

Are you prepared for the real jitters?

WE all knew that it couldn't last for ever! The recent jitters in the stock market have definitely resulted in a review of valuations and lending criteria in the UK.

The real effect so far has been small, but the banks and equity houses, whatever they say, have certainly taken this as a warning shot. All good businesses will do the same.

Review your investment plans, ensure that margins aren't being eroded and that your business model is resilient and sustainable. It may not be broken but are there any cracks that may be fatal if a downturn does hit us?



by Nik Askaroff

All the economic figures and forecasts are good, and strategies and budgets should be based on this. But you should also have your 'crisis' management plan in place just in case of problems.

Happily it looks as though we may get through this but as every good Scout knows, you should always be prepared! Are you?

● If you would like help with a business review, call Nik Askaroff on: 01323 410144 or email: nika@emcltd.co.uk

Selling your business? We'll show you how

EMC is helping business owner/directors across the South East to unlock the door to personal fortunes.

It has organised a series of programmes aimed at equipping people with the tools and knowledge to help them maximise the value of their businesses when the time comes to sell.

Free half-day seminars in Sussex and Kent will augment a far more in-depth course of paid-for learning available through The Academy, EMC's unique membership organisation for business owners.

The free seminars will be held at Brighton Racecourse on 31 October and the Hotel du Vin, Tunbridge Wells, on Wednesday 14 November.

Similar events held earlier this year at Uckfield and Maidstone were each attended by around 50 company owners keen to pick up tips on how best to plan their business exit to ensure they

reaped the full rewards for their years of hard work.

EMC chief executive Nik Askaroff said: "The feedback we received from both seminars was excellent. People obviously found the content useful. One even went so far as to suggest that attendance should be compulsory for business owners."

The Brighton and Tunbridge Wells events will replicate the formula, with

sessions on preparing a business for sale, getting the right valuation, finding the buyers, appointing the right

advisers and negotiating the deal.

In the New Year, The Academy will kick off its in-depth programme of business grooming, learning and improvement designed to appeal to the owners of businesses currently or potentially making profits of £250,000-plus and who are likely to be looking to sell within the next five years.

Some of Britain's leading entrepreneurs will be engaged to offer their expertise and advice on a group and one-to-one basis, in addition to several business owners who have already successfully negotiated the exit route, and experts from the business, legal, financial and HR fields.

- [Lift-off for The Academy – see page 6](#)
- [Join us at our Brighton or Tunbridge Wells seminars – see page 8](#)



EMC WELCOMES NEW CONSULTANTS

TWO new consultants have joined the EMC offices in Eastbourne and Maidstone. David Wells and Alastair Deards are both chartered management accountants with years of board-level experience.

● Turn to pages 6 and 7 for their full stories.

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EMC goes for double top

EMC Corporate Finance has been nominated for two prestigious prizes in the inaugural Gatwick Deals Awards organised by The Business magazine.

The company has been shortlisted in the category for the Corporate Finance Team of the Year and its Maidstone-based director Desmond High is one of three people vying for the title of Dealmaker of the Year.

EMC client Pertmaster Ltd, sold earlier this year to Primavera Systems Inc of Philadelphia, is also shortlisted for the Deal of the Year award.

The awards were due to be announced at a dinner at the Hilton London Gatwick Hotel on 17 September – just as this magazine was going to press.

Guests at the black-tie event, compered by TV personality and comedian Paul Ross, were due to decide the outcome of both the Dealmaker of the Year and Deal of the Year awards on the night via an electronic voting mechanism.



Paul Ross, compere of the Gatwick Deals Awards

Six other category winners, including the Corporate Finance Team of the Year, had been judged independently in advance and were going to be announced at the dinner.

Terry Rainback from EMC's Crawley office, said he was delighted that the firm had been nominated as one of the top corporate finance teams.

