

SME corporate sector continues to prosper

By Nik Askaroff

Six months into 2013 and I guess that our worst fears about the EU imploding and the UK entering into a triple dip recession have been mostly allayed.

The SME sector in the South East has done what it does best – continued to survive and, in some cases, even prosper despite a lack of global growth and no support from working capital or risk funding from the banking sector.

Most of us are working harder for less, but at least there are orders coming in and activity out there. Even construction is seeing some margin coming back into contracts as everybody accepts that it could not go on as it was.

On the M&A side, it has been a very tough start to the year with total deal volume down 14% compared to the start of 2012, and transactions taking longer with a greater chance of abort.

Happily, the Private Equity sector continues to be robust whilst at the same time pushing down valuations. There were 156 reported deals in the South East representing a 21% decline on 2012, although EMC's own activity was up by 18% as, interestingly, small deals dropped in the first quarter to 29 and value fell 12% to £113m.

The outlook appears slightly more confident on both the trading and transaction fronts, although this is very split between those with and without funding worries. If you haven't got the resources or funding in place, you will have a major challenge.

Most of the banking initiatives are focused on asset funding whether against debtors (readily available) or property (at lower loan to values) and there is still a massive lack of options for businesses looking for risk or working capital finance of between £20k and £500k.

Our advice for the rest of the year is clear. Run the numbers and make sure you have adequate funding in place. Focus on not only quantity but, more importantly, the quality of your activity. A busy fool wins few admirers!

Most importantly of all, share your concerns and take advice where you aren't sure. Support and investment is available, but you need to take action early.



Family get the X Factor treatment

Charlotte Whittington and her family were the lucky winners of tickets to the recent X Factor concert in Brighton in a charity competition organised by EMC. They are pictured backstage at the Brighton Centre with 2012 X Factor winner James Arthur and Abigail Owen of Rawlison Butler (far left) who presented the family with their prize on behalf of EMC.



Nik Askaroff, EMC CEO and Ian Fletcher-Price, Posturite CEO, congratulate Anthony Nelson on the sale of his company MIG. They are pictured at a recent Posturite strategy day.



EMC Corporate Finance has been appointed to act for luxury designer lingerie firm Fox & Rose and video production company SeeThat on their Enterprise Investment Scheme (EIS) fundraising. If you are a private investor looking for EIS or SEIS (Seed Enterprise Investment Scheme) funding opportunities please contact Anthony Ross on 01273 945984 or email anthony.ross@emcltd.co.uk

Meet the team



Nik Askaroff



Peter Aves



Giselle Barrowcliffe



Julian Clay



Jon Green



Desmond High



Crispian McCredie



Stephen Milton



Andrew Munro



Rod Muir



John Packer



Michael Pay



Terry Rainback



Simon Robbins



Anthony Ross



Alasdair Smith



Ryan Smith



Martin Stanton



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EMC backs Julian's new book on sales strategy

If you are a business owner, a director or you manage a sales team, a new book by EMC Sales Academy director Julian Clay will help you to understand and deal with the issues and tasks which affect a sales operation.

'Sales Strategy for Business Growth' has been co-authored by Julian and his brother Martin Clay and published by Thorogood Publishing in association with EMC. It is available in paperback, price £14.99, from all good book shops and as an e-book from online retailers such as Amazon and The Book Depository at £9.49 (ex-VAT). It can also be bought direct from the publisher at <http://www.thorogoodpublishing.co.uk/business/details/sales-strategy-for-business-growth>

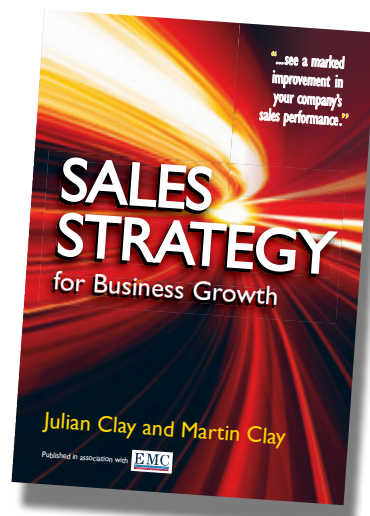
It's Julian's third book on the subject of sales. The previous two – 'The Sales Manager's Desktop Guide' and 'Successful Selling Solutions' – were both highly acclaimed, with the second being reprinted in three different languages including Mandarin. He said: "The new book will help the key players in any company, large or small, to get the best out of their sales operation and maximise every selling opportunity – something never more necessary than in today's difficult economic conditions."

