

DYNISTICS



Active Dashboards company, Dynistics, sold to Influential Software Services

Established in 2000, our Client — Dynistics Limited — had developed a set of data visualisation tools — Active Dashboards and Active Scorecards.

The software collects data from clients' systems and presents it in a visually attractive format, providing a graphical representation of key performance indicators. For its clients, such a clear graphical overview of business performance delivers improved decision making, better customer service and ultimately increased sales.

The Company had a robust presence in the UK market, with a number of awards acknowledging its innovative products, proactive approach to product development and service excellence.

Operating in a high-growth sector, the business offered tremendous potential — in particular through international licensing of its proprietary software.

However, owners Anthony and Lesley Dent, realised that if the company was to realise its potential it would need to be part of a larger company with the financial reserves needed to take it to the next level.



“Thanks to you and your team for finding this buyer. Claire, your prediction last summer was correct when you said “this is the one”! James, there were several times when you got negotiations back on track and we benefitted from your skills.”

Lesley Dent



STATS

134

Companies Profiled
and Contacted

12

Potential Acquirer Meetings

3

Offers Received



Once bitten, twice shy!

When Anthony and Lesley appointed Evolution CBS it was their second attempt to sell the business. The first time around, they conducted the sale process themselves and had secured an acceptable offer from a U.S. company.

One week from completion the buyer began making changes to the terms of the deal. These changes were unacceptable to Anthony and Lesley so they withdrew from the transaction.

Disappointed and disenchanted with the whole process, it was only on the recommendation of their Accountant that Lesley came along to one of Evolution's Business Sales Masterclasses. The information and pragmatic advice given by our MD Rob Goddard struck a chord with Lesley. As a result Anthony and Lesley met with the Evolution team to discuss the sale of their business.

Evolution advised them that their business was extremely saleable but that there were two issues that would concern prospective buyers.

Firstly, because of their previous experience, our Clients wanted any deal to be totally unstructured, enabling them to leave the business on completion.

Secondly, there was a degree of owner-reliance in the business as Anthony was responsible for much of sales and product development.

When we are appointed to sell a business the first step is to hold a discovery meeting with our Client. This is a vital part of every project where we learn the detail of our Client's business.

The information we gather at this stage forms the basis for a detailed research programme that identifies potential strategic buyers and for the marketing collateral designed to attract buyers to exploratory meetings with our clients.

The next stage of a project, when the business is on the market and gaining interest from potential buyers can be challenging for sellers. It's where the sale becomes "real" and can distract from the running of the business — sometimes causing a downturn in sales.

In this particular case, there was a lot of interest from the market. 12 companies had met with our Clients and 3 offers were received. It was at this point that our Clients Sales Manager decided to leave the company. For potential buyers the only way to mitigate the damage this would cause to revenue was for Anthony to stay on in the business once the sale was completed.

This was very bad news for our Clients, reviving memories from their previous attempt to sell. A clean break from the business had always been a key requirement for them.

Deal Leader James Monjack worked through the options that our Clients could consider, taking into account the impact on forecast sales.

At this stage our Clients could have decided to postpone the sale. But James's experience in managing difficult transactions made him confident that the preferred buyer would continue. Anthony and Lesley considered their options and decided to continue with the sale.

Never give up — selling a business is a roller coaster ride.

However, a compromise from both parties was needed in order to secure the deal. The buyer needed Anthony to stay on for a handover period in order to train new staff. In return they agreed to an unstructured deal with no element being contingent on performance.

Final negotiations were completed with James continuing to manage the process, liaising with lawyers and accountants through due diligence to keep the deal on track.

Selling a business is a roller coaster ride and it takes resilience to see it through. For our Clients and for their buyer, Influential Software Services Ltd, the result has been very worthwhile.