"We've had a fantastic 12 months, with many large and complex sales coming to fruition," he said. "It is

AWARDS NEWS

particularly satisfying that several of the clients whose businesses we have worked with over the past year took the trouble to nominate us for this award. That says a lot for the relationship we have built up with them."

Desmond High, who was one of the first people in the region to be awarded the Corporate Finance Diploma by the Institute of Chartered Accountants in England and Wales, remarked: "I'm delighted to have reached this stage, if only because it proves that the boutiques can be up there with the bigger firms. We are very hands on in everything we do. When EMC is appointed to handle a sale, the senior personnel are involved from beginning to end."

● If you want to find out how we got on at the awards, visit our website at: www.emcltd.co.uk

SPONSORSHIP IS EXTENDED UNTIL 2009

EMC is to sponsor one of the most prestigious awards in the corporate finance calendar for a further two years.

The company, the South East's leading interim management and corporate finance boutique, sponsored the Deal of the Year category in this year's inaugural M&A Awards.

It has now agreed to extend its support until 2009.

Nik Askaroff, EMC chief executive, said: "We were very pleased with the format and organisation of the awards in their first year. It was refreshing to see the mid-market players get their day in the sun.



"We're so used to seeing these sort of events dominated by the giant corporates, big professional practices and private equity houses. M&A's initiative was a breath of fresh air and we're delighted to join them in helping the awards to grow bigger and better still."

Already the decision has been taken to move the 2008 awards ceremony from London's Intercontinental Hotel to The Hilton in Park Lane to accommodate the extra demand for places. More than 600 CEOs, MDs, FDs, advisers, financiers and venture capitalists will attend the dinner on 21 February 2008.

EMC is an interim management and corporate finance consultancy, providing operational support to companies at a practical level across all aspects of business management.

WHERE TO FIND US

Eastbourne

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Website: www.emcltd.co.uk E-mail: contact@emcltd.co.uk

We are always looking for growth businesses as the market has funds to invest and we also have access to private investors who are actively looking for investments.

FURTHER INFORMATION

If you would like to receive additional copies or back copies of this newsletter, or would like to discuss any aspect of your business with us, please contact your nearest EMC office.

Cash is King - whatever your circumstances

THE old adage that 'Cash is King' is equally relevant whether your business is expanding or contracting. Companies often fail when they are making profits and chasing new opportunities. A firm handle needs to be kept on cash as well as forecasts of working capital requirements, writes David Wells.

EMC recently undertook a cash flow and bank facility review for long-standing client Eurotrucks. This followed the company's decision to expand its successful operations and open a new site for the selling and servicing of new and used Volkswagen commercial vehicles in Crawley.

This will almost double the group's turnover and the Eurotrucks board was rightly concerned that the appropriate level of funding was in place.

EMC also has the experience and expertise to advise on the cash requirements for company restructurings and reorganisations. Maximising the value of the balance sheet in order to secure innovative lending facilities is particularly important in the delivery of corporate recovery projects.

I'M constantly surprised by the number of companies that wear blinkers when it comes to doing business internationally. Overseas sales are too often seen as a nice little bonus when they arrive out of the blue rather than something to be actively sought.

Why is this? Fear of the unknown certainly has something to do with it. Questions such as 'how?', 'who?', 'at what cost?' and 'will anyone want to buy what we sell?' inevitably go through the minds of those who haven't yet dipped their toes into export waters.

But with the right expertise, effort and commitment, international markets can provide significant and sustained business, whether you are selling a product or a service.

Only a few months ago, we helped a client in the insurance sector break into their first international market. A contract signed with two of the country's largest insurers will result in turnover in Year 1 of £500,000, rising to £1.1 million in Year 2 and £1.5 million in Year 3. Not bad considering that 18 months



Nick Busby with wife Bren (centre), the company's designer, and Charlotte who looks after the orders

Let us unlock your international sales

ago, they didn't even know there was a market there for them.

