

↑ *The pros of a MBO/VAMBO include:*

- The process is driven by the business owner, rather than a third party buyer and the terms can be flexible;
- No external marketing is required to find a buyer, selling to existing management can be much quicker;
- You get peace of mind that your business is being passed on to people you know and trust;
- The contracts and sale process is much simpler. The management team already know the business so minimal due diligence is required and the warranties given are far less onerous. You are therefore left in a position where you are less likely to be burdened with the legacy of the undertakings made about the business pre-sale;
- There is a capital disposal for the selling shareholders, meaning that their current and future sale proceeds are taxed at the (currently) much lower rates of capital gains tax. This is a very tax efficient structure, particularly as the sale is funded by the past and future profits of the business (which would normally be paid as dividends);
- It is easier to maintain confidentiality and customers and employees are less likely to be concerned;
- The management team usually have the requisite knowledge, experience and skills, as well as having key relationships with employees, customers and suppliers. You are likely to benefit from this as it is usually the case that the sale proceeds will include an element of deferred consideration or the business owner retaining a minority interest in the business;
- It does not exclude a subsequent third party sale, which you could also benefit from if you retain an equity stake in the business.

↓ *Cons of a MBO/VAMBO include:*

- The management team are likely to be less well capitalised and debt finance is likely to be required as part of funding the transaction;
- Experience at management level does not always convert into the ability to own a business.

Summary

If you are thinking of perfecting your exit strategy, then why not speak to us so we can help maximise the sale price of your business and make it as stress-free as possible for you. We know from experience of selling businesses that owners have formed a sentimental attachment to their company. Which is why you need a legal team experienced in all aspects of corporate law that has the expertise to advise on transactions between £1m and £100m. This is where we come in, you can rest assured that you are in safe hands with us as we have the experience and expertise to complete a sale of business on time and within budget. What clients also like about us is that we work closely with our family wealth team and together we provide guidance and support throughout the sale and beyond, so that they are in a much better position to preserve their wealth for generations to come.

Please do not hesitate to contact Jody Webb in the Corporate Team or Daniel Boyle in the Family Wealth Team if this is of interest.



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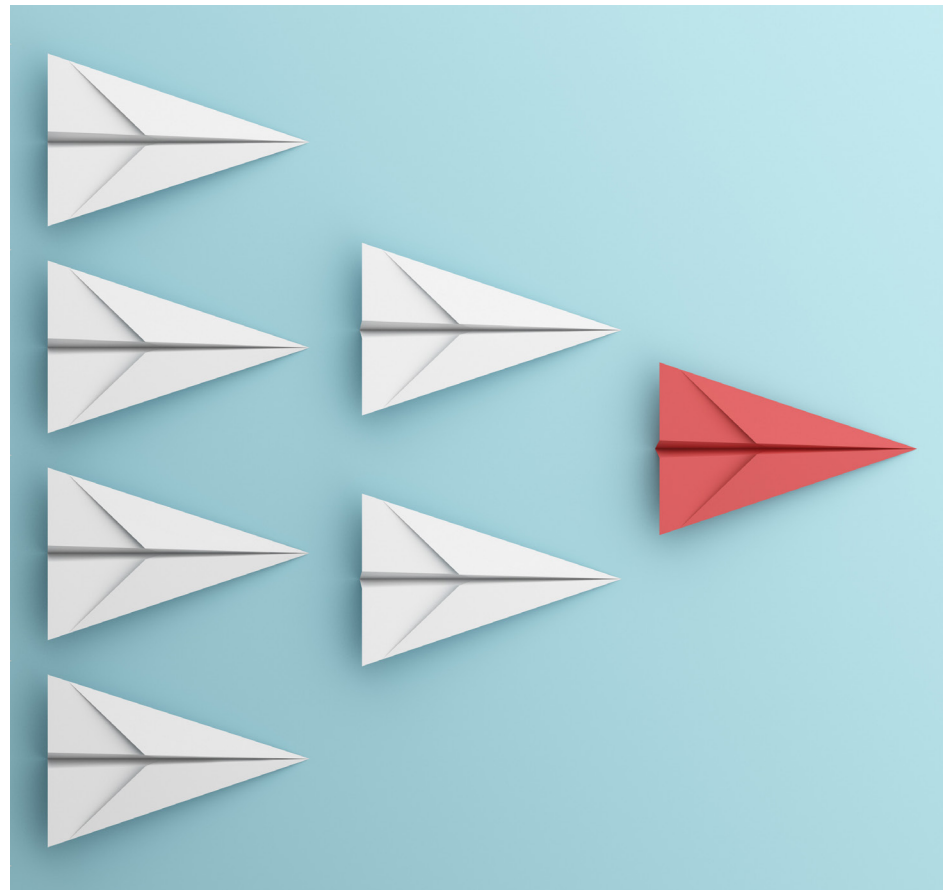
Purposeful Business Leaders

