

CASE STUDY

Buy

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Meet Our Client

Following a successful career in the state school sector, and being a highly regarded education professional, our Client took the positive decision to move into the private sector by way of a business acquisition.

The first decision was to either start a new business or find a suitable existing target. Our Client brought significant operational and management experience from the education sector, and with our assistance, the primary focus became finding a suitable business to acquire to make their own.

With a background in the development and leadership of teams, our Client was confident that this area of the business would be in safe hands. The management team was strengthened with the addition of a co-Director responsible for finance and administration. There were many steps to undertake but our Client was extremely receptive to our guidance and direction to ensure they could achieve their objectives.

The MGroup's Support

With a highly experienced husband and wife team, their understanding of the operational side of the sector stood out for us. Our initial focus was to explain how the transaction could be structured, setting out the timeline of a typical business purchase and the key steps required to complete the transaction.

Drawing up the financial model and funding analysis, allowed us to develop a bespoke funding package; we then approached possible acquisition targets from a shortlist of potentials.

Through the approach and negotiation phases, we worked alongside the management team, helping them to focus on key areas of due diligence whilst maintaining momentum, all of which resulted in a successful deal completion. Despite all the impacts of Covid, the business is stable and performing well, with happy staff and great prospects for the future.

SUPPORTING YOU FROM THE FIRST INTERACTION THROUGH TO THE FINAL ONE

Ian Walker, Senior Manager, Corporate Finance

“With the impact of Covid reducing face to face interactions, this was a challenging deal. It is pleasing that, even with to the complexity of a transaction in those circumstances, that all the areas of potential risk were mitigated and there were no surprises for the new owners.

With a number of improvements introduced immediately after the deal completed, the future looks bright and it is great to see the new management team having a positive impact , with the whole team being focused on developing the business.”



In Their Words

As an experienced education professional, I began investigating the practicalities of buying a children's nursery. The operational and management side of the business was something I had detailed knowledge and experience in. The unknown was the practicality and considerations of buying a business. With the MGroup's support, understanding and knowledge, they facilitated my transition into business ownership, with the purchase of a local setting.

The MGroup Corporate Finance team undertook thorough research and preparation, the practical assessment of risk and entering into insightful questioning (which was commented on by the vendor) to uncover areas of focus. With Ian's meticulous assessment of our needs, I had complete confidence that the business risks were uncovered and with suitable mitigants, with additional support from his Accountancy colleagues.

The MGroup came up with an innovative funding option and potential deal structures based on an understanding of my position, asking questions no one else did. They presented me with more finance options than I thought were available, and their judgement meant we were able to negotiate a good price for the business.

Throughout the transaction, Ian took responsibility for dealing with sales agents, funders and solicitors; helping me to complete my first company acquisition. I never imagined this would be possible and would recommend The MGroup without hesitation.

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