

Nexus Telecommunications



Matt Newing,
Founder, Elite

“Since founding Elitetele.com in 2000 our growth has come through both organic and acquisitive activity. During that time we have acquired 15 companies with the aim of making Elite a high-quality, high-growth organisation. We acquire to gain volume but also to benefit from the technology, essential skills and people that make us a leading provider of IT and unified communications.

Our pipeline of acquisitions is dominated by businesses that have reached a crossroads. Do you take the risk and invest in new areas; or do you join a larger group to access greater resources? Or after a lifetime in the sector, do you want to retire and enjoy the value you have created?

The key to our acquisitions programme is finding the right people to work with and the appropriate skills and technologies to ensure we are at the forefront of industry innovations.”

Choosing the right company

Elite was interested in acquiring Nexus Telecommunications because it had a great reputation in the industry and it would help strengthen Elite's position as a multi-service provider both tactically and strategically.

The companies shared a similar culture, and the combination of our unified communications and IT products and services would deliver the strongest client offering in the industry.

Nexus would also add volume to Elite with its high-touch customers, and bring a staff skill set that would add value to the Elite team.

The acquisition journey

After 16 years of trading, Nexus was looking to be bought so some of its shareholders could realise their investment. The shareholders were aware of Elite in the marketplace and knew it was a progressive, acquisitive company. They saw Elite as a safe pair of hands to do business with. Elite has a proven track record of successful acquisitions, with many owners staying with the group.

Nexus had discussed its options over a couple of years with a number of industry contacts. It then decided that it needed to find an organisation with a good cultural fit, similar aspirations, and that would result in the best care for its customers.

Although they had looked at various other avenues for the business, including a joint venture and working with a venture capital house, after meetings with the Elite Directors the Nexus shareholders decided Elite was the best fit and so entered into an exclusivity agreement. From initial conversation to Heads of Terms this only took approximately six weeks. Nexus was then taken through a highly structured, professional due diligence process by Elite. The Elite acquisition team gave Nexus a comprehensive and easy to digest list of due diligence questions and clearly mapped out the process for them.

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The parties agreed on achievable timescales for answering questions. During the process, the Elite team was proactive and helpful; making sure Nexus knew what to do to complete the process. The two parties worked as a collective 'team' rather than as individuals.

The whole due diligence process took two months to complete with considerable time and energy from both parties. This included all the legal requirements and preparation of the sale and purchase agreement.

Although the process was not without its challenges, Elite made sure that there were named people for each area, including legal, commercial, and sales and marketing. This structured approach kept everyone on track and made it simpler for Nexus to provide all the necessary information.

Overcoming challenges

The hardest part of any acquisition is for the team being acquired to continue to run their business under a non-disclosure agreement while having to provide detailed due diligence information. Elite's practical approach helped Nexus to do this. For example, Nexus had a number of supplier agreements where they had extended contractual periods which could have been challenging to the deal and delayed it for a period of time. However, Elite took a very pragmatic approach and agreed to meet with the suppliers to give them reassurance and discuss any concerns they had about Elite taking over the contracts. This allowed the deal to move ahead without a hitch.

“ There were no negatives about working with the Elite team who remained positive and professional throughout. ”

The Elite acquisitions team ensured meeting dates were set, updates were given and the relevant information brought by both parties to meetings. Because the team knows what they are doing and the best way to do it, the process runs smoothly so everyone can focus on the negotiations and come to an agreement.

Participating in the due diligence process is in itself very time-consuming and like a full-time job, so juggling this with running a business is demanding. Elite's structured approach helped greatly with this, but in hindsight, the Nexus team would have taken on outside people to help with the day-to-day running of the business.

Integration process

Once the hard work of the deal is done, there is then the challenge of communicating the deal to staff, customers, and suppliers. Elite ensures that it talks with the business owners throughout the due diligence process as to how best to communicate the deal when it has been done. By doing this, the integration can start from day one in a positive manner. If staff are communicated with effectively, they will then reassure customers and suppliers alike.

Elite helped the Nexus team take away staff concerns, with the senior Elite team engaging with Nexus staff immediately to convey why they had bought the business and what the benefits were to both - from Elite gaining high-touch customers and volume to Nexus' customers being able to access a broader product and service offering.

The transition was engineered in a structured way using the same methodology as the due diligence process. All aspects of the business integration were covered in a timely manner; including systems, customers, suppliers, enhanced product offerings, and internal management structures. Elite met its aim of ensuring that the new team members felt 'included' immediately.

Successful outcomes

Nexus had always provided a high-level of customer service and support, so its customers looked to staff for reassurance that this would continue with Elite. The smooth transition into the Elite group, with as little disruption to the Nexus team, meant that we were able to win over the hearts and minds of the Nexus staff. We were able to offer continued high-levels of service as well as a broader product offer which Nexus' customers have now readily taken up.



Rob Sims

“ Selling a business can be rewarding but it's exceptionally hard work. My advice would be to take on help to run your business while you are involved in the due diligence process. Despite the inevitable ups and downs of the process, there were no negatives about working with the Elite team who remained positive and professional throughout. I'm now part of that team and looking forward to helping make Elite the best it can be. ”

The Nexus shareholders have been impressed with the Elite team and the fact we have kept to all the agreements made in the sales and purchasing agreement without quibble.

Elite takes pride in honouring its agreements and making sure we conduct ourselves in a positive, professional way. Nexus shareholders have commented that Elite has lived up to their expectations set by Matt Newing in initial meetings.

Is acquisition right for your business?

Elite's aim for any strategic acquisition is to double the size of the acquired business in 24 months and ensure little or no customer or employee churn.

We have an excellent reputation for continuing to work with business owners who are not ready to retire. We want to work in partnership with you and your management team to ensure a smooth transition for staff and clients in order to avoid churn.

If you would like to talk to Elite about acquiring your business, please contact: Alex Cliffe or Rob Burbidge on 0844 875 8880.