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Some years ago the CBI brought out an excellent series of books of which “Mergers, Acquisitions and Alternative Corporate Strategies” is an ideal primer for anyone wishing to bone up on the black art. It was actually written with our entry into Europe in mind but the principles are sound for any M&A situation. This book was authored by Hill Samuel a venerable merchant bank the likes of which have now vanished. In today’s world this textbook may be considered passé but consider the advice they give in the section on “Making the Approach”:

In making an approach, there are some general principles to follow:

- Gain Trust
- Be Open
- Ensure Confidentiality

This is at the heart of the process which Chesham strives to deliver. These principles, at least have not changed. It is the reason Chesham avoids a “push-button” approach by posting lists of opportunities on its web-site. Discretion, as we point out below, is the key.

Further on in the handbook the author discusses valuation which, it is admitted, is an imprecise art and that the same business will be worth different amounts to different purchasers. There is nothing surprising about this remark and is the reason that Chesham avoids mentioning a price to buyers; it is after all for a buyer to calculate the worth of the opportunity to him. Sometimes it will be less than the vendor’s aspirations, sometimes (extremely rarely) it might be more.

So what has changed since 1992 when this book was published? The answer is simple: the Internet which has brought instant and immediate access by anyone to virtually anybody.

A broker in Chesham in the early 1990s would approach the great and good in the corporate world worrying that their deal was not really going to cut the mustard. The saving mantra then was “If the deal has merit, you will get a hearing”. Today this has most certainly changed and unhappily the change has brought with it both buyer and vendor fatigue. Letters arrive in scores, telephone calls flood switchboards, emails pop up in inboxes.

The key ingredients for making a successful acquisition (and thus a successful sale) have always been careful preparation, endless patience and a willingness to persist. To which in today’s connected world of instant access, we would add discretion. Merger Broking is not a mechanical process and at the heart of what we do at Chesham is the ability to determine the strengths and weaknesses of a vendor company and relate these to the acquisition criteria of buyers in a precise manner.

Time and Tide wait for no man; people will reach a time in life where a sale of their business must be contemplated. Whereas 50 years ago 60 seemed to be a sensible time in life to consider a sale now 70 seems to be the threshold and how marvellous is that? Nonetheless when the time to sell arrives it is sensible to speak to an experienced and knowledgeable broker; companies are not sold on a push-button basis; talk to Chesham because you only sell your business once!