"The book uses practical examples to underpin how to develop the best possible strategy and covers the essential topics that companies need to address so that their plans to achieve sales growth can be implemented successfully."

A further EMC book is due out later this year. 'The Mobile Boardroom' has been compiled by EMC's own experts and will offer advice and information on a number of business change issues including business acquisitions and disposals, raising capital, people management, business and strategic planning, post-acquisition management, information and communications technology, and sales.

Kevin bolsters our 'mobile boardroom'

Kevin Wheelhouse, an experienced managing director who spent 10 years running his own manufacturing businesses before selling it to an American multinational in 2012, is the latest recruit to EMC's 'mobile boardroom of business professionals. Kevin bought Worthing-based Applied Kilovolts Ltd in March 2003 and built it up to become a world leader in the design and production of high voltage power supplies. Much of his earlier career had been spent in finance director and general manager roles with various businesses within the giant ITT Corporation. Working out of our Hove office, Kevin provides SMEs across the region with professional financial management either on an interim basis, as a part-time member of the senior management team, or as an ad hoc, project-based adviser.



Expert support in uncertain times

by Andrew Munro

INTRODUCING the Bank of England Inflation Report earlier this year, Mervyn King said that there was cause for optimism and that a recovery was in sight. But it didn't take long for his confidence to be pricked. Just a few days later, accountants BDO produced their Optimism Index which showed business confidence to be at its lowest level since the report began 21 years ago.

Only time will tell who got it right. What remains certain, however, is that businesses of all sizes and in all sectors will continue to face numerous challenges throughout 2013. Experienced external temporary support is frequently a cost-effective solution to overcoming such challenges.

The temporary addition of an experienced professional to the existing management team can add real value to a business in many ways. Typical examples are:

- **Specialist Skills** – which are sometimes needed to overcome a particular problem, for example to improve sales or financial performance.
- **Project Management** – to strengthen the management team temporarily so that day-to-day business doesn't suffer during the implementation of a major project.
- **Change Management** – to manage the staffing, financial, infrastructure and cultural aspects of significant organisational change.
- **Executive Gap** – to fill a temporary vacancy in the senior management team caused by resignation, illness or maternity leave.
- **Turnaround** – where expert skills are needed to return a business to profitability.

EMC's team of senior professionals have extensive hands-on experience of running both large and small businesses, and can provide the expert support needed to help you through these and many other business challenges.

Their experience and technical expertise allow them to integrate rapidly with the management team and gain the trust of people across the organisation. They are committed, results-focused professionals able to combine a strategic overview with the ability to deliver in practice.

A helping hand from our Growth Accelerator coaches

EMC Consultants have now been registered and approved as Growth Accelerator coaches.

The Growth Accelerator scheme matches proven business experts with small and medium sized businesses that have the potential for high growth.

It is part government funded with the company making a contribution according to its size. Businesses employing up to four people would pay £600; those employing five to 49 people £1,500; and those with staffing levels between 50 and 249, £3,000.

In return for this investment the company will receive a bespoke plan of support to overcome its barriers to growth. This package could include up to seven days of Growth Accelerator coach support.

In addition, businesses can also access funding to help build the personal leadership skills of the owners and managers of the business.

To be eligible, businesses must have fewer than 250 employees and a turnover of less than £40m.

Please contact us to learn more about how our Growth Accelerator coaches might be able to help you

Growth Accelerator

Golfers make up for rugby's disappointment

England's rugby players may have been unsuccessful in their quest to win the 6 Nations Grand Slam in Cardiff, but our golfers restored some English pride by winning a Wales v England match for rugby fans at Celtic Manor, Newport. The victorious team, pictured here, featured (left to right) Steven Yorke (CEO, Prime London Capital), Ian Fletcher-Price (CEO, Posturite Ltd), and EMC CEO Nik Askaroff.



EMC...3

Busy year for EMC Corporate Finance

It has been a hectic 12 months for EMC Corporate Finance, with transactions well in excess of £50m having been completed. These included the raising of capital and project management of Brighton's new Montefiore Hospital – one of the area's largest inward investment projects of the year.