Developing overseas sales needn't be expensive. If you are fully committed and do things properly, sales generated in the first two years will easily cover the start-up costs and earn you a

healthy profit. After that you can enjoy the full long-term, bottom-line benefits.

Even if you are already exporting, a fresh pair of eyes and new skills can help to develop the business.

Nick Busby, MD of Dorset-based furnishing fabrics firm Busby & Busby, was initially

sceptical when I first suggested I could help him to develop his company's export markets which had been rather neglected over recent years. But once I had explained the costs versus benefits equation, he was happy to go ahead.

Ten months on, Busby & Busby has added four thriving export markets – Spain, Greece, Germany and Poland – as well as new accounts in Sussex and Kent which are bringing in additional UK revenue. The sales generated in the first and second years will return a very healthy profit

for the company which can now look forward to a number of years of growth.

Naturally, Nick is delighted. He said: "Simon has brought a new focus to

our exports. Critically, he understood our design and marketing philosophy from the word go. It's an enjoyable relationship and we have great hopes for future success."



by **Simon Partridge**



● If you would like help in finding and developing new overseas markets, or refreshing existing ones, please contact Simon Partridge on 07830 296021 or email: simonp@emcltd.co.uk

YOUR EMC TEAM



Nik Askaroff



Alastair Deards



Julie Foster



Desmond High



Crispian McCredie

Terry helps UK Biometrics to franchise success

WORKING with businesses at the leading edge of technology is second nature to EMC and biometrics is right out there at the front of recent advancements in security and access control.

More commonly associated with James Bond and science fiction films, biometric technologies are now coming of age, with fingerprint recognition leading the way in affordable high-tech solutions.

The biometrics market is predicted to grow over the next few years in the same way that PCs and mobile phones grew in the '80s and '90s with people becoming increasingly familiar with them as they infiltrate the workplace and everyday life.

UK Biometrics is one of the leading companies in this sector, providing a range of award-winning products including door locks, access control systems, attendance monitoring and membership systems. It is already seeing the early signs of the predicted growth.

UKB recognised that it needed to deploy a nationwide sales force quickly in order to be ready to respond to the predicted growth. The company decided to use a franchise model to achieve this and a special purpose vehicle, UK Biometric Franchise Ltd, was established last year to provide an innovative approach to building the national sales network.

Working with EMC's Terry Rainback, UKBF has developed a franchise model that provides franchisees with an exciting business



opportunity unlike any other on the market. It targets franchisees who want to build a high growth business for themselves.

Barry Clayton, MD of UKBF, was passionate about providing franchisees with a real business opportunity, not just another lifestyle brand operation.

He said: "Our franchise business needed to be as innovative as the products and technology that we sell. I already had a clear idea of what we wanted to do, and



Above: UKBF's stand at the Franchise Exhibition in Birmingham

Left: Barry Clayton, MD of UKBF (left) with EMC's Terry Rainback

This, combined with the marketing campaign, has helped it to sell its first 10 franchises within just 10 months of the launch.

Terry Rainback commented: "Right from the start it was impossible not to be impressed with the range of products that UKB has available and just how far ahead of traditional technology they are. The company uses the strapline 'Your finger is the Key' which is more than just a clever play on words – your finger literally is the key and users need never worry again about losing a swipe card or key, or forgetting a password."

Barry added: "Terry has been able to help us develop and implement our plans, as well as

working with Terry from an early stage helped us to come up with exactly the package we were looking for. The outcome has given me the clear strategy I needed to create the network of 28 franchise regions across the UK."

A targeted marketing campaign was launched at the National Franchise Exhibition in October 2006, where the exhibition stand displayed the company's fingerprint products and systems. UKBF has a unique offering and always stands out from the crowd.



Stephen Milton



Simon Partridge



Michael Pay



Terry Rainback



David Smith



Martin Stanton



David Wells



PART-TIMERS

THE role of the Finance Director has changed dramatically in recent years.

