



# Strategic Business Review

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# Opportunities for Growth

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- > Increased confidence
- > Increased consumer spend
- > Lower operating cost base
- > New markets and disruptive technologies
- > Brexit – the positives?
- > Acquisition opportunities
- > Capacity for finance



# Challenges for Growth

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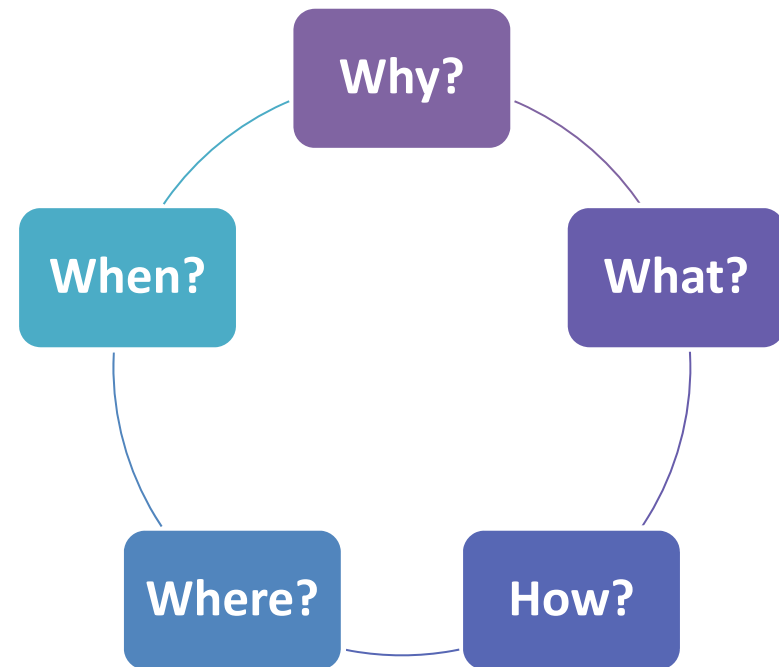
- > Talent – ability and cost to attract and retain
- > Young, agile competitors
- > Upward pressures on costs
- > Brexit – perpetual uncertainty?
- > Sterling volatility
- > Working capital / funding mix



# Identifying Strategic Growth

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- > Focus on profitable growth
- > Identify long term revenue streams
- > Trends in the industry
- > Cost of customer acquisition vs. return on investment
- > Consider own objectives – timing for exit



# Identifying Strategic Growth

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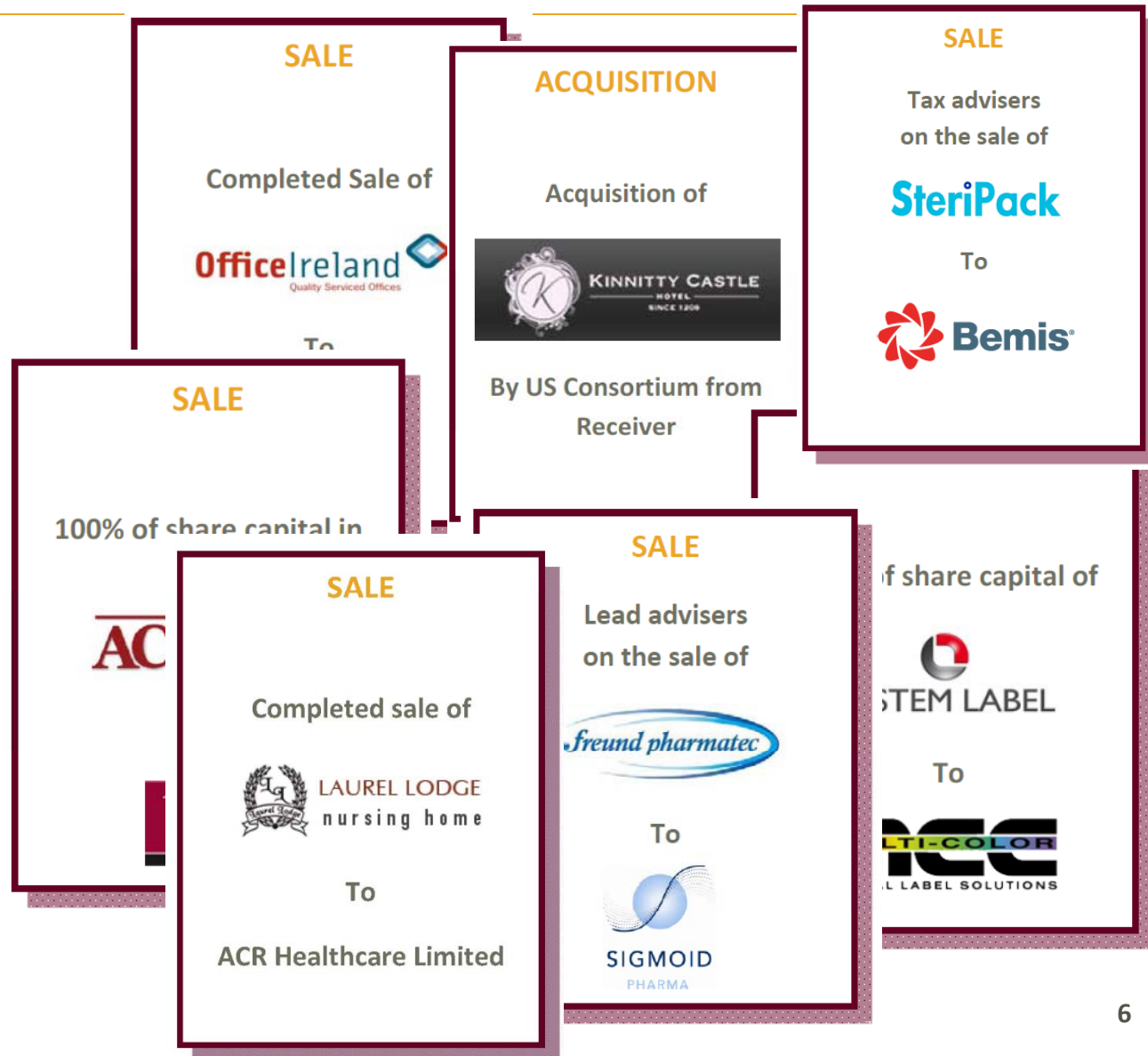
- > Market penetration
- > Market development
- > Alternative channels
- > Product development
- > New products for new customers