In any period of time, thriving organisations are true to their purpose, rely on their values, and model agility. Today's pandemic, which will reduce profits all over the world, is a searing test of every organisation's culture and values. Leaders who have laid a solid culture foundation, authentically committed to a set of values, and defined and depended on an inspiring purpose are leading through this crisis by making a difference in the lives of employees and the communities they serve. This crisis also serves as a furnace for change for those companies that haven't yet laid the foundation for a thriving culture.

Uncovering authentic organisational purpose can come quite simply from finding ways to be of service. What's needed today is for all leaders to look beyond profit and ask, 'What do I have that could help someone right now? Where can I practice abundance where there is short supply?'

We hear a lot about "purposeful" and "purpose-driven" leaders and organisations. But what does that really mean, and does it make a difference?

There's been considerable interest in the notion of "purposeful" and "purpose-driven" leaders and organisations in recent years, driven by growing levels of distrust and disillusionment with what are often regarded as the short-termism, financial imperatives driving contemporary firms. Typically, the attributes



of purposeful organisations – societal responsibility, values and ethics – are simply translated into the qualities that characterise their ideal leaders. But what type of leaders do purposeful organisations really need?

Purpose is an aspirational reason for being that inspires and provides a call to action for an organisation, its partners, stakeholders, and society as a whole. Strategic research has consistently shown that purpose enables organisations to perform well in times of volatility. The research joins a growing body of evidence demonstrating that a strong and active purpose raises employee engagement and acts as a unifier, makes customers more loyal and committed to working with you, and helps to

frame effective decision making in an environment of uncertainty. The EY Global Leadership Forecast 2018 found that getting purpose right builds organisational resilience and, crucially, improves long-term financial performance. Independent research from Linkage found connections between purposeful leaders and business results: The companies they led had 2.5 times higher sales growth, four times higher profit growth, five times higher "competitive differentiation and innovation" scores, and nine times higher employee engagement scores. Companies that create lasting leadership impact differentially invest in developing purposeful leaders; and they take concrete steps to assess the organisational dynamics that shape leadership performance.

So exactly what is a Purposeful Business Leader?

My extensive research into the subject came up with the following structure of what makes a Purposeful Leader:

- Purposeful leadership and its constituent components – moral self, commitment to stakeholders and vision – are important in influencing a range of employee outcomes, including intent to quit, job satisfaction, willingness to go the extra mile, sales performance and lower levels of cynicism. Alongside this, ethical leadership approaches also emerge as central for employees' experience of their work. Employers should consider ways of creating and embedding a purposeful and ethical approach throughout the organisation.
- Vision is especially important for employees and leaders alike to provide a sense of direction to guide activities. However, multiple or conflicting visions can emerge over time and in different departments or units, causing a sense of confusion and uncertainty, and so organisations should aim for alignment around a set of core themes.
- There is much that organisations can do to foster an environment conducive to purposeful and ethical leadership; appropriate central policies, leader role-modelling, training and development, and the organisational values and culture can nurture purposeful leaders. 41
- Constraints in organisations revolve around time and resource pressures, unrealistic targets, communication errors such as over-communication, remoteness of the centre, and cultural factors such as risk-aversion. When seeking to develop a purposeful approach to leadership, organisations should attend to issues such as these that may sabotage their efforts.
- Organisations tend to focus on a limited range of stakeholders and discount others from their decision-making. However, this can lead to an imbalance in how the organisation relates to its wider setting.