Not so long ago the role was very much process and transaction driven, concerned mainly with the production of historic figures, preparing budgets and cash collection.

Now, especially in SMEs, the role has broadened considerably to also take in the strategic and commercial aspects of the business. This leads to far more emphasis being placed on commercial and cash flow forecasting rather than reporting on historic numbers.

The traditional role must not be neglected however. The Finance Director has a fundamental responsibility to keep on top of the day-to-day accounting and maintain the integrity of the accounts.

This change of emphasis requires additional skills. The modern day FD needs to be versed in communication and overall management techniques, as well as having the ability to manage relationships throughout the business. These are all now of equal importance to the technical skills.

The FD who possesses these all-round skills is much in demand these days – good news for them, but bad news for many SMEs who struggle to keep up with the larger corporates in a buoyant job market with rising salary packages.

That's why many small and medium sized businesses are turning to firms like EMC to provide them with a multi-skilled FD service on a part-time basis. Typically this will involve an

But FDs with all-round skills can help SMEs to keep up with the big boys

input of one day a week, although this can be tailored to meet the client's needs.

That's how I came to work with Anthony Saunders, Managing Director of ParaRail Limited, one of the leading rail infrastructure companies in the South East.

I'll let Anthony explain how the system works for him. He said: "David is a valued confidante and an independent and objective sounding board. In addition

by David Smith

to his undoubted financial acumen and experience of other business sectors, he brings invaluable commercial and strategic planning skills to the business.

"The fact that I can obtain these skills on a part-time and flexible basis is invaluable to me as a business owner. We are currently implementing a strategic plan to expand our capabilities into the general construction, refurbishment and refit and maintenance markets in Kent, and David has an active role in formulating this strategy.

"Relationship management and communication skills are vital in a business such as ours, and David is very strong in these areas."

Kind words – always welcome from a client! However, the service any part-time FD is able to

provide is only ever as good as the relationship that is built up between him or her and the in-house accountant or book keeper.

As part-timers, we rely to a certain extent on the in-house person to look after the day-to-day accounts as well as to produce the monthly management accounts up to draft level. A key part of what we do is to provide the enhancements over and above the in-house accountant's or book keeper's own skills and capabilities.

The role of the part-time FD who possesses all-round skills is certain to become more important as SMEs struggle to match the packages being offered to similarly qualified people by the larger corporations. It provides them with a flexible, affordable and cost-effective solution.

● **David Smith specialises in providing FD services on a part-time or interim basis. Contact him on 07905 526896 or email: davids@emcltd.co.uk**

helping to deal with the variety of issues that we faced – and even headed off a few before they hit us. But the job does not stop there. Guiding us through the ongoing development of the franchise business and helping us with business training for franchisees will be essential and I am delighted to have Terry as a part of the team."

UK Biometrics is not a company to stand still – it can't afford to if it wants to stay ahead of the field. By giving UKBF its own clear focus to develop the franchise network and getting outside help, the main company has been able to carry on with the development of new products without major distraction. As a result, a new time and attendance system and a specialist system for the schools market will both be launched on time later this year.



David (left) with Anthony Saunders

LIFT-OFF FOR THE ACADEMY

A UNIQUE facility designed to equip business owner/directors with the tools and knowledge to maximise the sale value of their companies has been launched by EMC Corporate Finance in Maidstone.

The Academy is the brainchild of EMC directors Desmond High and Martin Stanton.

Starting in the New Year, a ten-month programme of seminars, clinics, group discussions and one-to-one advice sessions will give business owners an in-depth insight into the steps they need to take in order to plot a successful exit route.

The Academy will call on the services of well-known entrepreneurs, national business personalities and leading professional advisers to provide members with group and individual advice.

Desmond High explained: "Too many business owners fail to prepare adequately for the sale of their

business. Most have never sold a company before and consequently lack the necessary experience and know-how to maximise the final price.

