



IAN MACGREGOR
MARCO GEARING

SECTOR: MANUFACTURING



Ian MacGregor's market-leading business was conceived after a casual chat with friends at the London Boat Show. 13 years later, Ian's path to a sale didn't run completely to plan, but perseverance led to the best possible outcome.

THE EARLY DAYS

The eldest of six children, Ian left school at 15 and became an apprentice electrician. Five years later he decided to pursue a change of direction. Although he remained in the electrical industry, he moved into sales, building a highly successful career.

His career saw him moving up the management ladder and around the country, finally settling in North Wales to take a job with MITA, a trunking systems manufacturer, helping to grow the company from £4m in 1988 to £24m in 1999.

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COMPANY NAME

Marco Gearing

LOCATION

Angelsey, Wales

FOUNDED

2002/3

BUSINESS ACTIVITY

Manufacturer of cable management systems

ANNUAL SALES

c. £10.3M (2016)

SOLD

May 2017

REASON FOR SALE

Securing the future of the company's staff

ACQUIRER

Atkore International

bcms

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USE BCMS. I AM NOT AWARE OF ANYONE ELSE WHO GOES TO SO MUCH EFFORT TO FIND POTENTIAL PURCHASERS FOR YOU.

Here Ian experienced his first taste of acquisitions, when MITA was acquired in 1999.

Ian was contracted to remain with the company for a further two years after the sale but ended up staying for three, before leaving to set up on his own.

MARCO GEARING

Ian and Lillian had been talking about starting their own business for a few years and things finally came together after a chat with some friends at the London Boat Show.

“We also spoke to neighbour, who worked for NatWest and he said he thought the business was bankable, so we did it,” Ian explains. “Next moment we had started designing products, with our 15-year-old son drawing up the trunking for us.”

Marco Gearing began trading on 1st November 2003 and within a few years had established itself as a major UK manufacturer of cable-management products and the largest UK manufacturer of steel wire cable tray.

They were helped by grants from the Welsh Development Agency and Anglesey County Council, which was keen to create jobs in the area, and a loan from Finance Wales. Crucially HSBC Asset Finance weighed in with a £550,000 finance loan.

“The first months were quite tough, but we just went out meeting potential customers and sent sacksful of samples out each day,” Ian explains. “Slowly we were establishing ourselves and by July 2004 we had enough sales each month to break even. We made sales of £0.75m in the first year and doubled it the following year.

“Eventually we were able to join all the electrical installation industry buying groups and gradually we just became an accepted part of the market.”

AN EXIT PLAN

Working from a state-of-the-art manufacturing facility, Marco Gearing – an anagram of Ian MacGregor – provided bespoke solutions for its enviable client base for 13 years and when the sale went through it was a surprise for everyone.

“There was no grand exit plan in place,” explains Ian. “I was gradually taking a step back, but we didn’t have any intention of selling the business.

“I just took a call one day from BCMS and I was interested in what the caller said, so went along to a seminar.”

Although Terry, another shareholder, was initially not interested in coming along, eventually he changed his mind, and they were both impressed with what they heard. As Ian explains, “We heard that BCMS seeks out as many potential purchasers as it can and that was really appealing to us.”

Ian decided to sign up with BCMS, and from then on, Ian says everything ‘just worked very well’.

THE SALE PROCESS

Initially, the sale process went very well. Ian says: “We had around a dozen offers and BCMS held our hand through the whole process.”

Then the process stalled. In September 2016 the purchaser, an American company, asked for the deal to be put on hold while it dealt with another acquisition.

BCMS sought out other interested parties, and by February 2017 a Swedish company made an offer. Ian says: “We agreed the figure with them but they didn’t ask for exclusivity.”

This lack of exclusivity turned out to be an advantage, as then the original American company expressed interest once more.

Communicating via WhatsApp from a ship sailing from New Zealand to Singapore, Ian arranged a meeting with the American company for when he returned. Ian though was erring on the side of caution: worried that the company may decide to pull out again, he decided to cancel the meeting.

This decision proved crucial, as it made the Americans even more interested. Within an hour a written offer was on the table that was higher than before and contained no earn-out clause.

Ian agreed and signed the paperwork on 18th May, 2017.

AFTER THE SALE

Ian and Lillian are now enjoying themselves and making the most of being able to go on holiday two or three times a year.

Although he doesn’t plan to sell another company, Ian says he wouldn’t hesitate to recommend BCMS to anyone thinking of a sale.

His parting words of advice to any business owners thinking of selling are: “Use BCMS. I am not aware of anyone else who goes to so much effort to find potential purchasers for you.”



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