

Qualitel



Matt Newing,
Founder, Elite

“Deciding to sell your business is a hard decision and it is often even harder to find the right partner to do business with - one that you can trust, who will pay a fair price, and who will offer the opportunity to continue working within the business.

And a partner who will respect your customers, suppliers, and staff once the deal is done.

Elite is such a business. Key to any acquisition for Elite is to honour our promises. We believe in paying what we said we would for your business, as this demonstrates we have made the right decision in buying it.

Our aim is to acquire to gain volume, but also to benefit from the new technology, essential skills and people that help make us a leading provider of IT and unified communications.

As such, we like to continue to work with the employees, customers and suppliers of the businesses we acquire. ”

Choosing the right company

Elite was looking to acquire a business that would help improve its mobile service offering.

Qualitel was an award-winning voice and data communications provider with great depth of experience in Vodafone, O2, and EE.

It had a strong customer base and its mobile offering included workflow applications which Elite recognised as a huge growth area.

Elite recognised that Qualitel would complement its unified communications and managed IT offering, ensuring its clients would have access to the best specialist mobile services available.

Elite decided to approach Qualitel to see if it would be interested in being bought.

Qualitel had not been looking to sell, but the management team and shareholders decided to seriously consider the offer.

There was a meeting of minds between the two teams, with the flexible approach taken by Elite and its proposed structuring of the deal key factors in Qualitel's decision to go ahead with the deal.

The acquisition journey

Qualitel was taken through a very detailed and thorough due diligence process by Elite during a four and a half month period.

This could have proved difficult in terms of continuing to run the business, but early on Managing Director and Founder of the business Mike Ridgway took the decision to give his Operations Director the due diligence remit.

He was responsible for answering all Elite's questions and putting the relevant answers and supporting documentation in the data room (a virtual shared drive where all due diligence material is securely kept for all parties to access as required).

With this structure in place, Mike was able to carry on running the business and driving it forwards and not let the due diligence process detract from essential day-to-day tasks.

As the majority shareholder, he dipped into the due diligence process as and when required to make decisions or give his view.

This clear separation of tasks worked well and helped move the process forwards efficiently.

“Key to any acquisition for Elite is to honour our promises.”

Achieving a successful earn-out

Qualitel was sold on the basis of an earn-out. To begin with, the management team was still largely in control of profit and loss in a similar way to usual, but with profits from the business going into the Elite Group for the first three years and determining the earn-out consideration. After two years the business rebranded under the Elite name.

During the earn-out period, the Qualitel team achieved aggressive growth, by continuing to believe in the business and using the strength of its own convictions to create maximum benefits for shareholders.

“Elite is flexible in its deal-making, and the team worked with the highest levels of integrity.”

If you have the confidence in the strength of your business and that the business has the ability to consistently perform and make a good margin, an earn-out deal is a good option.

Elite's flexible approach to the deal structure and its very thorough and detailed due diligence process enabled both parties to agree an appropriate deal that was honoured by Elite.

Three years after the deal, Mike Ridgway had delivered what he and his team had set out to do, so Elite paid the agreed earn-out in full.

Despite the due diligence process being a long and hard one, the entrepreneurial background and experience of Elite helped make it successful.

We have acquired 15 companies since 2000 all of which have helped make us the high quality, high growth organisation we are today.



Mike Ridgway

“Elite is flexible in its deal-making, and the team worked with the highest levels of integrity.

They were very supportive during the acquisition process and also through the integration process.

I enjoyed working with the team so decided to stay in the business and I am now running the mobile division as Commercial Director.

At first we kept the Qualitel name and had the best two years of growth. We then decided to rebrand as Elite where we have further built the division to become a core asset within the Elite Group. ”

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.