"Key competencies include the ability to reduce dependency on a small number of staff, customers or suppliers; to appreciate the needs of buyers; to be clear on the personal objectives; to make best use of advisers at the right time; and to understand the optimum timeline for a sale.

"Joining The Academy will equip them with the tools and knowledge they will need to maximise the business's value when they decide the time is right to sell or a potential purchaser comes knocking at their door."

The Academy is designed to appeal to the owners of businesses currently or potentially making profits of £250,000-plus and who are likely to be looking to sell within the next five years.

The £5,000 a year cost of membership can be more than offset by generous fee discounts negotiated with leading firms of lawyers, tax accountants, HR professionals, pension planners and so on.

● **To find out more about The Academy, call Desmond High on 07976 426547 or email: academy@emcltd.co.uk**

The Academy's programme will cover topics such as:

- Business grooming
- Understanding what buyers are looking for
- Finding buyers
- Increasing the value of your business
- Raising your business's profile
- Reducing customer/supplier dependency
- Staff retention and motivation
- Building the bottom line
- The legal issues involved in selling
- Due diligence
- Reconciling shareholders' individual interests
- Tax planning
- Post-sale financial planning
- Earnouts

David joins the Eastbourne team

CHARTERED Management Accountant David Wells has joined EMC's team at the Eastbourne office.

David has 15 years senior-level experience of delivering buy and build, change management and turnaround agendas for a number of companies in the UK, Europe and North America.

Most recently he led a corporate recovery project at the Greenman Group plc which included transferring all production from the UK to Bulgaria and restructuring the group's debt. Earlier this year, the group was broken up and sold to trade buyers.

EMC chief executive Nik Askaroff

said: "We are delighted to welcome someone of David's experience and calibre to the firm. He has worked extensively at boardroom level across many different sectors and has a superb track record of delivering quality results even in the most unpromising circumstances.

"He is a terrific addition to our team and will be able to offer our clients valuable expertise across a wide range of disciplines."

David, aged 42, lives in Eastbourne and outside work enjoys tennis and golf. He is a Board member of a European-wide Christian charity.



MOST companies operate under the management or influence of a board of directors and/or shareholders. But like any team, it's made up of a collection of individuals, each of whom is likely to have their own ideas and agenda concerning matters such as the direction the company should be taking, the best way to grow the business, their personal requirements for lifestyle and financial satisfaction and their eventual exit route.

Unless these matters are discussed in detail, and some consensus reached, the likelihood is that both staff and customers will receive mixed messages to the detriment of the business as a whole.

The Meeting

A Corporate Vision Meeting (CVM) gives the key stakeholders in the business the opportunity to express openly and honestly their vision for the company from their personal perspectives.

By discussing individual issues and having a better understanding of colleagues' motivations, a truly corporate vision can be created, with a strategic plan to move the business forward.

Inevitably, a CVM will often result in strong disagreements, both in personal and business areas. However, it is vital that these are worked through to a mutually acceptable outcome.

by Martin Stanton

In the first instance, each person should be invited to detail the topics that are important to them personally for discussion at the meeting.

Logistics

The CVM should be held away from the office and, depending on the level of agreement, last from half a day to a full day. If there is severe disagreement, a follow-up day may be necessary.

An experienced, objective facilitator who knows neither the company nor the individuals should be invited to manage the session. Those present will be expected to be honest, but not to carry forward any bad feelings or allow them to influence normal working practices and relationships.

The Topics

The input for the meeting will be the needs, viewpoints and expectations of each individual in the group. The output will be a corporate vision statement, a route map to get there, and an outline strategic plan.

The session is likely to start with exploration of how well each member knows his/her colleagues

with regard to personal and professional issues, and individual aspirations. It can then move on to how they interact in the workplace, the challenges they experience within the business and, ultimately, to the creation of a vision and plan that satisfies each of their needs.

Summary

In the development of a business, priorities change; and with growth, the need for change becomes unavoidable. Without strategic planning, the company can become stretched in many directions, and without consensus and understanding within the senior management team, these stresses can pull the company apart.

