

MBI Register

Current economic climate – creating opportunities for talented MBI teams

It has been well publicised that a severe lack of liquidity, negative market sentiment and the recession has resulted in declining values for public and private companies alike, with public company P/E ratios falling significantly across the majority of sectors.

However there remains opportunities for M&A transactions to take place as vendors still have to sell for a variety of reasons, both business and personal. The current economic outlook has increased vendor flexibility and the upfront cash outlay they will accept.

Statistics demonstrate that the returns made by acquirers in the last recession were much greater than those returns made in boom times, and that the next two years could be a vintage year for businesses acquired now.

This represents an exciting opportunity for talented teams and individuals who are well positioned to take advantage of these falling expectations. With significant experience in these transactions, Devonshire continues to support management teams in identifying the right strategic acquisition, on the right terms and with the right funding package.

The benefits

There are a number of benefits to the team of an MBI transaction:

- Autonomy to make decisions and control the direction of the business;
- The team's investment can often be leveraged with bank debt, enabling them to acquire control of the business without incurring the entire cost of the acquisition themselves;
- New management and contacts to bring a freshness and new direction to the business;
- Potential in the current climate to acquire businesses at below market-value.

Required attributes

In order to be backable by funders, MBI teams must have relevant expertise in the sector they are entering and teams must have strength in depth and complementary skills. Summarised, MBI teams need the following:

- Strong experience in the sector and a historic track-record for financial achievement;
- A clear vision for the business;
- Strong business plan;
- A cohesive business strategy;
- Exit plan/strategy with timeframe; and
- Investment – this will vary depending on the size of the transaction and the calibre of the MBI team.

Devonshire's attributes

MBI teams are usually excellent at the operational aspects of running a business but can often lack the contacts and experience to identify suitable targets, funders and negotiate the acquisition on the best possible terms.

Devonshire provides the following services to MBI teams:

- Identification of suitable targets and approach to the shareholders on behalf of the MBI team;
- Identification and approach to other management team members that may be required;
- Negotiation of terms and advice on valuation and deal structuring;
- Identification and approach to potential funders, and negotiation and evaluation of funding offers received;
- Full hand-holding service to completion.

MBI register

Devonshire has created an MBI register which enables suitable candidates to register their CVs. To register, please send your CV to cf@dcfl.co.uk.

A member of the Devonshire team will then arrange a confidential meeting with you to discuss your aspirations and how we can help.

Key people

- [Steven Neal](#)
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Contact

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Enquiry

- [If you would like us to contact you please complete our enquiry form](#)