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Welcome to the future! Before however we look into what 2016 may hold for us it is worthwhile looking over some statistics for M&A activity in 2015. The UK led the European market both on number of deals completed and in overall value. There were almost twice as many deals done in the UK as in Germany (our nearest rival) the ratios of deal numbers and overall value were 42% and 49% respectively. This is unsurprising since the UK economy has been boosted by successful Government initiatives and a gradual improvement in the European economy.

Chesham has always been ready to work on European situations but until the end of last year we worked in our traditional fashion carrying out our research, contacting potential sellers or buyers and assisting to the completion of a deal. Towards the end of last year however we were contacted by another European M&A firm with a portfolio of businesses some of which have the potential of being of interest to UK buyers.

We have therefore commenced to work more closely with our European colleagues leaving them to handle all issues relating to the local businesses (where their knowledge is greatest). Last year also saw our first foray into Europe for some years. The hang-over from the recent financial crisis has not been conducive to business but when last year, as we have mentioned in other Newsletters, we were asked to assist a successful UK company establish itself further into Europe we were able to arrange potentially fruitful meetings in France and Germany. In the process we discovered that there is nonetheless a preference among French and Belgian at least business owners to make fiscal arrangements with their children for the transmission of their businesses. These arrangements enable a continuity of ownership and – assuming the business continues to thrive – an increase in the family's Net Worth. Of course there eventually comes a time when the next generation are not, in any manner, interested in retaining ownership or management of the family business. In the UK a 4 or 5 generation family business is relatively rare: on the Continent it is less unusual.

With our hitherto mercantile, less emotionless culture, businesses have always been sold to larger fish either directly or through the stepping stone offered by Private Equity. One result is of course that the fish bowl is soon fished out and no financially attractive businesses remain for sale. We are, for example, working with one firm who offer a specialised consumer product in however what is a saturated market; no-one is interested in taking up the baton while competitors will only be too happy to learn of a proposed sale; their potential market share will increase.

It is for this reason that we consider maintaining strict confidentiality is so important. In a small market one cannot afford to allow any whisper regarding a sale to be heard.

If you are seriously considering the sale of your business it is important you speak to an experienced and knowledgeable broker; companies are not sold on a push-button basis, so talk to Chesham because you only sell your business once!