD AROUND US:
LAW AND REGULATION

THE CHANGE

Insolvency is a highly regulated and complex area, with strong emphasis on personal liability of insolvency office-holders. Compliance failures can end careers.

Keeping up with legislative and regulatory changes is a challenge, regardless of a practice's size or its particular specialism. All members of the profession are part of an increasingly complex regulatory environment, not limited to insolvency and restructuring regulation. When providing advice or acting as office-holders, the profession must be familiar, and comply, with a multitude of other areas of legislation and regulation, covering health and safety, employment, money laundering, the environment, and more.

Political and social expectations underpinning the restructuring and insolvency framework are shifting, too. Although the UK has traditionally had a 'creditor-focused' insolvency framework, there is an increased awareness of, and focus on, the vulnerabilities and needs of businesses and individuals in debt. It's not uncommon to hear questions about how the insolvency and restructuring framework balances the needs of creditors with those in debt and other stakeholders. There is a particular focus on transparency and fairness.

With the restructuring and insolvency profession holding a unique responsibility for finding this balance, often working in fast-moving and stressful situations, it's vital that the regulatory framework ensures standards are maintained and that work is carried out professionally and ethically.

IMPACT FOR R3 & OUR MEMBERS

To help members comply with regulation, and to work in an ethical and professional fashion, R3 must:

- provide career-long learning and technical support;
- help the profession use its voice to influence changes to legislation and regulation intended to help improve the UK's insolvency and restructuring framework;
- help policymakers understand the real-world impact of policy choices and legislation; and
- help the profession find innovative ways to adapt and thrive.

THE WORLD AROUND US:
ENVIRONMENT

THE CHANGE

Climate change and sustainability issues are having a significant impact on businesses and individuals, from higher costs and new risks, to new opportunities for innovation and revenue growth. More than ever before, environmental considerations are influencing commercial and consumer choices about where and how money is spent.

Environmental pressures will be a challenge to businesses' bottom lines in a practical sense – from more unpredictable weather to tighter resources causing increased revenue and cost volatility – and in a reputational sense, too.

IMPACT FOR R3 & OUR MEMBERS

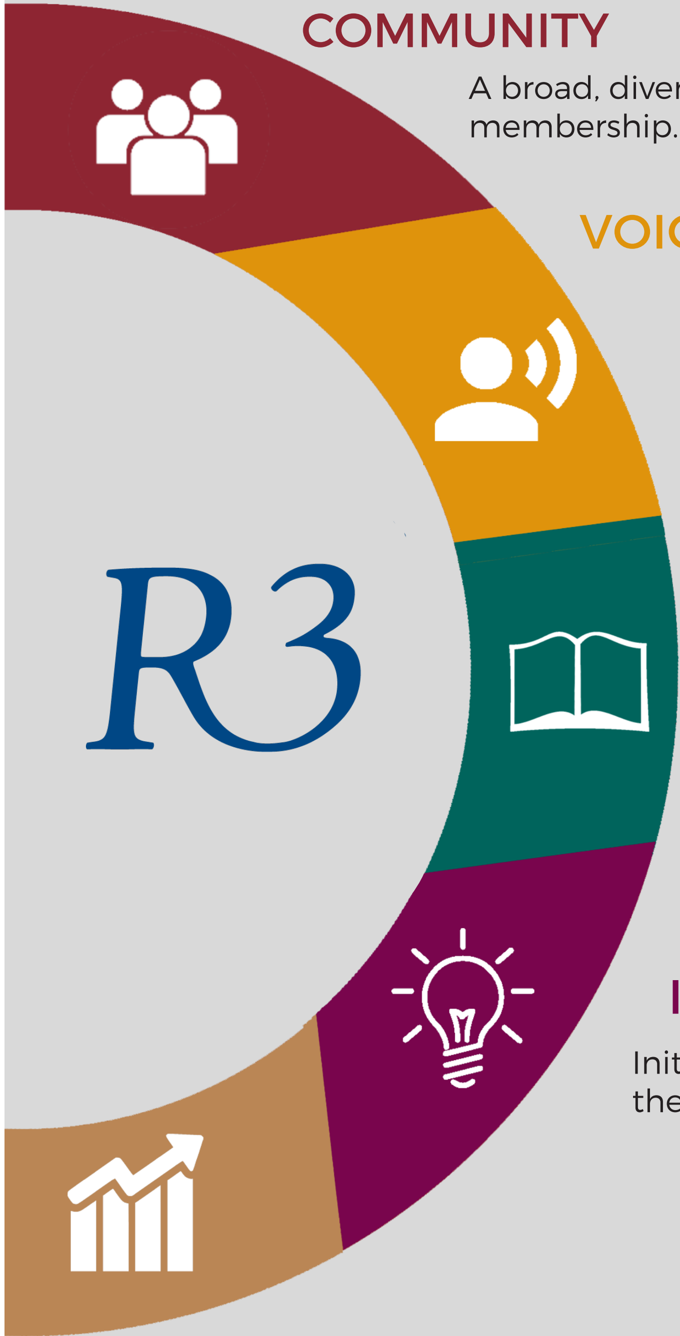
R3 will need to support members' practices and their clients as they learn to adapt to changing environments, while demonstrating that we are a sustainable, thriving organisation ourselves.