Other deals have included:

[The sale of insurance and mortgage broking firm Seico to Aston Scott Ltd.](#)
The raising of start-up/development capital for DevAssist Ltd, a niche property conveyancing search company.
[The merger of G Collier Ltd and AF Webb Ltd to form Collier Webb Ltd, a high quality metalwork, lighting and furniture manufacturer.](#)

The sale of health & safety solutions specialist Safesite Ltd to Kee Safety Ltd.
[The raising of seed capital for financial services firm Fast Capital Ltd.](#)
The £2m acquisition of Abtec Ltd by the Focus Group.
[The raising of equity for food procurement company Sorsco.](#)
The sale of MediRite Ltd to medical supplies specialist Wightman and Parrish Ltd.
[The raising of funds for Britain's leading air conditioning ductwork supplier Hotchkiss Ltd.](#)
The sale of children's book publisher Picthall & Gunzi to Award Publications Ltd.
[The sale of Pasante Group's disposable glove division to Wightman & Parrish.](#)

Deal that fits like a glove

Pasante Healthcare's disposable and reusable glove division has been sold to Hailsham-based Wightman & Parrish in a deal arranged with the help of EMC Corporate Finance.

Established just five years ago, the Pasante glove division has been a flourishing and integral part of the company's portfolio of healthcare products. However, the Pasante Group's healthcare strategy for the future is focusing more and more on its other core strengths and products such as those in the sexual health sector. As a result, the directors believed that the glove business would be better able to reach its full potential as part of a broader healthcare and hygiene operation where gloves received the attention and focus they deserved. The glove operations are now being integrated with W&P's own disposable and reusable glove lines.

EMC was originally mandated by Lancing-based Pasante to indentify suitable buyers, and Terry Rainback subsequently worked closely with the company's directors to assist with the negotiation and closing of the transaction.

Dominic Boon, Finance Director at Pasante said: "We have now worked with EMC on three such deals and it is probably true to say that we can't envisage how we would find our way through the web that always exists without their help."

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EMC's Terry Rainback (left) with Dominic Boon of Pasante

EMC opens a new chapter for book publisher

EMC Corporate Finance has completed the sale of Bromley-based children's book publisher Picthall and Gunzi to Award Publications of Nottingham for an undisclosed figure.

Picthall and Gunzi has a catalogue of more than 320 titles suitable for babies from three months to children up to the age of eight. The company's directors, Chez Picthall and Christiane Gunzi, will work with

Award to continue to develop the range.

EMC Corporate Finance's Alasdair Smith said: "We completed the deal within a fairly short timescale which suited everyone. Chez and Christiane have since told us how pleased they are with the outcome, saying that we performed a 'minor miracle' by selling successfully in a very difficult market."

Alasdair was also thanked by Anna Wilkinson, Managing Director of Award Publications who told him how much she appreciated his "patience and good natured resolve" throughout the process.

Confidence continues to return...and so do the opportunities

By Terry Rainback

Not a month goes by now without small signs that things are steadily improving. Even more reason, therefore, not to ignore these signs and potentially run the risk of being left behind.

We've all become so familiar with, and distracted by, the relentless stream of negative news that the positive signs, when they appear, can be easily overlooked. Missing out when change starts

to happen would be a cruel blow after enduring and surviving some of the toughest economic times in living memory.

The recent Capital Confidence Barometer undertaken by Ernst & Young offers encouragement to UK and global business managers thinking about growth and development in these challenging times. The results reflect the views of nearly 1,600 business executives surveyed this year.

Among the key findings were:

- 51% think the global economy is improving, up from 22% six months ago**
- 52% of companies are focused on growth, up from 41% in October 2012



EMC completed successful fundraising for Sorsco Ltd. The company, led by Richard Small and Nigel Draper, specialises in food procurement and strategic support for clients whose spend across a wide range of national, regional and local suppliers is around £350m.



EMC advised and assisted DevAssist Ltd with its Seed Enterprise Investment Scheme (SEIS) fundraising. MD Paul Addison said: "We couldn't have done this without EMC's support and handholding. They did a fantastic job."

DevAssist's unique search reports are used by solicitors and conveyancing professionals throughout the UK to alert their property-buying clients to any potential threats or opportunities the property could face from future nearby development.