Let's now look at some of the most recognised model leaders from the past:

The Ability to Initiate Change

Franklin D. Roosevelt

Inspiring a Shared Vision

Martin Luther King

Model Leadership

Mohandas K. Gandhi

Encouraging the Heart

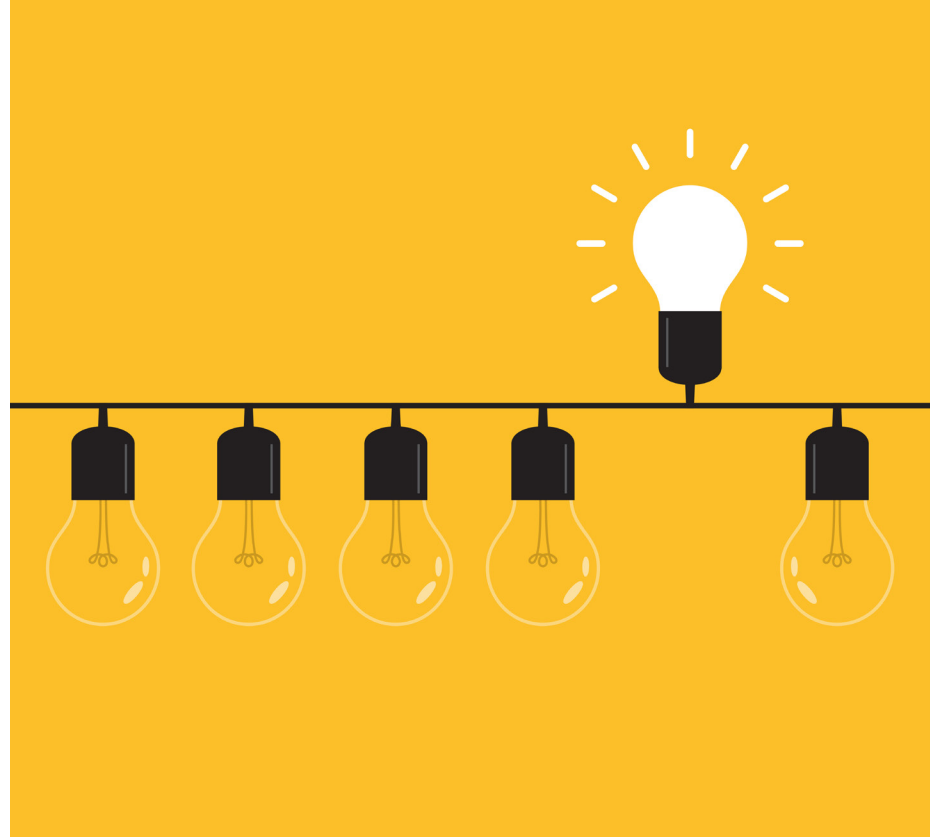
Winston Churchill



When creating an organisational shared purpose the essential questions to ask are:

What is the shared purpose that;

- Articulates a clear purpose for your organisation. Focus on answering the why questions. We all know what our organisations do. Purpose is about asking why we exist in the first place, what our employees and stakeholders care about, and what resonates with customers.
- Use purpose as a lens for everything you do. Let purpose guide the solutions you offer, how you treat your customers, and how you engage your workforce.
- Communicate success stories to all constituents. Stories perpetuate purpose. Each time people repeat them, purpose entwines more closely with day-to-day business.
- Integrate purpose into the company's DNA. Reinforce purpose through the day-to-day customer and employee experience. Treat purpose as a commitment to stakeholders and publicly update on its progress.
- Focus on leaders. Help them develop their own "why." Work with all leaders to articulate their own purpose as it relates to the overarching purpose for the business. Then, help them do the same for their teams and employees.
- Develop key skills. Purpose-driven leaders form teams, inspire, and motivate in a fast-changing world. They develop psychological safety and agility.



I have developed a fifth book in a series of books that provides purpose-driven outcomes in support of some of the most talked about subjects in life today, my book is called 'Purposeful Discussions' through the book and its 32 chapters, I take purpose across everything we do; covering emotional intelligence, human to human interaction, human relationships, strategy, government, geopolitics, compliance, regulation, cybercrime with conclusions across life growth, long life learnings, personal development, mentorship and the takeaways that we all need to arm ourselves with over the next 10 years to survive, to co-create a more sustainable future.

My overall conclusion on Purposeful Business leadership in today's disruptive world is a balanced view of universal characteristics and traits which has the potential to guide us through years of transformation with optimism and idealism. The first step to using Purpose is to think about a company direction

and Inspire others and thus to begin the personal transition from managing to leading is to understand your own Purpose. If you aspire to become a leader, you also need to find an organisation that will accommodate your Purpose, only if we set sail on the right course and with smart individuals that make our Purposeful journey, progress, performance will become so much more worthwhile.



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