



Buying a business

supporting you with
strategic business
acquisitions

Strategic Business acquisitions

Buying a business is a common and key growth strategy of many businesses. Forrester Boyd Corporate Finance has considerable experience in assisting clients making strategic business acquisitions.

A business acquisition can be beneficial for a number of reasons, including:

- + Increasing your market share of existing products or services.
- + Diversifying the products or services you currently provide.
- + Expanding your geographic coverage.
- + Inheriting quality and skilled workforce.
- + Synergies by combining resources and costs.

By project managing the financial, taxation and commercial aspects of the acquisition, we ensure that the whole process is conducted efficiently and confidentially.

In addition to corporate finance, our in house specialists cover corporate tax, personal tax, pensions, investments*, wealth management*, and financial services*, allowing us to cover all financial stages and aspects of the business acquisition process.

**These services are delivered by our Wealth Management team. Forrester Boyd Wealth Management is a trading name of FB Wealth Management Limited, authorised and regulated by the Financial Conduct Authority.*

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I would like to thank Forrester Boyd Corporate Finance for all your help given to us in our management buy-in. I am sure without your professionalism and dedication we would not have enjoyed the successful outcome that we achieved.

Alistair Gooseman, Shareholder and Director
Gooseman Holdings Limited

The Process



We will identify and contact potential targets by:

- + Discussing with you who would be a good strategic fit for your business
- + Researching national databases, evaluating and prioritising targets
- + Using our UK200Group associations to contact member firms across the country and internationally
- + Searching business sale websites for suitable acquisition opportunities
- + Perform a business valuation to assess the value of the target business
- + Negotiate on your behalf the terms and structure of the deal with vendors to best achieve your objectives
- + Advise on the best structure of a deal considering commercial, financial and taxation issues
- + Assist with raising finance to fund the deal and considering a wide range of funding options
- + Perform financial due diligence investigation of the target business
- + Recommend solicitors who will carry out the legal process on a timely and efficient basis
- + Work with your solicitors in finalising the sale and purchase agreement particularly ensuring sufficient warranties and indemnities are in place to protect your investment
- + Maintain momentum to complete the deal within the required timescale

Benefits

The benefits of buying a business

A business acquisition may happen for a number of reasons. We look at some of the benefits for the party making the acquisition.



New product and markets

Through a merger or acquisition, a buyer is able to enter into a new market or offer new product lines immediately with an established brand. This can alleviate barriers to entry that could have otherwise been a challenge. Other benefits include no market research, product development or promotional costs to get a new venture off the ground. The benefits are often two way in this scenario. The selling business has access to a much broader client base, for the buying business, they have a new product or service to offer existing clients.



Performance improvement

You may have equity to invest and want to look for a business where you can improve performance and profit. There are many businesses out there who for whatever reason have either not got the funds to make the changes needed or the experience, or they may simply be looking to exit the business for personal reasons such as retirement.



Increase market share

Some businesses look to acquire competitors. Growth through acquisition can help gain a competitive advantage and reduce the competition. Some businesses may look at this option to improve shareholder value through improved efficiencies or it could be to gain greater market power.



Buy in expertise or resources

You may wish to buy a company because of resources or expertise that you are currently lacking. This could be technology or people for example. This can lead to improvements in your long-term financial position and give you greater leverage to raise capital in the future. Expansion and diversification are also options that can be considered during an economic downturn.



Ease of access to capital

Following a business acquisition you may find that you are in a much stronger position to access capital, being a larger business. Many smaller businesses have to personally fund business growth so the benefits of scale here can really help.



A fresh perspective

With any merger or acquisition you may find that you suddenly have access to lots of new ideas and perspectives from a highly motivated and passionate workforce who want to help the new business venture to succeed.

Pitfalls

The pitfalls when buying a business

We have looked at the benefits of business acquisition, but we should also be mindful that buying a business will not necessarily come without its own challenges.



Over resourced

With any acquisition, there may well be duplication in roles. This can cause excessive costs that need to be addressed to maximise the efficiencies that need to be gained. Any job cuts following an acquisition however can lead to low employee morale and productivity.



Difference of opinion

A business has its own unique culture and ethos. This is normally engrained in any business. No matter how good your due diligence, there can be conflicts when it comes to integrating two businesses which can lead to not only issues with employees, but also the management. Care must be taken to ensure this does not become toxic for the business.



Goals setting and objective

All businesses have a vision and a strategic plan. If the two organisations have differences in their opinions of the future objectives of the business, this can cause antagonism within the ranks. Maybe the business acquired plan to invest in new equipment but the new owners want to tighten the reigns.



Poor Due Diligence

Buying a business is a major decision and there are so many factors that need to be taken into consideration before deciding whether the acquisition is the right fit for your business. This is where it is vitally important to get help from experts to ensure thorough due diligence is performed prior to the deal being agreed.



Demands on suppliers

Can your existing suppliers cope with increased demand for the services or product they supply to you? You want to benefit from efficiencies of scale but you also need to ensure that your business suppliers can cope and plan well in advance for any potential shortfalls or you could hamper the productivity.



Customers don't like change

Any acquisition can impact upon a business's reputation especially where brand is concerned. Customers don't like change and may be concerned about service levels following a merger or acquisition. In addition consideration must be made about the business brands. Will one adopt the other, both brands remain, or a merger of the two?

It's important to remember...

An acquisition is a good way to achieve fast growth over a short period but it must be properly researched and planned.

Take expert advice to ensure you have no surprises and maximise the benefits of any purchase. The right professional partner will ensure you get the best deal with the best matched business to suit your growth aspirations.

What you can expect from us

As a corporate finance specialist, we can help to ensure that your business acquisitions goes as smoothly as possible and delivers on your key objectives.

You need to be very clear and understand your key reasons for the acquisition in the first place to ensure you make the right acquisition for the right reasons.



Corporate Finance services

Forrester Boyd Corporate Finance, specialises in guiding owner-managed and private businesses through straightforward and complex corporate finance transactions.

Our dedicated team offers an extensive range of corporate finance services and skills including:

- + Business mergers and acquisitions
- + Financial due diligence
- + Business disposals and grooming
- + Management buy-outs
- + Management buy-ins
- + Share and business valuations
- + Raising finance
- + Tax and commercial restructuring
- + Strategic advice and growth
- + Management consultancy
- + Profitability and performance analysis
- + Financial planning
- + Succession planning
- + Business protection/key person insurance advice*

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Other services

We can offer many more services to our clients depending on their circumstances and needs.

Every client has their own specific requirements and our services are highly personal and tailored around these requirements.

- + Commercial restructuring
- + Tax restructuring
- + Strategic and growth advice
- + Management consultancy
- + Profitability and performance analysis
- + Financial planning
- + Succession planning

Talk to us to discuss your acquisition ideas

It is always better to have a sounding board and an expert one at that. Contact the Forrester Boyd Corporate Finance team to discuss your business acquisition plans.

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