

January 2013

Latest News from CSA

CSA supports WestBridge Capital and Co-operative Corporate Banking on the MBO of Anglia Business Solutions
Carlton Strategy Advisors has successfully supported WestBridge Capital and The Co-operative Bank by providing full-scope commercial due diligence in connection with the management buyout of Anglia Business Solutions Ltd, a specialist independent vendor and value added reseller of enterprise resource planning (ERP) software supplied to a core addressable market within the fresh food industry.

INVESTMENT SITUATION: Investment to support business growth and expansion

Headquartered near Cambridge, Anglia designs and deploys Microsoft Dynamics 'NAV' and 'AX' ERP solutions into the food supply chain. LINKFresh is Anglia's core product for sales of licences and consultancy in addition to hardware and follow up services targeting food manufacturers, distributors, processors and traders. The business's software allows clients to track and analyse detailed aspects of their operations, seamlessly and in real time.

PROJECT SCOPE: To provide commercial insight on identified business and market issues

CSA's commercial due diligence examined the Anglia business plan, prepared by company management in support of the buyout. A key feature of the plan was the business's ability to further develop its position in UK fresh produce as a channel partner of Microsoft Dynamics and also seek market extension in parallel industry verticals, such as within meat and eggs, for example - in both the UK and, increasingly, North America.

The focus of the diligence was therefore on such matters as the perceived willingness of food industry market participants to adopt an ERP supply chain solution - and the twofold level of demand made up of fresh sales to new clients and repeat business in the form of consultancy, maintenance and product upgrades to existing clients.

THE RESULT: A report and opinion given about levels of market attractiveness and key risks/opportunities

The scope of the CDD undertaken by CSA covered extensive market and competitor analysis in addition to customer and lost-customer referencing. It aimed to provide an overview of the main sources of industry competition, assessing Anglia as a business which, according to CSA's interpretation, could develop its LINKFresh model and successfully grow sales over the next five years.

Guy Davies, Managing Partner, led the deal for WestBridge and comments: "It is our second time using CSA after they successfully supported us on one of our earlier transactions. After agreeing the due diligence scope, CSA delivered on time and to budget. CSA communicated well throughout the process, both with us and our other transaction services advisors, particularly the financial due diligence team. They delivered a well-thought-out report with clear conclusions based on thorough analytical evidence".

Steve Bateman, Senior Business Development Manager at the Co-operative's, Kidlington, Oxfordshire, corporate banking centre said: "The commercial due diligence was comprehensive, fully meeting our requirements, and CSA was able to respond most promptly to some particular points raised by the Co-operative's internal Credit team.

Robert Frost, Managing Director of Anglia, said: "Reading their work, I saw that CSA quickly understood Anglia's business and industry, and I think its reporting reflects accurately the opportunities and challenges we face."

David McClelland is Director of Carlton Strategy Advisors Ltd. CSA is a commercial due diligence and business strategy consultancy, with clients across the Private Equity, Bank and Corporate sectors.