

### **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 advisor, 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.

**If you want to find out more about any of the areas covered in this case study and how we can support your business – contact us today.**