As growth and change occurs, business managers will frequently experience the process of 'Form – Storm – Reform', with the personal interfaces adjusting each time. The CVM sets the secure backdrop to allow this to happen in a controlled and managed manner.

Without it, fear becomes a driver as staff can only see strife and disagreement within the senior management team. With fear as a part of the culture, the business itself will stall and may ultimately fail.

● **If you want an experienced facilitator to help with your CVM, call Martin Stanton on 07980 012382 or email: martins@emcltd.co.uk**

**DON'T LET
BOARDROOM
DIFFERENCES
BLOW YOU
OFF COURSE**



Our new man in MAIDSTONE

EMC's team at Maidstone has been boosted by the arrival of highly experienced management accountant Alastair Deards.

He has more than 20 years senior level experience working within both large blue-chip companies and SMEs, most recently with print giant St Ives at Crayford where he headed a seven-strong in-house finance team.

Over the course of a career which started in 1978 when he joined Standard Telephones & Cables as a financial analyst, Alastair has held several senior management positions including European finance manager with a leading international pharmaceuticals company, finance director with an engineering business, director of financial planning with a PLC in the IT industry and finance controller with a contracting company in the construction industry.

EMC Maidstone director Desmond High said: "We and our clients are very fortunate to have someone with Alastair's depth and breadth of experience to call upon.

"This is his first consultancy role, but everything that he has done in the past would seem to have been leading him to this point where he now feels that he can use his great experience across a range of industries to benefit smaller companies that might not otherwise be able to access such knowledge."

Alastair, a long-time Fellow of the Institute of Chartered Management Accountants said: "EMC has a fantastic reputation as one of the South East's leading interim management and corporate finance houses, so I am delighted to now be part of a very strong, hands-on team."



Planning for succession or thinking of selling your business in the next few years?

Let us tell you how to exit with the maximum amount of value and the least amount of stress

Join us for a **Free** half day seminar

BRIGHTON Racecourse
31 October
~●~
TUNBRIDGE WELLS Hotel du Vin
14 November

Since our formation in 1989, we have helped more than 200 private business owners to reap the maximum reward from their years of hard work once they've made the decision to exit.

Many have become multi-millionaires as a result.

Now we want to let you know what to do to ensure that you get the best possible price for your business when you decide to sell it.

Our **FREE** seminars will take you through the various stages of the sale process including:

- Preparing your business for sale
- Getting the right valuation
- Finding the buyers
- Appointing the right advisors
- Negotiating and concluding the deal

We will also be joined by previous clients who will be able to relate how we helped them sell their businesses. And Jonathan Perham of Coutts Bank will explain how you can use the sale proceeds to enrich your life.

You usually only get one shot at successfully selling a business you've built up. You owe it to yourself to make sure you get it right.

Timings

- 08.30 – 09.15: Registration & Breakfast
- 09.15 – 10.30: Seminar (1st session)
- 10.30 – 10.50: Coffee, Tea & Biscuits Break
- 10.50 – 11.50: Seminar (2nd session)
- 11.50 – 12 noon: Conclusion

HOW TO RESERVE YOUR PLACE

There are various ways that you can enrol for our free seminars:

- By email to julief@emcltd.co.uk with the information required below
- By phone to Julie Foster on 01323 410144
- Completing the following form and faxing it to Julie on 01323 410909 or posting it to:
EMC Corporate Finance Ltd, 49 Gildredge Road, Eastbourne, East Sussex BN21 4RY

I would like to attend the seminar at:

BRIGHTON Racecourse on 31 October

TUNBRIDGE WELLS Hotel du Vin on 14 November

Delegate 1:

Position:

Delegate 2:

Position:

Delegate 3:

Position:

Company Name:

Address:

Postcode:

Tel: Fax: Email:

N.B. All correspondence will be marked 'Private & Confidential'