



## September-October 2018

The devaluation of the pound should present opportunities for overseas investors. We are starting to receive enquiries from overseas and look forward to taking things forward. The biggest obstacle however is the lack of any direction from our government. The whole Brexit situation has descended into what would be classed as a farce were it not such a serious matter. The extreme wing of the Conservative Party has forgotten the art of compromise; it is a sorry day when party politics takes precedence over national interest. Against this backdrop it is hardly surprising that buyers – no matter how compelling an acquisition might be – are holding back. Aside from any other considerations the simple matter of the direction of movement of the exchange rate could make a later acquisition even more attractive; more haste less speed is the mantra. After all with a switch-back pound, despite the recent small gain, who would wish to invest?



This month saw us miss out on an opportunity. In essence the vendor had the opportunity either to appoint Chesham to help sell his business or to appoint another firm. The choice was “No Deal – No Fee” with the fee coming from the buyer (the usual Chesham model) or else a significant down-payment plus a monthly charge to be deducted from the final completion fee. The final sums were not dissimilar. The eventual decision by the vendor was to opt for the second alternative which, at first glance, seems surprising.

The process is, after all, similar to all firms of Brokers or Advisors: an initial information-gathering phase that will form the basis of the “Write-Up” or “Memorandum”. Contacting buyers follows next followed by introductions and progress meetings leading to an offer. What was significant in this case was that Chesham, as is its custom, had a number of potential buyers known to it whereas the competitors were simply proposing to mail-shot 100 possible buyers and then spend time filtering the responses. This is the curse of the internet; knowledge is replaced by mechanical method leading to Buyer Fatigue. Furthermore billing an up-front fee insures the advisor against a failure to find a buyer, a risk that Chesham has always taken.

Nonetheless it has to be admitted that with a far wider audience today than in the 1960s to 1990s and with new technologies, the market has changed considerably. Nowadays the question that is often asked is “are you buy-side or sell-side”. This sits awkwardly against the framework of the traditional Chesham model where we position ourselves at the fulcrum of the deal and work towards completing a transaction that satisfies, insofar as possible, both parties rather than adopting a position for one side or the other.

With 55 years experience Chesham is flexible and ready to meet changing market conditions. But 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? So 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!