49% view credit availability as improving
72% expect global M&A volumes to improve: 29% expect to do a deal in the next 12 months
44% expect valuations to rise in the next 12 months
Although these are global indicators, local markets are showing similar trends.

EMC has already seen an upturn in M&A activity this year, reflecting some of the key findings of the Ernst & Young research.

Opportunities for corporate buyers and sellers will arise in 2013 that have not been available or possible in recent years. Act early. By talking to EMC about your plans sooner rather than later, you could gain the advantage you need.

More FREE seminars on the way

EMC is to host another series of free breakfast seminars this autumn following the success of those held earlier this year.

February's seminars drew a large and appreciative audiences to the county cricket grounds in Hove and Canterbury. The autumn events will cover similar themes.

- Already lined up for Hove are:
- Tuesday 1 October
- Using IT to grow your business
- Wednesday 2 October
- Growing Your Sales
- Thursday 3 October
- Buying and Selling a Business



Using technology to boost growth

EMC has formed a specialist team to help companies use information and communications technology to boost growth.

Leading the team are three people with extensive experience of integrating technology strategy with overall business strategy as well as carrying out the design, installation and implementation of IT systems.

Steve Milton has had years of experience of implementing IT projects. He offers a safe pair of hands that can combine the strategic commercial vision with the people skills and the mastery of technical detail necessary to deliver these projects.

Jon Green is an IT director with 15 years experience in delivering strategic IT management with a clear business focus. He ensures that IT provision is driven by and aligned with business need rather than

Some or all of these events will also be repeated in Kent. Dates and venues will be announced in the summer.

Nik Askaroff, EMC's CEO said: "We were delighted by the turnout we got for each of our earlier seminars and the extremely positive comments we have subsequently received about them.

"Many businesses are finding it tough going at the moment so are keen to find out how they might be able to do things better or differently in order to keep things moving forward. "Our sales seminar offers them plenty of fresh ideas that can be implemented

immediately to help grow their order books. Similarly, those attending our seminar on buying and selling a business are able to see how careful research and planning can radically improve the chances of a successful outcome.

"Each individual presentation is short, sharp and to the point, delivered by experienced business people who have been there, seen it, done it in businesses small, medium and large. In less than two hours, delegates are able to glean a lot of useful advice and information."

A video of the positive feedback we received from delegates to our February events can be viewed by visiting our website.

being an end in itself – or, as he puts it, "IT without the geek factor".

Simon Robbins has carried out consultancy work with more than 60 IT businesses and has first-hand experience of designing and operating an IT system for 50 staff spread over offices in four countries, with remote access for home workers.

Jon Green said: "Information and Communications Technology is providing golden opportunities for companies to rethink their operations and utilise the latest innovations to increase productivity and boost growth. Those who do not address this issue run the very real risk of becoming sidelined by nimbler competitors or new entrants."

The Technology Team's services include developing IT strategy and the accompanying implementation plan; IT audits; business process reviews and recommending how IT can improve productivity by studying work flows; cost-benefit analysis on IT investment; benchmarking against best-in-class; interim IT Director; and project management.

Julian has his foot on the growth accelerator at Eastbourne Car Auctions

EMC's Julian Clay has been appointed by Eastbourne Car Auctions to the new post of Director of Sales.



Free seminar will explore the IT challenges

The increase in computing power, data handling and communications has already impacted on every aspect of business. And the changes will keep on coming.

Addressing how to keep up with these changes and take advantage of the opportunities they create is a major business challenge, made more difficult by the chasm of language and culture that exists between the experts in business and technology.

These challenges will be explored and explained at a breakfast seminar organised by EMC's specialist IT unit and held at the Eastbourne head office of solicitors Gaby Hardwicke on Tuesday 11 June.

The seminar will involve three 15 minute presentations and a 30 minute Q&A session. The whole event runs from 8am to 10am.

EMC is helping FISH to grow

After some time away from business, Charles James, a founder shareholder of Axiom Connection Limited which EMC helped to sell in 2006, is once again working his magic with digital imaging software, but this time in the world of CSI forensics.

Charles has teamed up with an old university friend, Doug Reid and his family, to develop a suite of products known as FISH (Forensic Imaging Sensing Hub) which can be used to harvest evidence from a crime scene, have it analysed and then replayed in court.

