

Ian Purchas: Fast mover

Whether it's a troubled business or a snow-covered mountain, the IPA's nominee on the Financial Reporting Council deals with things quickly.

by Chris Pritchard

Ian Purchas compares trying to save a troubled business with taking a nasty lump to a doctor. "It's much the same," he says. "Expert advice is needed – urgently. Problems almost certainly won't just go away by themselves."

Purchas, 54, is adept at examining ailing businesses and delivering a speedy prognosis. As one of four principals at Sydney-based RMG Partners, he specialises in insolvency and reconstruction across a broad range of industries.

A fellow of the IPA, the affable accountant is also the Institute's nominee on the Financial Reporting Council (FRC), the peak statutory body responsible for overseeing the effectiveness of the financial reporting framework in Australia.





Name: Ian Purchas

Company: RMG Partners

Position: Principal

IPA status: FIPA

Location: Sydney

Most clients consult him as the result of referrals from solicitors or from other accountants. The most common problem: a business, typically an SME, is in difficulty. “I’ll examine the operation and its activities in detail, perhaps suggesting an insolvency arrangement or some other appropriate course of action,” explains Purchas. “If nothing looks like working, it may well be time to wind up the business.”

Thumbing through his current workload, he reveals he is currently liquidating a funeral parlour, plumbing business, butchery and floral supplier. Some eyebrows may shoot up at the inclusion of a funeral parlour on this list, but Purchas is quick to emphasise that, while “business may indeed be good, the style of management may be its undoing”. He mentions he frequently finds cash flow management to be poor.

It’s undeniable, he asserts, that Australians are holding on to their money. When people encounter unavoidable expenses, they choose the cheapest options. Key worries are general uncertainty over the economy’s direction – as well as, more specifically, concerns about interest rates and superannuation.

An SME’s directors should be quick to sound alarms if they

detect or foresee problems, he says, adding that good accountants, in turn, should try to be regarded as integral parts of a client’s business, remaining familiar with its activities. That means they should be ready to wave red flags if necessary. “Accountants should be looking at their clients as business partners and not viewing their roles as simply handling tax-related matters,” he says.

Purchas, an accountant for 30 years, graduated from the Australian National University to take his first job in the Sydney office of Arthur Andersen. But, having grown up in Young, in country New South Wales, he says he had always dreamt of returning to his home town ... “I always thought of myself as going back to a rural setting.”

His love of the outback didn’t dissipate, and he decided to take two years off and travel in country areas “to discover myself and think about what I wanted to do with my life”. Deciding his future did indeed lie in accountancy, he then joined Coopers & Lybrand (now PwC) in Sydney and spent 10 years there, building his expertise and reputation as a specialist in the insolvency area. He joined RMG Partners in 2008.

Away from the daily pressures and rigours of the office, sport plays

an important role for Purchas and his family. He’s married to former Olympian, sports broadcaster and businesswoman Jane Flemming and the couple has twin four-year-old sons, James (Jimmy) and Samuel (Sammy). “The boys are keen on anything to do with sport,” says Purchas. “I haven’t yet noticed outstanding skills in any particular sport – but I’m watching, I’m watching.”

As well as being an avid rugby union fan, Purchas often attends athletics events with Flemming. And they have discovered another sport that enables them to be active participants rather than spectators – downhill skiing. “When your wife runs faster, jumps higher and throws further than you, you’d better find something else,” laughs Purchas.

They ski frequently – in Australia and overseas – and together organise the annual Australian Accountants, Lawyers and Directors Conference, which is usually held in Aspen, Colorado. Aside from the conference’s valuable insights into business operations, there’s time for delegates to ski.

“It’s wonderful to see them getting their heads around the intricacies of business and accounting,” notes Purchas, “and then hitting the slopes as if they don’t have a care in the world.” 