R3 can support members who are behind the curve on environmental issues. New approaches and ideas will be required to spark innovation within the profession itself, and in the advice provided to businesses and individuals to ensure environmental and climate change matters are given the priority they deserve.

OUR PLAN – KEY THEMES & ACTIONS

Our strategic plan is based on five key pillars: **community, learning, voice, innovation and insight,** and **building a thriving organisation**.

Making up each of these pillars are a series of broad themes and actions which we will use to set specific objectives for R3 to achieve over the next three years.



COMMUNITY

A broad, diverse, expanded and active membership.

VOICE

The collective voice of the insolvency and restructuring profession, actively promoting and protecting the value of our members' work.

LEARNING

Practical education and technical support, delivered by the profession for the profession, spanning the length of a member's career.

INNOVATION & INSIGHT

Initiating innovation and shaping the future of the profession.

A THRIVING ORGANISATION

Continuing the journey towards a modern, dynamic, fit for the future, and forward-thinking R3.

COMMUNITY

A broad, diverse, expanded and active membership

We will:

- Increase representation, with membership spanning all professional disciplines and stakeholder groups related to restructuring and insolvency

  Clarify and expand our membership pathways, making it easier for future generations of professionals to start their careers with R3, and making R3 membership accessible throughout a career in insolvency and restructuring

  Define our membership value clearly, ensuring professionals and their practices understand the benefits of R3 membership

  Create more opportunities for members to engage and participate, making members an even more active part of R3, ensuring R3 caters for members with specialist interests, and ensuring committee and member engagement is impactful, effective, rewarding and fun

  Build a bigger and more diverse network, including working with other professional associations, to support members' career and commercial development, putting members in touch with peers, mentors, collaborators, and clients

KEY ACTIONS

DECEMBER 2020

Develop comprehensive market intelligence analysis of the full scope and composition of the insolvency and restructuring profession

Review and, if necessary, redefine and expand R3's membership categories and the associated 'member value propositions'

Ensure that membership strategy reflects generational or experiential differences, including clear membership pathways and participation structures

Implement revised membership categories and pathways

Review and revise R3's national and regional committee networks, objectives and composition, to support the impact and effectiveness of activities

Explore and develop opportunities for collaboration and engagement with the profession's leaders and practices, and partnerships with similar organisations in the restructuring and insolvency world

Review and improve our existing suite of member events

Review and enhance the tools, channels and content we use to communicate with our community

DECEMBER 2021

Launch new specialised support groups or offerings for communities within the profession where identified

Develop and implement a Member Net Promoter Score to measure members' satisfaction with R3 services

Establish formal collaboration with similar organisations in the restructuring and insolvency world

DECEMBER 2022

Develop an engagement strategy for R3's 'alumni' network

Develop a role for R3 in promoting the restructuring and insolvency profession as a career of choice for those graduating from higher and further education establishments

VOICE

The collective voice of the insolvency and restructuring profession, actively promoting and protecting the value of our members' work

We will:

- Build a positive market, legislative and regulatory environment for our members, by promoting and defending the value and impact of our members' work, whatever their specialism
- Enhance and expand members' influence, by campaigning for progressive changes to the UK's insolvency and restructuring policy framework, and using the deep expertise of our members to shape policy which has an impact on the UK's economy and society
- Educate stakeholders and the general public, to make sure they understand and recognise the value of the restructuring and insolvency framework and profession
- Represent the UK insolvency and restructuring profession and framework, both in the UK and internationally, leveraging R3's unique knowledge and perspective of the UK's successful system

KEY ACTIONS

DECEMBER 2020

Embed restructuring and turnaround issues in R3's advocacy and influence work, alongside 'insolvency' issues

Lead content development on advocacy and influence work for the profession

Deepen relationships with strategic influencers and connections

Target and influence change agents with R3's ideas

DECEMBER 2021

Develop additional channels to enable members to be more effectively embedded in R3's advocacy and influence work, expanding their opportunities to contribute

Develop formal connections with other membership organisations in the restructuring and insolvency world, in order to drive engagement and collaboration on advocacy and influence activities

Develop new guidance documents to educate stakeholders on insolvency, restructuring and turnaround issues

DECEMBER 2022

Explore and deliver proposals for law reform to further improve the insolvency and restructuring framework

Explore formal connections and Memoranda of Understanding with other institutions, including government bodies and others, in order to support the smooth and effective functioning of the restructuring and insolvency framework

