

	<b>Client:</b>	Connect Support Services
	<b>Sector:</b>	ICT
	<b>Activities:</b>	IT services provider
<b>Acquisition of Hosted Revolution</b>	<b>Acquired:</b>	Hosted Revolution
	<b>Date</b>	End June 2011

## Overview

In early 2011 Connect Support Services approached Prism detailing their plans to grow their business by acquisition. The company, based in the Docklands, London is a successful IT services provider supporting small and mid-sized enterprises across the UK, and are looking to undertake multiple acquisitions to meet their ambitious growth objectives.

Connect Support Services were looking for complementary businesses to allow them to extend their Hosted services provision. They tasked the team at Prism Corporate Broking to find suitable targets that would fit the bill.

This initial acquisition deal completed at the end of June 2011.

## Background

Connect Support Services has been providing fixed price IT support services to SMEs since 1993. Established by Mark MacGregor, the company has grown quickly focusing on working closely with clients to implement on-going IT services to support their businesses. Today, their IT Helpdesk is based at Canary Wharf with a team of 70 highly trained engineers at locations across the UK.

Describing their services as 'Technology with a Human Face' the company has worked with some impressive businesses such as the Central School of Ballet, Queen Elizabeth Foundation and The John Laing Partnership, one of the leading developers and building contractors. They differentiate themselves by their talented, knowledgeable and down to earth team who not only know and understand the technology; they can also communicate it effectively.

## Contemplating Acquisition

Mark attended one of Prism's London based 'Maximise the Value of your Business' seminars which provided him with an insight into the Prism team and their personal approach. Mark believed that acquisition would allow CSS's to add value to their business and felt that Prism were the right partners to help them. Prism were initially engaged to confirm that acquisition was the right strategy and then refine the acquisition brief.

"Attending Prism's business seminar provided the perfect opportunity for me to learn about their team and how they work. I was basically dipping my toe in the water as to the type of Corporate Broker I would use and Prism are confident, able, personable and highly professional. It became clear that the decision to choose them to undertake the entire acquisition process would be a wise one." **Mark MacGregor, Connect Support Services**

"I remember meeting Mark at the seminar and realising that he had a very successful business with the potential to grow. We were very pleased to be able to help bring his vision to fruition." **Peter Watson, Prism Corporate Broking**

## Acquisition Process

Prism considered the different types of companies that would complement Connect and the need to focus on hosted services and, most importantly, a company that was already successfully delivering Cloud services.

Initial targets were identified utilising Prism's extensive database in addition to undertaking further market research, and at the same time the opportunity was circulated to other corporate finance professionals. Initial discussions were held with a number of businesses, but in the end Hosted Revolution stood out as the most suitable candidate for Connect's first acquisition. An early entrant to the cloud, Hosted Revolution offer scalable hosted solutions tailored to their client's requirements. From hosted desktop, online backup and hosted VOIP, the company's expertise and product portfolio perfectly complements Connect's wide range of IT services.

The deal completed at the end of June 2011.

"The acquisition proved a study in patience, as communication with the vendor was not always easy due to location (he lives in Johannesburg, South Africa) and his other business interests. However other bidders eventually fell away leaving Connect Support Services as the clear favourite. The proximity and ability to relocate to Connect's offices near Canary Wharf was certainly an important factor." **Peter Watson, Prism Corporate Broking**

## Timetable & Completion

The entire sales process was completed in a little over six months, a great achievement helped by the keenness and openness of both parties throughout.

"We are delighted with our first acquisition. Hosted Revolution fits well within our current product and service offering. As well as inheriting a large pool of contract based customers, we are delighted to welcome the excellent business development and support team to Connect. We are now actively looking for new IT businesses to acquire to accelerate our growth at a faster rate." **Mark MacGregor, Chief Executive of Connect Support Services**

"This is an exciting time for both companies. The synergies between Connect and Hosted Revolution are clear: both operate within the small to medium sized business arena, both embrace new technology by offering fixed fee solutions and have a personal approach to their clients. I look forward to seeing the results of the integration and their future growth." **Peter Watson, Prism Corporate Broking**

## Advisors to Vendor

**Corporate Finance Advisors:** Peter Watson, Prism Corporate Broking

**Legal Advisors:** Duncan walker, Walker Wallis Solicitors

## Web Links:



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



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



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

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