# Acquisition as a Growth Strategy

- > Horizontal
- > Backward
- > Forward
- > Diversification



# Planning – Business Case

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## *.....Planning to reduce transaction risk – pre and post acquisition*

- > Ability to make an acquisition – personnel and financial
- > Determine clear objectives
- > Identify potential synergies and how they can be realised
- > Establish parameters – and stick to them
- > Identify the team required
- > Search or take opportunities – or both?



# Due Diligence - Execution

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*.....an aid to ensuring a successful transaction*

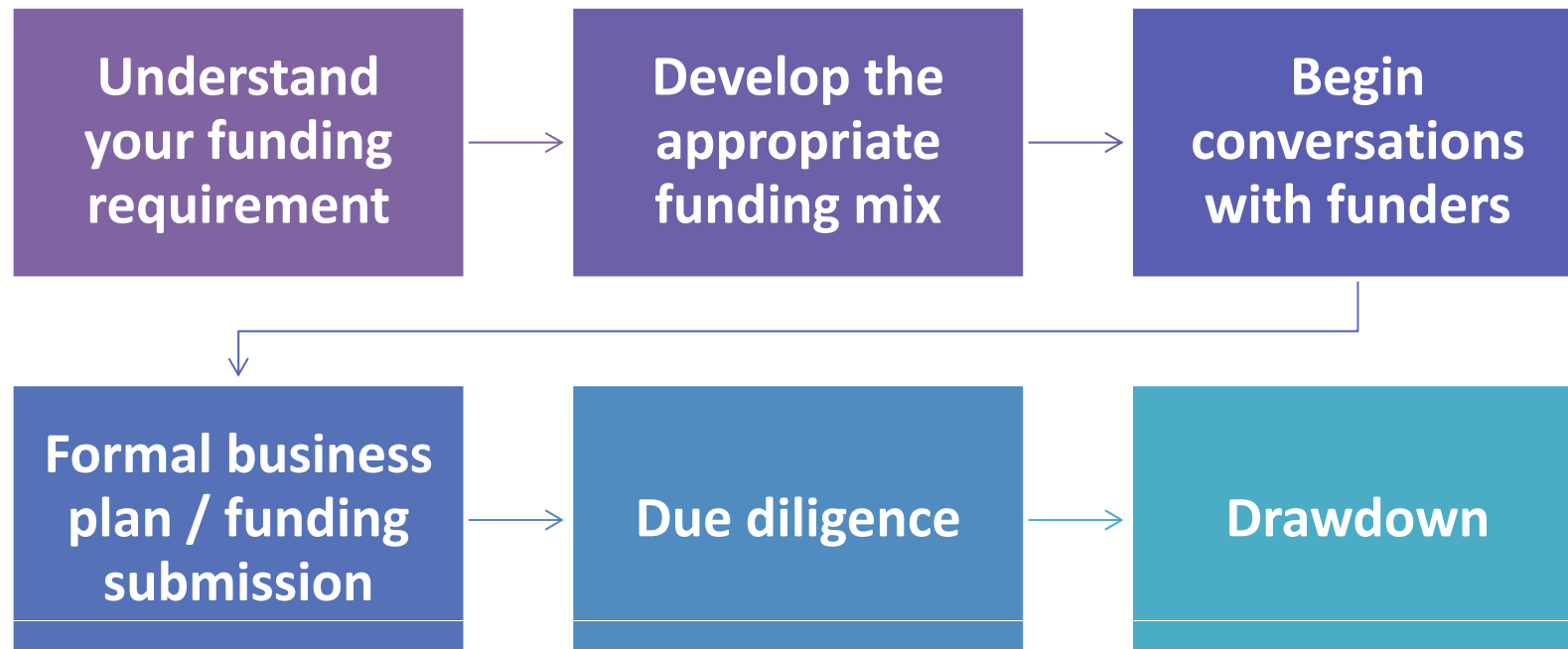
- > Tailor scope to focus on risks
- > Specialist external advice
- > Identify red flag issues early
- > Understand the business and its trends
- > Identify weaknesses and best practice
- > Identify key areas for integration plan





# Financing Growth

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# Financing Growth

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Essential to  
match the  
appropriate  
funding to  
the use

## SHORT TERM

### Working Capital

- Overdraft
- Invoice Disc
- Stock / creditor finance

## MEDIUM TERM

### Capital

- Leasing / HP
- EIS (4 year)
- Term debt

## LONGER TERM

### Strategic

- Senior debt
- Growth funds
- Equity

# Financing Growth – Equity Considerations

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- > Compelling story and opportunity for above average growth
- > Equity partner brings more than just finance
- > Due diligence on the business
  - ✓ Benefits to existing owners
  - ✓ Worthwhile standalone exercise
- > Time consuming process – long term view
- > Longer term ownership plans



# Conclusion

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**Opportunity**



# Thank You

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