A number of UK police forces and law enforcement agencies in other parts of the world, including America, are already using it.

EMC Kent Director Desmond



Photo courtesy of the KM Group

Julian, who runs EMC's highly successful Sales Academy, will help spearhead the company's continued expansion following its move last year to a new £3.5m state-of-the-art complex in Brampton Road, Eastbourne.

He will work alongside Carol Stevens, the company's recently appointed National Sales Manager, to help deliver the company's plans for growth.

Eastbourne Car Auctions' Managing Director Jon Mitchell said: "These are exciting times for our business. Since the opening of our new purpose-built premises the number of buyers attending physical auctions and logging on to sales electronically has increased by more than 15 per cent.

"So it's also a great time for us to be able to welcome someone with Julian's experience and knowledge to our senior management team. We now have the resources in place to ensure that Eastbourne Car Auctions continues to go from strength to strength."

High, who worked with colleague Terry Rainback on the 2006 sale of Axiom to Silverwire Holding AG headquartered in Geneva, is acting as an advisor to the FISH team.

Charles said: "We have kept in touch with Desmond since the sale of Axiom and felt that he and EMC would be able to help us manage the growth of the company.

"It is vital to have the right advisors involved from the outset. We can see a huge number of market possibilities, but how we manage those opportunities with finite resources will be critical to our success. Desmond has also introduced us to the Growth Accelerator programme which means we can use EMC's services in a coaching capacity to help us develop our business plan."

Martin shares KM Group's Media Awards triumphs

EMC Director Martin Stanton helped to celebrate the Kent Messenger Group's hat trick of triumphs at the Kent Media Awards during a visit to the group's Medway newsroom and radio studio. He is pictured with Chairman Geraldine Allinson (right) and KMFM presenter Emma Adam.

Project file

The following are examples of recently completed or ongoing projects demonstrate the diversity of assignments we are asked to carry out.

Interim commercial management for a specialist £2m turnover mechanical engineering company, and coaching team in managing change.

Reviewing management structure and succession planning with £2.5m turnover scientific instrument maker.

Marketing and sale of completed residential scheme to investors for a medium-sized housebuilder.

Reviewing the board structure and performance management for a scientific instrument manufacturer.

Carrying out a full business review for a waste management company.

Negotiating and handling the sale of two businesses involved in the disposable gloves and apparel & sports clothing sectors.

Providing corporate finance advice in the sale of a specialist insurance business.

Writing and delivering a sales director mentoring project for an East Sussex estate agency.

Preparing a sales and account management training programme for a UK tourism marketing company.

Appointment as interim sales director for a freight and transport company.

Carrying out a business review for a leading asset-based lender.

Conducting business monitoring for a bank of one of their clients, a £25m services business.

Interim finance director with a leading construction manufacturer.

Providing a private company share valuation for a pension trustee.

Working with a major provider of industrial cleaning, sanitary and hygiene products to restructure call-outs, service contracts and equipment compliance testing for care home customers. Also introducing an Ipad-based system for on-the-road emails, electronic signatures by customers on completion of work, and a more rapid turnaround of invoices.



EMC renews support of sussex cricket

EMC chief executive Nik Askaroff is pictured with fellow Sussex County Cricket Club sponsors at a snow-covered ProBiz County Ground at Hove where they gathered for a pre-season get-together. EMC has renewed its support of the county team for another year.

(left to right) Glen Garton, FAS Capital Ltd; Ian Poysden, IEP Financial Ltd; Nik Askaroff; Andy Cheesman, Brighton City Cabs; Stewart Pierce, Parker Building Supplies Ltd; Tim Cobb, Cobb PR Ltd.



The victorious Shore team at the annual Golf Day at Botley Park

(left to right) Paul Jansen, Jants Design; John Sellwood, Oban multilingual; Alex Rimmer, Stephen Rimmer LLP; James Shore, Close Brothers; Leo Askaroff, Clarksons; Graham Shore; Nik Askaroff, EMC Ltd; Michael Goodliffe, Stephen Rimmer, Stephen Rimmer LLP. Geoff Cambell, The Lock Shop Warehouse



EMC is the South East's leading independent provider of business management, corporate finance and operations support to SMEs across all business sectors.

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Published by EMC Management Consultants. Produced on behalf of EMC by db associates (01424) 732904. Designed by Natasha Askaroff