

# CASE STUDY



## Leading Scottish Company bought by Russian Entrepreneur

Barony Universal Products was founded in 1994 and since then has become a Scottish success story. Barony supply anti-perspirant, dry shampoos, shaving foam oven cleaning and de-icer products in aerosol cans, filling more than 60 million aerosols in a year. They are at the cutting edge of research and development in this sector and have developed pioneering technology in this environmentally sensitive sector.



Although Barony is a Scottish based business, it

has a wide international trading base and so it was felt at the outset that there would be significant interest from international acquirers. In these situations the depth and quality of the initial research is key to a successful sale.

After approaching over 200 potential buyers worldwide, Barony was purchased by a large Russian organisation, JSC Arnest.

## The transaction

JSC were also in the aerosol industry, but interestingly Barony had never heard of them. This can often be the case; buyers can often be just off the radar from a seller and it takes expert research to identify strategic buyers, with the right synergistic fit.

After several meetings and indicative offers, Rob Goddard oversaw the later stage negotiations. The eventual sale price was £2m more than the client was looking for, but did take several months of hardened negotiations to complete.

Rob's approach to selling every business is firstly to understand the company, not purely from a financial perspective, but its business structure and strategies

### Deal Summary

- Rob Goddard at Evolution CBS led the deal.
- 200 companies profiled and contacted
- 8 potential acquirer meetings
- Deal completed in 11 months



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Barony was owned privately, a mix of private individuals and a well-known Private Equity firm, Northern Venture Managers (NVM). There can often be a difference of opinion between shareholders on a Board, especially if one of the stakeholders is professional investor, such as a Private Equity or Venture Capital organisation. There can also be a wide differential within a Board as to what would be a realistic valuation. In this situation, NVM were seeking a long overdue exit from Barony and so the decision was made to sell 100% of the business,

## This acquisition represented a strong synergistic fit

However, a combination of Rob's experience in Mergers and Acquisitions, combined with the knowledge of the company and its markets he'd gained in the pre-sale period, enabled identification of several key areas that could deliver significant growth for an acquirer, without necessarily impacting potential return on investment. These included new marketing strategies, extended product ranges, greater international coverage.

Having established where the potential lay, the team then

applied strategic profiling techniques to identify 200+ potential buyers. Marketing a business successfully requires a highly proactive approach and, after agreeing these companies with Barony, the critical process of marketing the company to these potential buyers began. It took over 3 months to conclude the initial calling phase.

This acquisition represented a strong synergistic/strategic fit for JSC and also enabled Barony to make a step change growth in

its well established business, by increasing profitability and expanding its customer base on a wider international platform.



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