

### Background and Problem

The business had a high profile and emerged successfully in terms of presence from the dot.bomb times, but had accumulated large losses and a ravaged balance sheet with a negative balance sheet of some 0.9m on a turnover of some 2.6m.

### Actions Taken

Creditors of the business were successfully managed and negotiated with in order to reschedule payments over a period of time to get some breathing space. The cash generation of the business was able to be used to further advance the company, whilst a strategic focus was placed on the core strengths and true revenue drivers, culminating in the appointment of a Managing Director to better define and capitalise on this focus.

### The Result

The Company produced an audited profit of 500k on a turnover of 3.3m to March 2004, with the negative asset value on the balance sheet now turned positive. This was without any further investment in the business, and without a need to resort to any insolvency actions.

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### Background and Problem

The owner sells model motor cars into the adult market from a well placed shop in a retail area. Over a 10 year period he had grown the business to about £300k turnover with a Warehouse on a nearby business estate. We were referred by Nat West because the owner felt that he was at a bit of a cross roads and needed to consider his options.

We visited the owner at his warehouse and discussed the business with the owner. It became very clear that he is very knowledgeable about his market. He knows what will increase in value over time as the collector market hits in. It turned out that he was seeking to buy one of his suppliers, 10 times his size.

Whilst we could see that he had ability he had no real cash and was concerned about his managerial capability towards this big step.

### Actions Taken

Prepared a two page brief for NatWest. This was referred in to the commercial team. We felt that there was an opportunity here but tempered it with some caution about the owner's managerial capability.

Co-ordinated a meeting of Nat West and the owner. Made sure that it would be in a decent business environment. Also spent some time with the owner helping him to structure the meeting and identifying some of the larger pitfalls he could slip into.

Held a very constructive meeting. The owner performed well; and NatWest "added value" through the suggestions they made. Very supportive environment. Ended up making an outline offer of more than we had envisaged – partly because the owner came over very well and "covered" the management concerns we had highlighted to him.

### The Result

The owner met up with the vendor that afternoon to make an outline offer. Unfortunately in the mean time another offer had been made which was higher than the owner could go.

However, advised the owner that these things can slip through and that we would keep in touch.

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### Background and Problem

Owner developed some automated sales order processing software and applied it to a mail order computer company run by his wife. This enabled them to change the supply chain from 28 days to a couple of days. Built up turnover to £200m and sold out for £4.5m. Used £3m to develop computer telephony integration software and bought a large house.

Company now partners with Cisco and the product is in over 1,000 sites worldwide. However the cash drain has been immense.

We were already working with the company to help drive sales when we were approached to raise a further £200k in flexible loan stock secured against the company assets and the owner's house.

### Actions Taken

Reviewed the documentation prepared by the experienced FD.

Discussed the outline proposal with RBS and gained agreement in principle that this was fundable.

Tailored the reports to better fit the requirements of a fund raising. Prepared an information memorandum and issued it to RBS.

It did not prove straight forward to gain funding for this company. However through a lot of good joint working we were able to raise a sufficient loan to enable the company to move forward.

### The Result

The company can now progress further with its expansion plans into its global markets.

In the meantime the CEO has asked us to carry out a strategic review of the business to maximise the sales opportunities.

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### Background and Problem

Entrepreneurial and charismatic CEO had developed the business to £4m turnover. However given his large ambitions he was constantly investing for the future and not making much profit now. This was exacerbated by high growth rates putting severe strains on cash.

Despite Venture Capital backing of a million pounds the relationship had deteriorated in recent times. The previous relationship manager had retired from the Fund although he had retained his non exec role with the company.

A plot was hatched to remove the VC fund by way of a private investment round. We were brought in to help with the development of a prospectus and I was ultimately asked to sit on the board as part time FD.

The investment round achieved 50% of its target and negotiations developed with the VC fund for a reduced exit. In the mean time we were asked to help with alternative sources of funds.

### Actions Taken

Prepared appropriate documentation using the work done for the prospectus and other existing material.

Approached Nat West with the opportunity to bid for the whole account, including invoice discounting.

Organised a meeting between RBS and the client. RBS impressed the client with their enthusiasm, interest and knowledge.

Invoice discount audit performed and funding offer made. However this was subject to sorting out the balance sheet. This was achieved after a significant amount of work.

### The Result

With invoice discounting in place this is the ideal way to finance a growing business – particularly one that has to pay its staff up front and can only get customers to pay 30 days after that – at best. This has created a platform for the company to push ahead and maximise its position in the market place.

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### Background and Problem

A fast growing and increasingly successful property investment company, in business for less than one year, had ambitions to provide innovative products and services in various sectors of the retail property market. Inherent in the marketing and packaging of such products was the ability to offer structured financing to investors to facilitate their investment. The company wanted help with the preparation and presentation of information to issue to a broad range of financial institutions to support applications for financial assistance.

### Actions Taken

A LGBA member worked with the Directors to organize existing material in such a way that one document could serve all markets by dropping in and out specifically tailored sections. The document was structured as a business plan and the member contributed new sections, demonstrating the size and value of the transactions already undertaken and adding financial credence to the information.

A list was prepared of the target sectors within the financial community and the particular companies within each sector. Assistance was provided by using the member's network of associates to gain introductions at the right level within certain institutions, including main stream and other banks, insurance companies, and commercial finance brokers.

Meetings with banks and other institutions were arranged, and one particular introduction to a US insurance company resulted in the creation of a specific insurance bond, a product which is so far unique in the UK market. This has enabled the company to undertake further significant profit generating investments.