LEARNING

Practical education and technical support, delivered by the profession for the profession, spanning the length of a member's career

We will:

- Provide relevant learning and career-long support across our membership, delivered through a UK-wide rolling plan of practical, in-person or remote courses, covering developing trends, legislative and regulatory changes, key technical challenges and non-technical skills development
- Embed learning and knowledge-sharing, spanning all professional disciplines related to restructuring and insolvency
- Offer learning for all, including technical and learning support for external stakeholders and members of the public, in addition to our members
- Tailor learning opportunities, with modules and courses built around the bespoke needs of individual practices, stakeholders and practitioners
- Develop partnership learning, making sure R3 works with others to deliver high-class credible training, accreditation and qualifications

KEY ACTIONS

DECEMBER 2020

Embed restructuring and turnaround support in R3's technical and educational services

Review the value proposition of R3's technical and educational services from the perspective of different member 'constituencies'

Utilise data derived from R3's technical and educational events to drive a new learning strategy and calendar of events

Adopt a 'blank sheet' approach to the development of a new calendar of events (for 2021)

Explore the design and delivery of bespoke educational packages or modules for members' practices, government agencies, and other external organisations

DECEMBER 2021

Launch partnerships with other technical and educational service providers

Seek to work more closely with international associations to enhance UK input into international training and educational services

Explore opportunities to develop educational services for the general public and non-insolvency and restructuring stakeholders

DECEMBER 2022

Design and deliver flexible 'self-service' training and educational services, including 'modular' learning, through new channels

Develop opportunities for university-delivered or academically-accredited, distance learning

INNOVATION & INSIGHT

Initiating innovation and shaping the future of the profession

We will:

- Produce and promote fresh, insightful and market-leading research, supporting the development of the profession
- Promote increased diversity and inclusion within the profession, encouraging different perspectives and mind-sets in R3's activities and the profession as a whole to support innovative thought and progression
- Provide insight into the UK's economy and changing trends within restructuring and insolvency
- Establish R3 as a forum through which others – from academics to practices – can share and promote their own research and thought leadership work

KEY ACTIONS

DECEMBER 2020

Develop an innovation topics strategy reflecting the whole spectrum of the profession

Harness the expertise of our members by hosting innovation and insight events and policy development discussions, to obtain members' unique insights on current and future trends

Ensure R3's innovation and insight work is communicated effectively to members and non-members through various channels, including R3's new website

Establish an R3 Diversity and Inclusion framework, harnessing the diversity of perspectives and experiences within the profession

DECEMBER 2021

Establish new funding mechanisms for relevant and insightful academic research

Establish formal partnerships between the profession and academics on innovation and insight work

DECEMBER 2022

Continue development and promotion of initiatives to support the evolution of the UK restructuring and insolvency framework

A THRIVING ORGANISATION

Continuing the journey towards a modern, dynamic, fit for the future, and forward-thinking R3

We will:

- Promote R3 and our membership, with an R3 brand that reflects R3's vision and purpose
- Get the best out of our people, supporting their development and accelerating an effective and inclusive culture
- Build a smart organisation, with effective use of new technology and business processes, leveraging data and effective systems for the benefit of our members and the association
- Build for the future, by ensuring a financially sustainable association for our members and implementing appropriate risk management and governance

KEY ACTIONS

DECEMBER 2020

Review and revise R3's corporate governance structures

Modernise R3's technology to drive cost efficiencies, facilitate business processes, and improve member engagement

Develop and launch a revised marketing and brand strategy to support R3's Purpose and Vision

Review R3's strategic HR plan to ensure alignment with R3's strategy, vision and purpose, and desired culture

DECEMBER 2021

Explore new revenue sources outside of existing revenue streams

Develop data analytics capability for trends and opportunities assessments

Establish R3's agile working requirements in line with R3's HR strategy

DECEMBER 2022

Explore new operating model options for R3 business delivery

OUR VALUES

R3 is a professional organisation, with staff focused on getting the job done, achieving value for members, and acting as responsible stewards of our members' association.

We promote professionalism across our membership, helping to ensure innovation in insolvency and restructuring is accompanied by high standards.

As we work to make R3 fit for the future, and ensure that we remain a trusted organisation, we want to make clear the values which will guide us.

- We are an organisation which takes a **bold** approach to our position in the insolvency and restructuring framework, and which is ready to lead and challenge the profession and others, and prepared to drive innovation
- We are an organisation which expects **ethical** behaviour from both staff and members, and which is ready to defend and promote high standards of conduct and engender public trust
- We are a **collaborative** organisation with an engaged membership and staff, working together as a community to achieve our objectives
- We are an **inclusive** organisation which is open to all, regardless of background or personal or professional experience, and which celebrates and encourages diversity in the profession, our staff and our collective perspectives.

Association of Business Recovery Professionals

R3

Rescue
Recovery
Renewal

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