

Building recruitment company valuation – a finance perspective

£



x

£



Purpose of Finance Team?



Value Centre

or



Cost centre

My first day



"Puss 'n' Toots" (1942)

Covering

- **Generating cash**
- **Developing the finance team**
- **Building scalability & efficiency**

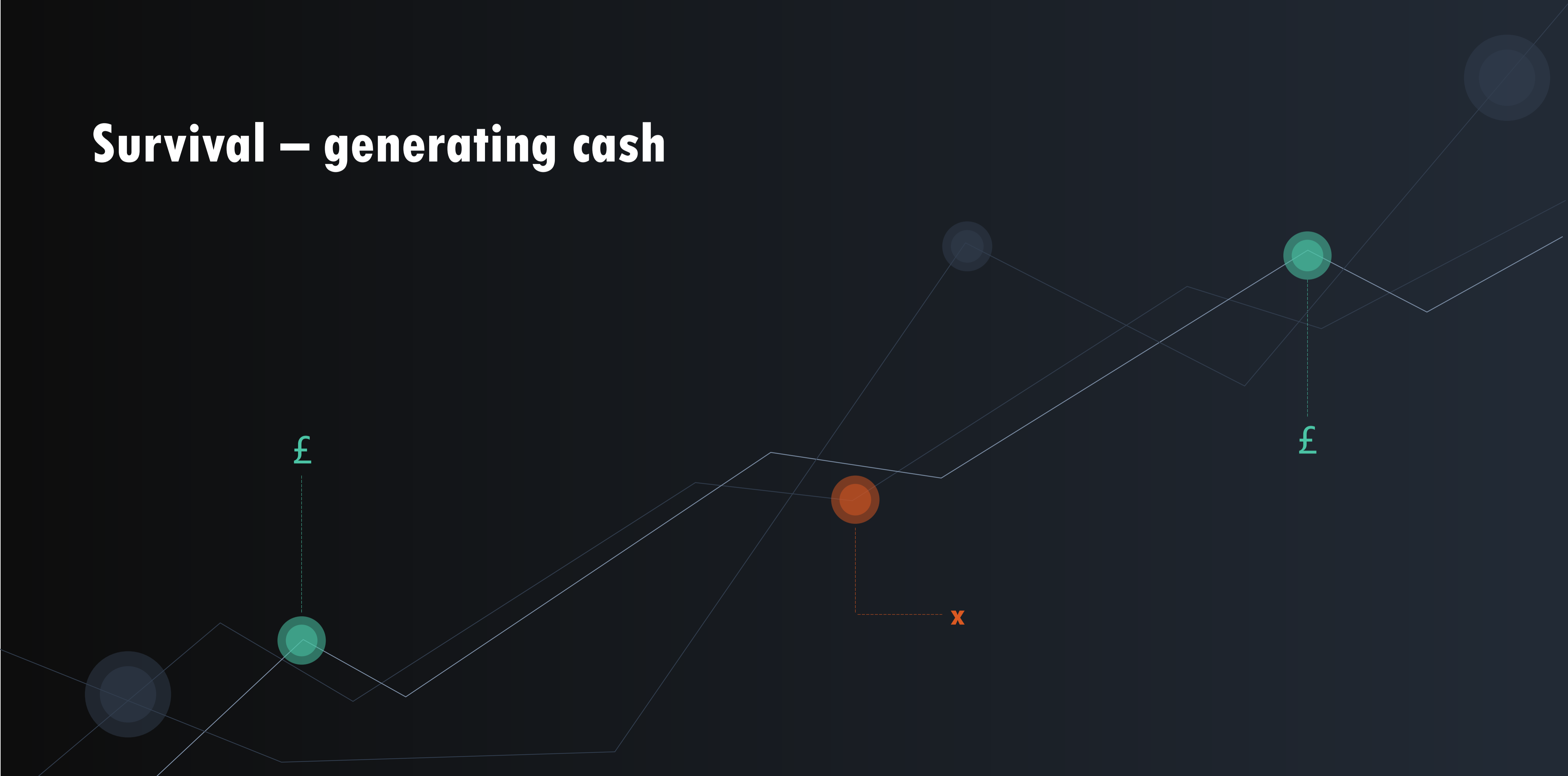
£



£

x

Survival – generating cash



October 2012

- **Net Debt = (£11.1m)**
- **HSBC risk score ~ 85**
- **Headroom < £500k or one day of contractor payments**

Generating cash

The facts

Generating Cash – How do you achieve this...



