numitas

Case Study – Securing a £7.5m sale

i-graduate surveys international student opinion about different universities, then tracks and benchmarks the data, delivering comparative insight to the education sector worldwide, in order to help institutions deliver a world class student experience to enhance competitive advantage.

The need

Starting with 24 universities in Britain the company grew quickly. "It was basically a kitchen-table start-up," says Will Archer, CEO, about i-graduate, the company he and his wife founded in early 2005. After growing the business over seven years, i-graduate caught the eye of the publicly-listed Tribal Group in mid-2012 who approached i-graduate with an offer to buy them out. At the time of the approach from Tribal Group, Will and his wife Lindsay were two years into a five-year plan and were focused on growing the business. Our part time Finance Director was there to help cast an objective and strategic eye over that.

The engagement

Numitas worked with i-graduate providing a part time Finance Director who was invited on to the board to give a strategic overview of the business and provide an independent financial perspective. As an experienced finance director who had been involved in the sale and purchase of numerous businesses, our Numitas part time Finance Director was the perfect person to manage the negotiation objectively. Will says Numitas put a "comfortable distance" between him and the potential buyer. "It didn't distract me from running the business. Our part time Finance Director was able to look at it impartially." Numitas helped to manage the whole sale process, including the negotiation between the two parties, legal papers and completing due diligence.

The result was a sale that was, "beautifully managed," says Will. "Numitas kept all the emotion out of the bid itself. Our part time Finance Director represented us in a way that my wife and I were able to trust completely and he helped the staff to understand what was happening."

Benefits

Engaging with a part time Finance Director meant i-graduate secured a higher price. As well as experience, a part-time finance director can bring much-needed objectivity to a business that is looking to expand, secure funding or to sell.

The final sale figure was for £7.5m, which included an 'earn out' period of three years. Will and his wife stayed involved for that time before finally handing over the reins. "Numitas was great at talking us through it all, helping us to understand at what point we thought it would be worth making a deal."

The deal was finalised a week before Christmas 2012. Throughout the sale, i-graduate was able to scale the time required from the part time Finance Director up or down depending on their needs. Having started on a couple of days a month, the last two to three weeks was almost fulltime.

To those in a similar position Will says, **"If you're hoping one day that you'll achieve a potential sale, investing in a Finance Director is a tiny investment compared with where you want to be at some point."**