



GUY MILLS
GBUK HEALTHCARE

SECTOR: HEALTHCARE



Experience counts when selling a business, and serial entrepreneur Guy Mills learnt very some hard lessons before engaging BCMS.

Acquisitions have played a big part in Guy Mills' life as a business owner, and they have not always been positive experiences.

After earning his spurs as a successful salesman with leading UK medical manufacturer Smith & Nephew, he moved to a smaller Danish company, which was then acquired by a UK group in 1997.

This prompted a rethink. "I'd worked for a number of businesses that had been sold or taken over," he says. "You get bumped along and there's no security. If there's no security in being employed, you might as well have the no security of being self-employed!"

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COMPANY NAME
GBUK HEALTHCARE

LOCATION
SELBY, UK

FOUNDED
2008

BUSINESS ACTIVITY
MEDICAL DEVICES MANUFACTURER
& SUPPLIER

ANNUAL SALES
(2015): £19M

SOLD
DECEMBER 2015

REASON FOR SALE
PLANNED EXIT

ACQUIRER
H2 CAPITAL PARTNERS (NL)

bcms

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Deciding to take the leap, Guy formed Pro-Care Ltd which supplied hospitals and clinics with catheters and related products. The business quickly grew to c£5m turnover, even acquiring another company along the way.

Then came the call that can turn any business owner's head. In 2006, Pro-care Ltd was approached by an AIM listed company - International Medical Devices (IMD).

"The attractions of joining a larger group are obvious and although they did due diligence on us, we didn't do the same on them. Soon it was clear that the promised financial stability and resources were woefully lacking.

Regrettably, Pro-care's situation deteriorated along with the rest of the group. "When the bank eventually pulled the plug, I was desperate to keep things going - I owned the business park, I had relationships with the staff, the suppliers and the customers."

THE BUSINESS PHOENIX: TRIUMPH FROM ADVERSITY

You can't keep an entrepreneur down for long, though. Guy chose to set up a phoenix company and GBUK was born.

Buoyed by a new sense of purpose and with a strong management team around him, GBUK posted £9m sales in its first year. Guy's plan was to build two divisions, so he could split it up if one side wasn't doing well or sell it on if it was. "As a business, you have got to be able to defend yourself," he says.

With strengthening cashflow, Guy acquired two smaller companies, and spent time scaling up GBUK. By 2013, the group had grown to a point where it could only grow even faster with more investment, and Guy felt he had "taken a risk with my finances for too long."

LEARNING FROM PAST EXPERIENCE

"My experience with IMD was horrific, so this time I wanted to hire an advisor good at selling businesses. We chose BCMS, who could help us find serious buyers with a good reputation.

"I might have had an expertise in my area of business, but didn't have any expertise in knowing the kinds of companies who might want to buy – or could buy – my business. Coming to a third-party advisor, who is an expert in multiple sectors, and where to look, seemed sensible."

"BCMS vetted and then arranged for prospective companies to visit us and we presented the strength and potential of GBUK, with good advice from BCMS. Importantly, we were able to gauge their likely future intentions for the organisation we had created."

How important was it to have a wide choice of acquirers second time around?

"Massively important," Guys says. "When you're thinking 'who might buy this business', the people that you naturally think of would be your competitors. There's an assumed risk with going through all the stages of a sale with a competitor – giving them detailed information about your business. So if any negotiation process broke down, your competitor would go away knowing more about your company, and more about your strengths and weaknesses. It leaves you vulnerable."

"It's really interesting, seeing different types of buyers walking through the door to meet with you. Some of them, you really wouldn't want to be working with."

What were the key factors for Guy in choosing an acquirer?

"It was very simple. It was about the people. As the owner, you enjoy the recognition of it being your company, but it's often your staff who are actually making it successful. With GBUK, given the fact it was a phoenix company, there were many colleagues particularly in the early days who were important to its success."

"We wanted to look after the staff. If we'd sold to an aggressive company, the staff might not have liked their jobs post sale."

BCMS identified the eventual buyer, private equity provider H2 Capital.

"H2 were well-financed with a great reputation. There were other offers of course, but none had the same ambition for GBUK. I was

offered a place on the board, which I accepted, but I didn't want to stay in day-to-day-operations."

ADVICE FROM A MAN WHO KNOWS

Guy has learnt a huge amount from being at the sharp end of acquisitions and offers some sound advice to other business owners thinking of selling up.

"I always had it in mind that one day I would sell. I wanted to make myself redundant in the business. I was quite happy to set it up so others could jump into my shoes, and I built a trusted team around me.

"I know others in business who hold on until they're too old, and don't want to let go. They don't realise they may be restricting the natural growth of the business. The people who want to expand the business can be frustrated, and if they are family members, it can cause dissent and put the family under stress.

"I don't have a degree or formal business qualifications. My education has been from the 'university of life'. When you've built companies up, sold them and acquired others; you understand where the true value of an organisation lies."

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Tel: 0118 207 9800 | Email: info@bcms.com | www.bcms.co.uk

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