Delayed contractor payments



Credit control

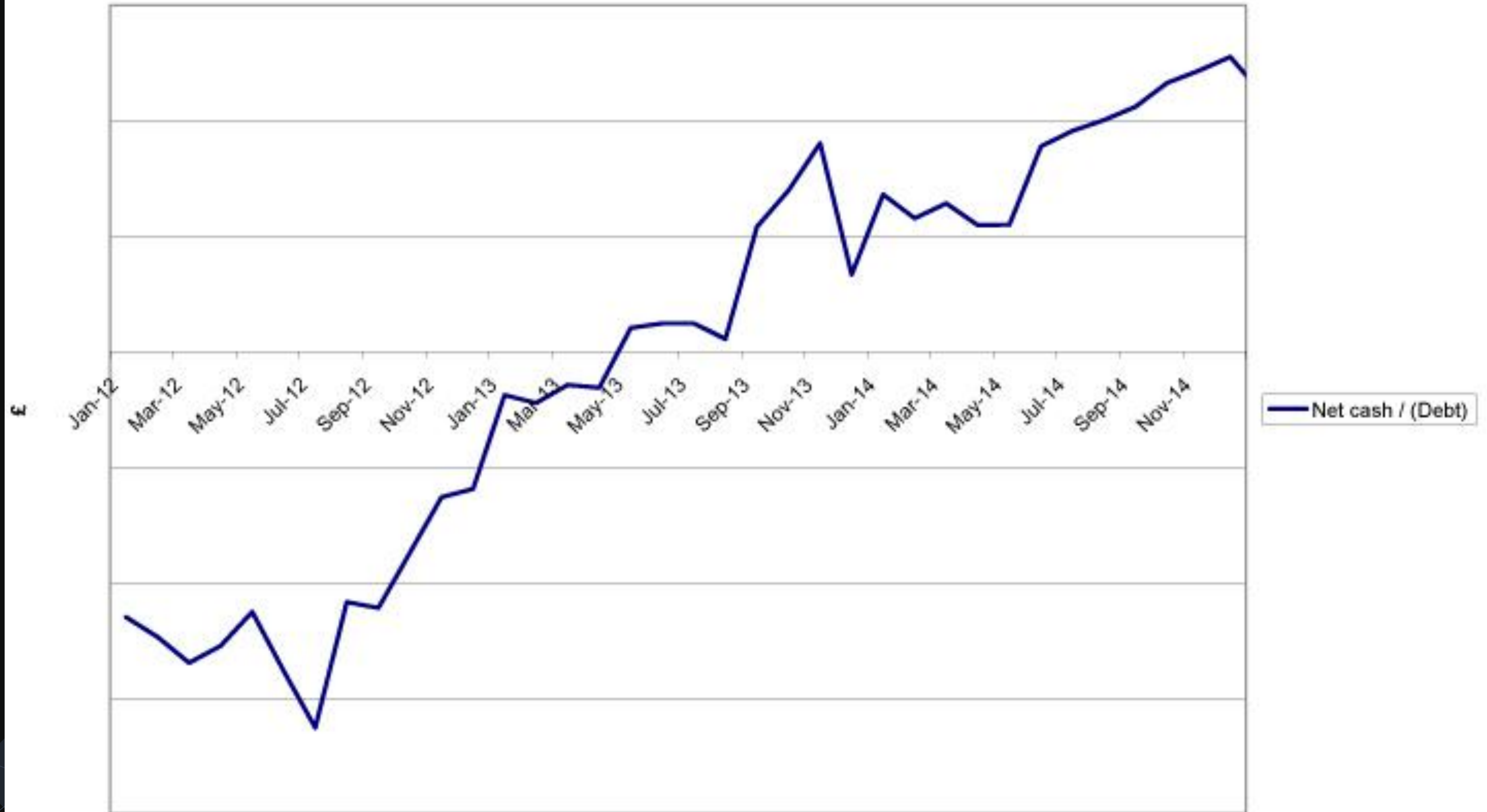


Reducing queries



Invoice process

Petroplan Net cash / (Debt)



December 2014

- **Net Cash = £12.9m**
- **HSBC Risk score ~ 30**
- **Headroom >£9m**

Impact

- **Cash conversation ratio >700%**
- **Cash generated = £24m**
- **Increase in value ~ £15m**

Generating cash

The facts

Developing the finance team



October 2012

- **A collection of individuals**
- **Silos**
- **1.9 qualified staff**
- **16 administrators**
- **Little financial awareness
(1 P&L)**
- **Little confidence**

June 2015

- **A team**
- **Supportive environment**
- **5 Qualified Staff**
- **5 Undertaking CIMA/ACCA**
- **Understand business
performance (25+ P&Ls)**
- **Confident having delivered
a large number of projects**

Improving the team – Some thoughts on how to achieve



**Goals &
Standards**



**Always recruiting
stronger staff**



Communication



Investment



**Development /
coaching**



**Responsibility /
Accountability**

Impact

- **Business confidence**
- **Company wide ownership and accountability**
- **Project delivery**
- **Improves management decisions**
- **Higher likelihood of survival**
- **Higher profit**

Indirect impact = higher value

Strong finance team

Building scalability & efficiency



Scalability

Staff

vs

Automation / IT

Building scalability (contractors)



CRM System



On-boarding system



Self service – Timesheets & Expenses



Legacy



Bespoke



Off the shelf



Finance System



Payments system

Expected impact

- **Increased tender reach & size**
- **Reduction in corrections**
- **Less invoice queries**
- **Lower debt**
- **Headcount reductions**
- **Increased visibility**
- **Increased speed of reporting**
- **Reduced cost of banking**

Higher profitability = high value

Scalability

Key messages



Focus on working capital – it enables growth and increases value



View your finance team as a value centre and track their impact on the business



Scalability for a growing business increases profit & value

Questions

Contact details

Jess.Coles@emersonnash.com

+44 7980 261341