



THE MGROUP

Efficient & Friendly
Chartered Certified
Accountants & Tax Advisors

Case study

Management Buy In 'I was told don't waste your time'

In the client's words

"I worked with Mark Crossfield and The MGroup on a recent management buy in (MBI). Looking back, I'm amazed I got here. Before meeting Mark, I was told by four firms that funding was unlikely due to the current funding environment. The message was clear: 'don't waste your time'.

I was close to giving up when I was introduced to The MGroup. Mark was positive - I was positively skeptical! However, his approach, his experience and his network of contacts soon started to deliver viable opportunities.

Don't be under any illusions: it still wasn't straight forward. Things fell through or weren't quite what they seemed. Even after finding my current business, there were many times when it seemed likely we wouldn't complete the deal. It was in these rather challenging times that Mark stepped up and helped to push through the obstacles.

From finding the targets to creative funding approaches (all made to look easy) Mark has it covered. I ended up with a business that's a perfect fit for me. I'm extremely glad I met Mark and grateful of the work he put in. I don't think I could recommend him highly enough."

Background

Leon Edwards left a senior management role to pursue his dream to make a corporate acquisition on his own behalf.



He had been told that representing himself as a buyer, known as a 'Management Buy In (MBI)' transaction, was unachievable without major venture capital backing and that locating a business in a sector he understood would be a challenge. He was about to give up his dream...

Leon was initially introduced to Mark Crossfield, Corporate Finance Partner of MGroup Corporate Finance, through a trusted source. At first, because of the advice he'd been given, Leon needed convincing that his dream was achievable. Fortunately, we were able to reassure Leon by providing evidence of having completed many successful transactions of this nature before. We also took care to make sure that Leon was happy and aware of the potential journey before we began.

Case study



Installation by Displaymode in progress

What Happened

Once Leon gave us the green light, we set about speaking with selling contacts we had established through many years of operating in this particular specialist area. Advisors (who are representing shareholders of businesses looking for an appropriate exit) are often unable to access quality MBI candidates that they feel confident to introduce to their clients. Our relationships with these advisors led to several meetings with appropriate potential prospects.

The journey wasn't straight forward. There was a series of close but unsuccessful bids for target businesses. Through careful negotiation we successfully secured an appropriate deal with the vendors of Displaymode, a point of sale business in Corby, Northamptonshire.

Through active project management of the transaction process we secured the necessary funding and deal structure with the sellers to ensure Leon became the sole shareholder in the business. The transaction was funded

through a variety of specialist sources including pension-led funding, commercial mortgage, cash flow and acquisition finance lines.

Finally, to provide the best possible foundation for the business Leon secured, we also introduced corporate lawyers and undertook the due diligence for Leon enabling him to operate his own business in the future.

Mark Crossfield, MGroup Corporate Finance commented: *"I was delighted to show that we know our market and that through our close relationships with key sources that this challenging process is achievable. We developed an intense working understanding which led to a pleasing outcome for us all. We are delighted to remain the advisors to this growing business."*

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The MGroup, which offers Efficient and Friendly Chartered Certified Accountants and Tax Advisors, is the trading name of MGroup Corporate Finance LLP.