

A man with a beard, wearing a white button-down shirt, is standing in a server room. He is looking at a laptop he is holding. The server racks are visible in the background, illuminated with blue light. The image is split diagonally, with the top-left portion being white and the bottom-right portion showing the man and server room.

CASE STUDY

NETCENTRIX & SYSTEMHOST

elitegroup

TECHNOLOGY | COMMUNICATIONS | SERVICES

A Note from Our **Founder**

“ Since founding Elitetele.com in 2000, we have, successfully, acquired 17 companies. This success has been a result of both ourselves and a potential acquisition sharing a similar ethos and culture, which has enabled a smooth post-acquisition transition period and less customer and staff churn. When entering into the acquisition process, it is important to us that both parties get to know one another to ensure we are a good match. ”

Matt Newing | Founder | Elite Group



The Perfect Fit

Elite was looking to grow its Managed IT and Cloud division by acquiring an established group that could offer a complementary innovative product set. NetCentrix and SystemHOST were the group that could offer this product set, as they specialised in architecting bespoke cloud platforms for a mixture of public and private sector clients.

NetCentrix had earned an excellent reputation for designing, implementing, and managing enterprise IT solutions and had sufficient experience guiding their clients through their transition towards cloud-based solutions for storage and workforce collaboration.



The Perfect Fit

SystemHOST was a subsidiary that was wholly owned by NetCentrix and specialised solely in hosted IT solutions, which allowed SMEs and corporate clients to outsource either part or all of their IT facilities.

From their products and services, to their culture and workforce, NetCentrix & SystemHost were a perfect fit for Elite. This acquisition also provided the benefit of a third data centre which we added to our UK-wide NGN core network and allowed us to increase our capacity to offer more IT and Cloud solutions.

The **Acquisition Journey**

There were a few primary factors that caused NetCentrix to start looking for a potential buyer. Firstly, the team knew that both the firm and its subsidiary, SystemHOST, would benefit from being a part of a wider group within this industry. Organic growth was an aim, but it was proving a challenge, so having the ability to cross-sell their cloud and IT services as part of a larger organisation would help to reach this goal.

After employing an M&A (Mergers & Acquisitions) specialist, the NetCentrix team met with a number of companies, including Elite, and conducted exploratory discussions. However, despite receiving several offers, none were appropriate at the time. Six months later, our founder, Matt Newing, and the Elite acquisition team met with NetCentrix and SystemHOST's Managing Director, Phil Scanlon. An offer was accepted. Despite having a better offer from another firm, Phil and his team felt that Elite Group were the best 'fit', due to Matt's desire to work with the team and continue to grow and develop the firm's IT services within Elite Group. Thanks to our clear acquisition process, the due diligence procedure took around three months and was straightforward.



Overcoming Challenges

Naturally, there were some reservations from NetCentrix's shareholders when the decision was made to not take the highest bid for the business. However, once Phil Scanlon had demonstrated that Elite would provide the best option for the long-term growth of the business and its staff, the shareholders accepted the offer. The clear cultural fit for both staff and customers, helped the integration of NetCentrix and SystemHOST into Elite Group.

“ We didn't go for the best money, we went with the right deal for the business and its staff. Working with Matt was a good experience. He took the time to speak to us and make his intentions clear regarding his investment within the business and his plans for growth, so our business became a part of the core Elite team.

As part of Elite, I'm doing more of what I enjoy, due to no longer having the responsibility for the 'housekeeping' of a business, e.g. legal, HR and health and safety, which leaves more time for me to focus on business activities. ”

