



## Sep-Oct 2016

The news as we move into September is that Mrs May has, once again, reiterated that “Brexit is Brexit” and that there will never be another referendum. Perhaps she is putting the Brexit cabal on the spot? Given such a close result which, as noted in our last Newsletter, was largely founded on a tissue of untruths this seems to us to fly in the face of logic and ignores the position of the enormous minority (about 16m) who saw through the specious arguments put forward by the opportunists Johnson, Gove and their clique. One has to cling to the hope that this is political posturing although she is a pretty straight-talking lady. One thing is certain; this has not been a decisive vote. That the way Europe is run needs reform is unquestionable: it is a pity our political leaders did not engage more seriously with their European colleagues and friends; running away however is no solution.

The result today is – insofar as family businesses are concerned – extremely grave. No-one knows which way things will move. Will we lose markets in Europe? Will American or other overseas companies which have been buying British firms as a launch platform into Europe still be prepared to gamble? Will UK companies trading in Europe suffer? Should UK buyers buy into Europe now before the rules and regulations change in order to have a presence in what will become a foreign market? Underlying all this is the exchange rate which, while making UK companies temporarily more attractive to buy, also makes foreign companies more expensive.

In addition to the general uncertainty touched on above is the matter of age. Thirty years ago as owners reached 60 their thoughts turned to retirement and the passing of the baton to the next generation or to a larger trade buyer. Today it is only as one approaches one’s 70s that one starts to think about this matter. However – human nature being what it is – one tends to become set in one’s ways with increasing years and quite naturally one shelves the idea of a sale because it is simply too much trouble, too disruptive to daily life and sometimes too emotionally fraught. The longevity we mostly enjoy does have draw-backs! One owner with whom we spoke quite recently mused about how he would fill his days once the business was sold? We need, as he pointed out, a reason to rise up every morning! Today it is younger vendors who have developed their businesses to a point beyond which they are comfortable (risk/reward) who are more prepared to sell and perhaps set up a new business or depart on some physical adventure such as sailing around the world.

Whatever your motives, if you are seriously considering the sale of your business it is important that you chose an experienced broker who knows his business and understands the market. All Chesham does is to help sell businesses, we do not offer ancillary services. Some of our competitors charge a significant initial fee and then a completion fee adding up to considerably more than Chesham’s single success fee (charged to the buyer). The fundamental work however is no different. In today’s situation our view is that waiting a while to see how national politics develop is sensible but when you do speak to a broker make sure it is an experienced and knowledgeable broker; companies are not sold on a push-button basis, talk to Chesham because you only sell your business once!