

	<b>Client:</b>	The Bottom Line Consultancy Ltd
	<b>Sector:</b>	Marcomms
	<b>Activities:</b>	Strategic marketing communications
<b>Sale of The Bottom Line Consultancy Ltd</b>	<b>Acquired by:</b>	Richmond Towers Communications
	<b>Date</b>	January 2009

## Overview

The Bottom Line Consultancy is an award winning strategic marketing communications company providing a wide range of marcomms activity from strategic consultancy through to public relations.

The Consultancy chose to work with Prism from the outset and this case study looks at the transaction from the point of view of the seller.

## Background

The Bottom Line Consultancy was formed in 1996 by Barbara Stopher following her eighteen years' experience in blue-chip corporates at director level. Over the years the company had built a reputation for providing successful strategic marketing consultancy including public relations, an area which now formed the majority of the business.

Barbara had always hoped to have a business worth selling at some point, rather than retiring and just locking the door and turning the lights out! After being diagnosed with cancer in 2007, time became more precious and knowing that a profitable business exit can take three to five years to achieve, she decided to seek advice at an early stage.

## Contemplating Sale

Barbara met with Peter Watson and Robert Fiske from Prism back in February 2008 to discuss her situation and consider the best way to move forward. Prism recommended an Options Review to explore the alternatives and assess the business's exit readiness.

The Prism team were of the opinion that the business was a saleable entity, not least due to the fact that, unlike many smaller SMEs, the business was not totally dependent on Barbara. The other positive news was that in 2008 the business was experiencing its best year ever with a 35% increase in turnover.

Barbara agreed the time was right to start the sale process, whilst simultaneously addressing some of Prism's Options Review recommendations to further prepare the business for sale.

## Sale Process

When evaluating potential acquirers, Barbara's initial view was that her enterprise could become the PR arm of a below-the-line agency looking to diversify. However Prism regarded the business as a sensible bolt-on to an existing PR consultancy, where the synergies would be greatest. As the assignment proceeded, it became increasingly obvious that The Bottom Line would have a better future with another PR agency and so the search focussed on medium sized PR agencies with a history of, or an interest in, acquisition.

Having drawn up the Information Memorandum, the team at Prism used their experience and contacts to compile a list of possible acquirers and began the qualification process considering factors such as size, liquidity, acquisitive experience and general company dynamics.

*"Having set up The Bottom Line from scratch, I had pride in what I'd achieved and wanted to ideally find a partner who would recognise the value in the brand I had created and want to adopt it along with my dedicated and loyal team." **Barbara Stopher, The Bottom Line***

From a long initial target list, Prism had preliminary discussions with a number of possible acquirers before arranging for Barbara to meet six prospects, including Richmond Towers Communications.

*"It was a surreal experience meeting some of the PR industry's great and good in such circumstances! I was very impressed by the quality of potential buyers that Peter at Prism had sourced and he played a key role at the initial meetings, keeping us all focussed. Actually talking about the assets in The Bottom Line brand was the first time that I truly saw the value in my consultancy. Interest varied in the business, depending on the set-up of the potential acquirer, but Richmond Towers Communications was the one that ticked all the boxes. Not only do they share the same values and corporate ethics, but they are of a size (20 employees) that means we can join a top 50 PR consultancy and retain our identity." **Barbara Stopher, The Bottom Line***

Peter performed the role of negotiator to set the initial terms of the sale with Richmond Towers. Once the Heads of Terms were complete the emphasis moved to the Due Diligence Process with the involvement of Financial and Legal advisors on both sides.

## Key Issues

**Making the initial decision** - The Options Review highlighted the choices open to Barbara, and the likely financial implications. Getting an independent assessment from the outset allowed Barbara to choose the correct route, and allowed her to take appropriate actions to enhance the saleability, and maximise the value of the business.

**Choosing the right acquirer** - choosing the right size, structure and personality of business.

*"Barbara had created a fantastic business with a great team; for her team to move seamlessly to the new owner there was a need to choose an acquirer that shared similar ethics and outlook as The Bottom Line Consultancy. Richmond Towers Communications felt right from the start for both us and Barbara." Peter Watson, Prism Corporate Broking*

**Management and financial information** - Getting the right information to the relevant stakeholders at the right time is essential to keep the momentum going and enhance confidence for the potential buyer. Barbara dedicated a lot of time to this to get everything together and provide a comprehensive 'package' of management and financial information which in turn built more trust with Richmond Towers.

*"In any deal it is critical to maintain the momentum. If the potential buyer has to keep asking for additional pieces of information, or the seller has difficulty responding to their requests, it not only delays proceedings but can start to cast doubt in the prospective buyer's mind. Being prepared is the key, and this enabled Barbara to provide full and complete disclosure information first time round, despite it being over the busy Christmas period." Peter Watson, Prism Corporate Broking*

**Staff communication** - Obviously staff communication was also a key factor in order to limit and manage resistance to change and the potential problems that could arise from it. Barbara took proactive control of how the sale would be communicated to her team, taking advice from an HR professional about potential areas of employee concern and working with the acquirer to address these from the outset.

## Timetable & Completion

The sale of The Bottom Line Consultancy to Richmond Towers Communications completed on 16<sup>th</sup> January 2009, some ten months after Barbara first met the team at Prism but only 6 weeks from signing the Heads of Terms.

The result was a smooth transition for both clients (for whom it was 'business as usual' with additional resources in the background as and when required) and employees (all of whom moved with Barbara to Richmond Towers' premises in London W1 at the end of February).

*"We are delighted to welcome Barbara and her team to the Richmond Towers group. We had been looking for the right acquisition as part of our growth strategy since our own management buyout in 2006. The Bottom Line is a great fit with our existing business, complementing our food and drink expertise with a strong home and household portfolio."*  
**Rob Metcalfe, Richmond Towers**

This was a classic case of buyer and seller having complementary needs but neither would have known that about the other without the intervention of a professional intermediary, such as Prism Corporate Broking.

*"Matching buyer and seller and achieving an outcome that meets the objectives of both parties is exactly what we aim to do, and we certainly achieved this. The entire process ran very smoothly and we are glad to unite two companies that share similar enthusiasm and professionalism about what they do - a perfect match!"* **Peter Watson, Prism Corporate Broking**

*"This has truly been a life-changing experience! I am still involved with a business that I am passionate about but I have passed over the everyday stresses and strains to Rob and Ian at Richmond Towers, leaving me free to motivate the team and be client-facing; who wouldn't want to achieve an outcome like this? Thank you Peter and Prism for making it all possible."* **Barbara Stopher, The Bottom Line**

## Advisors to Vendor

**Corporate Finance Advisors:** Peter Watson (lead) & Robert Fiske, Prism Corporate Broking

**Legal Advisors:** RHY Law

## Web Links:



[www.bottomlineconsultancy.co.uk](http://www.bottomlineconsultancy.co.uk)



[www.rt-com.com](http://www.rt-com.com)



[www.rhylaw.com](http://www.rhylaw.com)