

Solutions

Management Consultants Ltd

Case Study

Management Buy Out

The Company

THE COMPANY WAS PART OF A PUBLIC COMPANY WITH A TURNOVER OF £8 MILLION, AND TRADED AT A LOSS FOR THE PREVIOUS 5 YEARS. A NEW MANAGING DIRECTOR WAS APPOINTED TO IMPROVE THE PERFORMANCE, AND AN OPTION TO PURCHASE WAS GIVEN IF PROFITABILITY WAS RESTORED AND NET ASSET VALUE COULD BE ACHIEVED AS A PURCHASE PRICE.



The Business Problem

To restore profitability and then negotiate a purchase price, arrange the finance, and advise the management team on the complete transaction.

The Solution

We identified the areas where we believed savings could be made evaluating all areas of the business, the new managing director who had a Sales and Marketing background evaluated the Sales and internal sales and service sections, and Solutions completed all other sections including Finance. We then completed a three year business plan and commenced preliminary discussions with Financial Institutions. We advised the management team on the structure of the transaction, and finalised the sale at a purchase price of £1.8 million.

The Benefits

Solutions advised on the business turnaround and completed the transaction, which eliminated the need for specialist consultants and Financial Advisors.