



ROBERT SPENCELEY
SOUTH Lincs FOODSERVICE

SECTOR: FOOD/CATERING



When Robert Spenceley's family business reached the stage where it needed major investment to take the next step, he looked at all the options available.

South Lincs Foodservice had grown considerably since they bought it as a frozen food wholesale business in 1991, and had made some acquisitions of its own in that time too.

So, in 2012 the family took the "nerve-wracking and exciting" decision to sell to major industry player, Bidvest Foodservice.

Here, Roberts tells us his story.

IN THE BEGINNING

Robert Spenceley, along with his brother and father, bought South Lincs Foodservice in 1991.

COMPANY NAME

South Lincs Foodservice

LOCATION

Sutterton, Lincolnshire

FOUNDED

Bought in 1991

BUSINESS ACTIVITY

Food and catering
equipment wholesaler

ANNUAL SALES

£17.1M (2012)

SOLD

April 2012

REASON FOR SALE

Planned exit

ACQUIRER

Bidvest Foodservice

bcms

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'IS IT THE RIGHT
THING TO BE
DOING?'

Continued...



In 1998 the company relocated to a purpose-built depot, which allowed it to grow substantially – diversifying away from frozen food and into chilled goods, fine foods and cleaning materials for caterers.

“In 2004, we then joined a buying group,” Robert explains. “In 2005 we purchased a dry and chilled goods wholesaler to expand our range. Also, in 2010 we acquired another competitor which also owned a coffee company.

“I really enjoyed the challenges of taking the business forward with each new step. Developing staff’s potential, overcoming the problems a growing company faces and having to learn many new skills to keep us ahead of the competition.

“The downside of any successful family business is you spend very little time with the family you are doing it all for.”

THE DECISION TO SELL

The brothers came to the realisation that the next stage of the company’s development would require a lot of investment – both in terms of money and time.

“The business was getting to a stage where it was about to need major investment to take it forward, so we decided to look at all the options,” says Robert. “Originally we decided to investigate the option of selling, we did this with an open mind and at the start it was no more than 50/50 we would sell even with the right offer. After all we had a very successful business giving us a good life, we were both reasonably young so would need a new career, any change would be a risk. Ultimately, it was the family time that swayed things later in the process.”

TWO JOBS IN ONE

Robert describes the sale process as “daunting, frightening, exciting”.

“I even felt guilty at times,” he admits. “Our parents were proud of what we had built, staff had been with us for years, suppliers had grown their companies alongside us. It sometimes felt we were considering selling something we owned but in a way, wasn’t just ours.”

A key aspect of the whole process was being prepared to work harder than ever, Robert imparts. He says it was like having two jobs at once while the sale process was underway.

“It is difficult,” he admits “You have to continue to plan and work on ideas for the future and, behind the scenes, be working on a completely different plan.

“However, you need to do both as a deal is never certain. It felt horrible discussing next year’s products with manufacturers, knowing a new owner would probably have their own supplier. It was a very difficult time for me.”

UNEXPECTED INTEREST

A remarkable aspect of the whole process for Robert was the level of interest his company generated.

“I was surprised how many companies showed an interest in us, not only from our field but from other areas as well,” he admits. “I was concerned how I would hold up in meetings with larger corporate companies too.

“I feel we were prepared for most things that happened during the process but not some of the things that happened afterwards. How quickly you become yesterday’s person.

“One day you’re the boss, who everyone turns to for personal and professional help, then next you’re the evil man that sold the company.”

A DONE DEAL

So how did it feel when pen was finally put to paper? “It was myself, my brother and my father in the room, and we were just very proud that we had achieved something,” Robert recalls. “We never really believed that we’d be able to build something that somebody else would want to pay for. Over the coming weeks it felt like we had lost a member of the family and there was even a type of grieving.

“But then after a few weeks it was all in the past and it was time to move on. A bit like a good holiday.”

The deal agreed meant that the family initially released only 5% of

shares to the buyer with the option of completing the full sale six months later. Staff, therefore, knew what was coming.

“It was quite upsetting, as we had agreed in the deal I would leave the day it was announced and I was gone within 30 minutes, just after a few emotional goodbyes,” Robert remembers.

LIFE AFTER SALE

He has now moved on to new business ventures, meaning he still gets “that buzz”, but selling up has given him even more than that – time with his family.

“We sold at the time when both my children were starting their GCSEs and A Levels – we have been able to spend some great time together at an important time in everyone’s life. I have also been able to spend a lot more time with my parents, something people my age generally miss out on.”

WORDS OF WISDOM

Having been there and done that, what advice would Robert give to someone thinking of selling their business?

“Take your time, there is no rush. Prepare the business for a sale well in advance and take professional advice on every aspect,” he says.

“Continue to run the company on the assumption you do not get a sale and be prepared to work harder than ever during the period as you effectively have two jobs for a while.

“The cleaner your business is, the more you will get for it.”



A BUSINESS NEEDS TO BE PREPARED FOR SALE; THE CLEANER YOUR BUSINESS IS, THE MORE YOU WILL GET FOR IT

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