



January 2012

January is always the cruellest month – cold, wet and usually very little agreeable to look forward to. Perhaps that is why some countries make so much of Epiphany. However in Britain after two weeks of generalised relaxation another holiday might be one too much.

Mixed anecdotal reports from across the country show considerable variations in spirit ranging from some small towns and villages where the year-end holidays appeared to have been postponed to the larger cities where trade was relatively brisk. The statistics, particularly if they are less than positive will give the media plenty to comment adversely upon.

The New Year brings thoughts of the future and these thoughts must, for many company owners, be focussed on the continuing life of the enterprises that they have created. Although this is no longer a paternalistic Victorian epoch, owners generally have a well developed sense of commitment and obligation to the people who have contributed to making the company a success. In these uncertain times therefore a typical reaction is to ride out the storm and then rebuild, if necessary, the business. At 40 years of age this is entirely feasible. In later life it becomes more difficult no matter how energetic the person may be. Quite apart from personal physical considerations other family-related issues develop. Communications today certainly simplify many operations but ultimately an owner who habitually meets with his managers and walks around the factory floor will find it very difficult to manage from a distance. If only effective management really were a matter of ticking boxes!

Many financial advisors run a “process” when it comes to the sale of a business. This process is usually quite public by comparison to the manner in which Chesham operates. A select group of potential buyers is chosen, fliers are sent, confidentiality is established and a reasonably public process evolves. We believe this has the potential of damaging the business. Customers, suppliers and indeed the staff can be unsettled by the uncertainty that such a process can bring. And as for competitors; this is surely a golden opportunity to take custom from the business. These are the downside factors, added to which is the cost as most firms expect an initial payment plus a success fee at the close. The upside is the discipline of momentum that such a process imposes.

It is up to the owner to decide but, unless there is a pressing need to sell then surely the Chesham approach should be considered? Momentum and its attendant discipline, is in any case developed. The preparatory work between the two approaches is essentially the same but there is no up-front fee to pay. Eventually Chesham looks to the buyer that the vendor selects for its fee and this when and only when, a deal is concluded as a result of Chesham’s introduction. Chesham’s approach offers discretion, is less financially onerous and does not expect the vendor, to insure against failure by paying an upfront fee. In effect the approach is a vote of confidence both in the business and in Chesham’s ability to make the correct connection.

2012 will very likely be a difficult year but perhaps not as bad as many pre-suppose. Who knows? Looking at the predictions made for 2011 in 2010 the only thing that is certain is the unpredictability of the future. If you are thinking of a sale speak to Chesham before you decide; remember you only sell your business once.