### The Result

The company has carried on with its innovative approach to property investments and is now seeking to leverage its position by obtaining a facility for its own use secured against this type of bond. As often happens with the LGBA the member has continued to give advice and support and is now exploiting the network further to gain introductions to larger financial institutions and specialist banks. It is expected that a couple of individual development projects will be financed as a test of the company's power to deliver and that if successful a full facility will be made available.

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### Background and Problem

The company has traded for seven or eight years, starting in software development and now offering end-to-end services to publishers selling access to on-line content. Having been severely affected by a sales slowdown due to the difficult internet market the company was breaking even but was operating in a very restricted market sector. The owner wanted to expand but was unable to fund the appropriate marketing activity.

### Actions Taken

A member of the LGBA was engaged by the company in the summer of 2003 in the role of part-time Finance Director. The objective was to support the MD in determining, and securing, the most appropriate sources of finance.

A more professional approach to the preparation and presentation of financial information gave the MD a better insight into the company's performance, allowing him to make more informed decisions. A business plan was prepared and was supported by an analysis of past performance as well as three year financial projections and cash flow forecasts.

As the company's position improved slightly it became possible to launch the marketing initiative. Another LGBA member was contracted and he has already secured a new account. This customer operates in a much more attractive market segment and it has been possible to both generate new revenues and create an interesting demonstration site.

Discussions were initiated with a range of potential investors and lenders and currently a major customer is in the process of completing an investment in the company.

In anticipation of corporate restructuring the company decided at this time to ensure that staff were properly protected by employment contracts which could be safely transferred. An HR adviser, also from the LGBA, was introduced to draw up new contracts and bring in the policies and procedures necessary for legal compliance.

### The Result

The company has secured a significant tranche of investment income and has expectations of an AIM float next year. The "virtual " three man team has added considerable value to the business and the business plan is fully funded, allowing a major drive into new markets which should take the company to its next level of development.

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### Background and Problem

The CEO has significant experience with his market place and a prestigious CV. The Group within which he works has had significant financial problems and the CEO was considering making a bid to buy out the company he led from the Group.

Nat West had agreed to fund about half the proposed amount through loan stock and referred him to us to see if we could help with raising the additional amount.

### Actions Taken

Met with the CEO who showed us an excellent presentation of his proposal.

We made a proposal. This was discussed and various changes were agreed.

He accepted our proposal over other bids from KPMG and Beer and Partners.

We made various investigations and came up with some innovative proposals as to how he might fund the purchase without the requirement to raise further equity.

### The Result

The CEO made an offer and it was rejected out right. We advised that he should not accept “no” immediately but seek to find ways around the “no”. However the CEO was not prepared to do that.

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**Background and problem.**

A food retail start up required strong management team to support strategy.

During the process, venture capital funding faltered and alternative funding was required.

**Actions taken**

Business Plan re-evaluated around a strategy to fund the start-up.

Non Executive Directors and high net worth individuals were successfully sourced.

New FD job description was evolved and a high profile Finance Director sourced and appointed.

A high profile Chairman was then sourced and appointed.

Following the failure by the company to obtain Venture Capital funding, several high net worth individuals were sourced to fund the launch in return for shares and Non Executive Director roles.

**The Result**

The business was successfully started with heavyweight and high profile involvement.

Without this sourcing, the start-up may never have got off the ground, and as a result of the profile of the people sourced, there is a significant increase in the probability of long term success for the business.

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### **Background and Problem**

A slow growing and marginally profitable industrial company, in business for 5 years, had an idea to utilise technology from the IT industry in their product range. They did not have the in-house expertise to take the idea forward and had been 12 months deciding what to do. The company needed help with the preparation of an action plan that would turn their idea into reality and generate new profits.

### **Actions Taken**

A SGBA member worked with the Directors to assess the strength of their existing ideas and project. Using a comprehensive assessment tool it showed which of the 9 project elements they were weak on and needed further assistance in developing. An application to the Dti was made for grant funding to contribute 75% of the associates costs in preparing the project plan. A grant of £4,500 from the Dti was confirmed within 10 days.

The final document was structured as a project plan with interactive charts that showed planning progress. Eventually all sectors of the chart were turned from red to green indicating the plan was ready for implementation. A list was prepared of the target sectors and an initial survey of the markets reception to the idea was undertaken.

### **The Result**

The company has carried on with its plan to produce the new product and market it. Sales are now being generated both at home and overseas. Utilising existing company assets and overhead structure this new business is contributing profits at double the existing operating profits. In addition the client has signed an annual support agreement and has benefited from the SGBA members looking at reducing existing running expenses by 10% average and providing the directors with support and advice at their monthly meeting.

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### **Background and Problem**

Originally the business was run by two directors, one (MD) taking care of the sales and finance and the other running the workshop. The MD decided one day that he wanted a lump sum out of the business so he double factored about £40k worth of invoices, drew the money out of the bank and disappeared with the £40k and the accounts computer.

### **Actions Taken**

We worked with the client to reconstruct the debtor ledger from the quotation computer and approached all the Insurance Companies to reconcile what they owed. We worked with the creditors to schedule payments and keep the supplies going in order to maintain the business. We dealt with the debt collectors sent in by one of the (fringe) factoring companies and they got all their money back. We approached the Bank to refund the money taken out by the MD as there should have been two signatures on the cheque – they obliged.

### **The Result**

The whole exercise took about six months and the company survived and is now trading very well.

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