



## December 2007

Every year one of Chesham's Directors has to sign a declaration emanating from the Information Commissioner's Office; under the terms of the Data Protection Act 1988 Chesham must register as we hold, in our database, the names and addresses of many thousands of company directors and shareholders. We take our responsibilities very seriously in this matter and it is somewhat galling to read in the press that some 25 million personal records held by a Government Agency have been lost on an unencrypted data disk. If Chesham were so careless, Chesham would not have a business, let alone the issue of facing the legal consequences of allowing such information to leak out. No data store can of course be 100% foolproof; all one can do is take careful and reasonable precautions to maintain the highest level of confidentiality both as to the records and as to the information gathered during conversations and correspondence with owners of private companies. We have in place systems to prevent access to data or accidental misdirection of information. They are simple yet robust and create a clear and verifiable audit trail to the person in the organisation which has signed our Undertaking of Confidentiality; there can be very little doubt from where any leak has emanated!

A frequent concern expressed by potential vendors focuses on whether or not buyers are merely "kicking tyres" or if they are serious. Our response to this type of query is to say that Chesham is, unusually, remunerated on a purely contingent basis, we have no incentive, therefore, to bring buyers to the party that are merely window-shopping we simply cannot afford it. Time is money and no more so than when one is working to make an introduction and ensure that ensuing conversations take place under the best conditions to reach a deal. Chesham spends time validating its buyers and is confident that its procedures weed out casual enquiries.

Because Chesham is remunerated by the buyer (another oddity in a market increasingly populated by firms that take an upfront fee) we have to satisfy ourselves, purely as a matter of survival, that the buyer is serious. In addition it is rare that busy Chief Executives or Chairmen have time to waste visiting companies in order to gain market knowledge; this is hardly a fashion for such people to operate. We like to hold discussions with new buyers, perhaps visit their offices and meet the Chairman or Chief Executive; thereafter we work with whoever is designated to run the deal. Thus when we suggest a buyer to a vendor it is not on the basis of, for example, a Google® search but on the basis of a comprehensive discussion. Chesham prides itself on its careful targeting. We do not "hawk" companies around the market and neither do we attempt to tie vendors to us save during the time we are working with them. It is our hope that our performance is sufficient proof of our professional approach and if a deal takes longer than expected that they will understand and give it time. Chesham cannot afford to make promises to vendors that cannot be met.

On the rare occasions where we fail to find a buyer we never stand in the way of a vendor; we respect (with regret) their decision to move on but no-one in this world has all the answers and it would be misleading if Chesham promoted itself in any other fashion.

We are approaching the year end when people are difficult to locate, where office parties are organised and where school holidays intervene. Deals slow down in general during this period; organising diaries for meetings becomes a complex exercise. By mid-December most activity will have come to a halt and will not start up before the first week in January. To prove the rule one of our number recounts making an introduction on the 23<sup>rd</sup> December, being contacted the 24<sup>th</sup> and arranging a second visit the 2<sup>nd</sup> of January at which time a deal was struck; some people have no sense of occasion!

Chesham wishes all its readers the compliments of the Season and health and wealth in 2008