



**JONATHAN BARKER**  
The WATCH Lab

SECTOR: CONSUMER



Jonathan Barker started The WATCH Lab with £2,000 savings, a Prince's Trust-backed loan, and one member of staff.

By 2015, this premium watch-repair business had 15 branches and 71 employees across the UK.

"I knew I wanted to sell, but I didn't know when," he tells us.

### **SMALL BEGINNINGS, BIG DREAMS**

Like many entrepreneurs, Jonathan Barker sensed a gap in the market - and knew how to fill it. "Before I started the business I was in watch sales, selling to retailers around the country," he explains. "To my surprise, none of the chains were offering a decent and purposeful watch repair service."

Jonathan had a strong sense of where to take the business, and realised location was key.

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#### COMPANY NAME

The WATCH Lab

#### LOCATION

Head office in Preston;  
20+ outlets nationwide

#### FOUNDED

2000

#### BUSINESS ACTIVITY

High-quality watch repairs,  
specialising in premium brands

#### SOLD

March 2016

#### REASON FOR SALE

Planned exit

#### ACQUIRER

Aurum Holdings, owners of  
Goldsmiths, Watches of Switzerland and  
Mappin & Webb

**bcms**

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MY GOAL WAS  
TO BUILD A  
NATIONAL  
CHAIN AND  
THEN SELL IT.

"I thought, 'We're going to create a store, and wear lab coats!' I wanted it to look and feel clinical.

"I knew we needed to build a network of branches in prime locations, as watch repairs are not frequent. Footfall was key; we needed to be seen on a regular basis by potential customers."

A big vision, then – but finding the time and money to make things happen was hard.

"I didn't have any money, but I knew that I wanted to create a brand, which had value. I hired a watchmaker and kept my own job going. I did that for one month before my employer realised, and I had to come clean. I resigned and gave my company car back!"

## PURSUING A PERSONAL VISION, WITH A LITTLE HELP

"I went to all the banks with a business plan, and all but one turned me down," Jonathan says.

"They said: 'Great idea, great opportunity, but no thanks... you have no security.' But one bank said we could go through The Prince's Trust loan funds, who gave me a 75% guarantee on the loan." Initially, Jonathan worked alongside one watchmaker in Liverpool, working 14-hour days and commuting back to Preston – an 80-mile round trip every day.

At 31 when he took the plunge, Jonathan describes himself as "quite a late developer", but his commercial experience and knowledge of the watch sector was telling and the business was "fantastic from day one".

"It's been a cash-based retail business since we started. I am glad I did it that way, but I was naïve. I didn't know how to run a business any more than I knew how to sell one!

"It was just me and my own determination... not just not to fail, but to be successful at building the brand how I wanted."

Jonathan saw the path quite clearly: "My goal was to build a national chain and then sell it. It was never about a passion for watches. There was a plan to sell from day one... I just didn't know when!"

## BUILDING A STRONG FAMILY BASE

A growing business – especially one with multiple sites – needs infrastructure, and The WATCH Lab began to implement a strong central management, with a family feel.

"After the first two years my brother Jeremy – a brilliant manager, with multi-store experience – joined. We also took on an accounts manager, to set up the administration systems. Jeremy's wife joined us, and her background was in HR."

The WATCH Lab had its roots in the north, before spreading across the Midlands. In 2011 the company opened its first outlet in the south east, at Lakeside in Thurrock, Essex. Then, the business secured a second southern prime location in Brent Cross Shopping Centre and this was a tipping point.

"The business had been running for 15 years. We covered the whole country, and had built a new brand in the jewellery trade. Other companies had tried to do what we did, but hadn't been successful," says Jonathan.

"We thought, 'There can't be a better time to sell.' We didn't have to sell. We were exploring the opportunity, so we had a choice, which is a very good position."

Unsurprisingly, The WATCH Lab became a target for other, larger companies, but they had declined the "derisory" offers. And then BCMS was recommended to the brothers.

## NOT ALL PLAIN SAILING

The sale process itself is never totally plain sailing, as Jonathan explains: "We knew we would have to commit financially and emotionally to the process. It was very drawn-out and complex, but it was made as simple as possible."

He also found the negotiation stage was a positive experience.

"It was enjoyable. We had lots of meetings but the support of BCMS was incredible. However good you think you are, you need to know what to expect, and not to give too much information away. It's a building process that leads to an offer."

Synergies with the eventual acquirer – Aurum Holdings, which

owns the Goldsmiths and Mappin & Webb brands – are clear. Acquirers are often risk-averse, and Aurum understood that Jonathan was key to the business' immediate direction, specifying a two-year earn-out.

## LIFE AFTER SALE

So how is life for Jonathan today? "I have got a beautiful house and created a gym, games room... I have got all the nice things, but I work very hard. Nothing's changed. I now want to make WATCH Lab successful for the whole group.

"I don't know exactly what I'm going to do in two years. I have had a few different approaches from different people. Life's good."

So when it comes to selling a business, Jonathan is clear on the best path to follow. "I think the decision first of all is, 'Am I ready to sell?' Sometimes a business is ready to sell, but the people running it don't realise it."

His advice for business owners is simple: get an exit plan. "You may decide it's not right for you at this point to sell. But to carry on year-in year-out with no exit plan is not an option. It may take three years or 20 years to sell. The exit plan has to be part of being in business – and that should be considered every single year."



SOMETIMES A BUSINESS IS READY  
TO SELL, BUT THE PEOPLE RUNNING IT  
DON'T REALISE...

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