PHIL SCANLON | CHIEF EXECUTIVE OFFICER

Integration Process

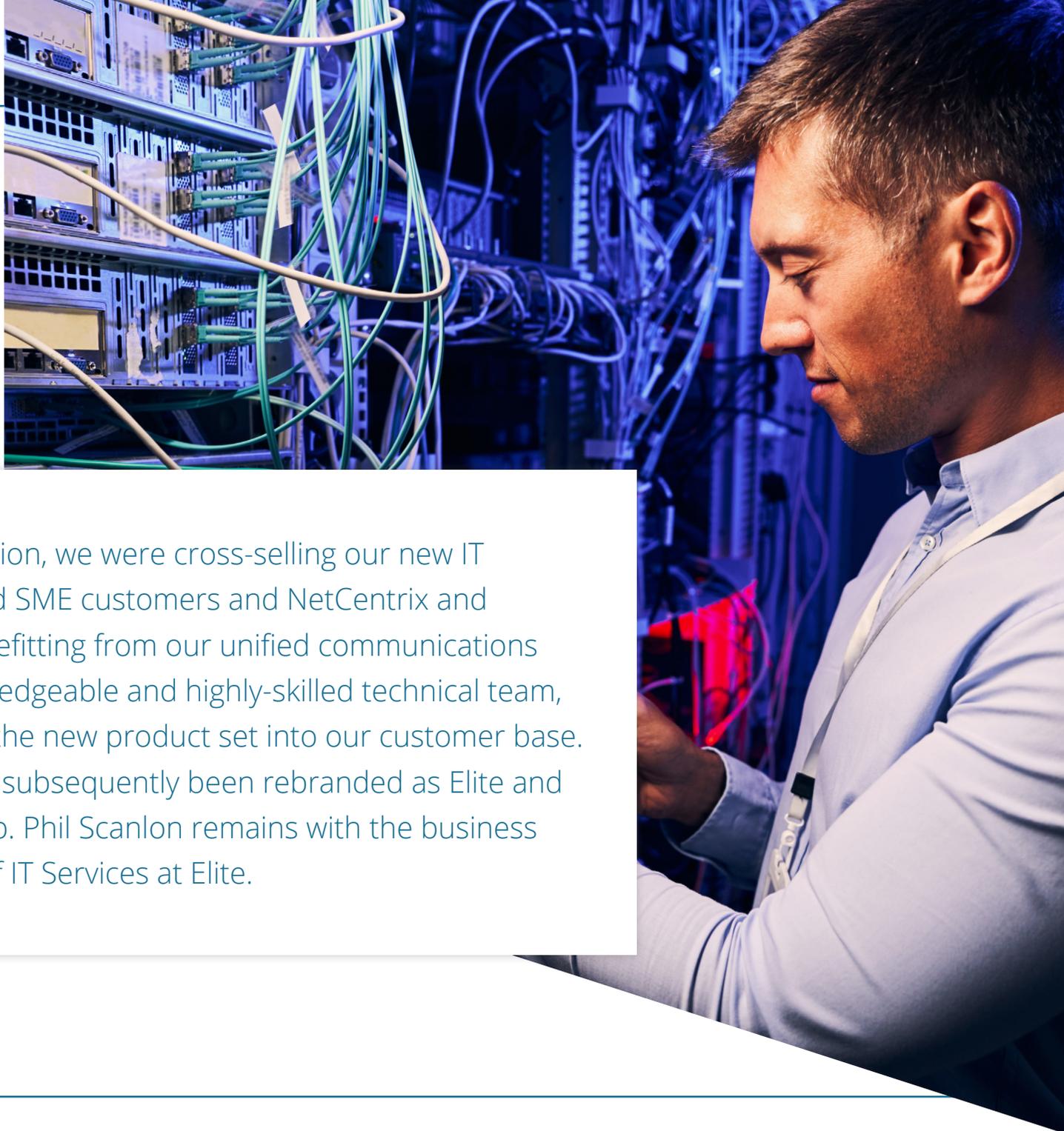
Elite's aim for any strategic acquisition is to double the size of the acquired business within two years with little to no customer or employee churn. However, the NetCentrix and SystemHOST achieved this goal within 6 months.

As communication is vital within the early stages of an acquisition, we worked closely with Phil Scanlon to ensure communication was at the forefront of all activity. Passing on the right information to both employees and customers and gaining their feedback during the course of the acquisition was critical to its success. Overall, acquired employees reported that they felt secure and happy and we were able to move ahead with providing the new product suite earlier than planned.



Successful Outcome

Within a few months, post-acquisition, we were cross-selling our new IT product suite to our corporate and SME customers and NetCentrix and SystemHOST customers were benefitting from our unified communications offering. We also acquired a knowledgeable and highly-skilled technical team, who supported the integration of the new product set into our customer base. NetCentrix and SystemHOST have subsequently been rebranded as Elite and are fully integrated into Elite Group. Phil Scanlon remains with the business and is now Commercial Director of IT Services at Elite.



Looking to **Sell Your Business?**

We understand that, as a business owner, making the decision to sell your business can be incredibly difficult. A lot of care, time and money has gone into building your business, so it's only right that you seek the right buyer.

Elite Group have a faultless acquisition history. Our experience and knowledge ensure a smooth process and successful integration of people, products and processes within our company. If you're looking to sell your business, get in touch today and our team will help you to find out more about our acquisition approach and how it could benefit you and your business.

Call: 0344 875 8880 let's work together to achieve success.





elitegroup

TECHNOLOGY | COMMUNICATIONS | SERVICES

Tel: 0344 875 8880

Web: elitegroup.com/contact

Head Office

Matrix Industrial Park | Eaton Ave
Buckshaw Village | Chorley | PR7 7NA

©Copyright 2021 Elitetele.com. PLC, trading as
Elite Group. Registered in England. Company No.
03228824. VAT No. 173 1831 16. All rights reserved.