



CORPORATE FINANCE

MARKET INSIGHTS Q1 2018

ambition

Businesses continue to be impacted by exceptional technological change and shifting political dynamics globally. No company can afford to ignore the impact of technology on business, including Artificial Intelligence, robotics and disruptions across several sectors including financial services, banking and real estate. Effects can be seen from supply chain through to customer engagement. There is also an increase in the number of teams turning to non-spreadsheet based M&A technology to save time and costs. Despite the risks, dealmakers see the opportunities within M&A. Even during the UK's uncertain times, deal making has increased 9.5 percent in 2017, although this is still lower than other EU countries. Q4 has seen a flurry of larger deals compared to the first half of the year which could continue into 2018.

In terms of recruitment, there doesn't appear to be a slow-down in the desire to move from audit to corporate finance although candidates are much more selective with their next move, carefully considering their future exit strategy and how the move will impact their chances of making a move into private equity.

SKILLS IN DEMAND

Within practice there is still a shortage of candidates at experienced Manager and Senior Manager level. This is due to two things, one being the knock on effect of lower intakes of trainees during the downturn years and two; the number of Manager level professionals seeking a move away from practice into industry or private equity.

Those with extensive financial modelling experience are still sought after, especially when paired with advisory experience. There continues to be a need for strong commercial acumen and employers are being more selective when hiring.

Professional services firms continue to experience a healthy pipeline, but perhaps with the lack of headcount needed to effectively drive M&A. As such, talent acquisition has increased in importance with a focus on getting the right people rather than just bodies on seats.

MARKET NEWS

Mark Lucas joined Quantuma as Partner in London/Southampton to launch their corporate finance team and bolster their offering. He brings with him 24 years' experience in advising businesses on a range of corporate finance transactions both in the UK and overseas.

2017 saw a trend for restructuring and insolvency firms branching out into corporate finance and setting up new divisions.

Apple bought Shazam for \$400m, far from the \$1bn Shazam was valued at during its last funding round. Apple's biggest purchase since 2014.

Ladbrokes Coral agreed on a £4bn takeover by online rival GVC towards the end of the year, creating an online-led gambling giant.

PREDICTIONS FOR THE COMING QUARTER

We anticipate M&A activity to continue accelerating into 2018, with tech very much in the forefront. Companies are making noises to suggest they are aiming for bigger M&A deals in 2018.

The introduction of new technology for M&A transactions is starting to move deals away from spreadsheets and upskilling will be of benefit to candidates looking to move within the market, as such – knowledge and skills have a shorter expiry date and top talent typically look for roles that offer genuine development and progression, and the opportunity to work on projects outside their original scope, mentoring or attending conferences/webinars. This could give employers an advantage over others in the market.

I expect to see a fairly sharp incline in the need to hire within corporate finance teams as activity increases throughout the year. Where firms have struggled to hire at the Manager/Senior Manager level, I anticipate a rise in the number of executive level roles being created to help carry the load. On the other side, I see a continued desire for candidates wishing to make the move into private equity at an earlier stage in their career.

Despite the significant increase in the use of technology to communicate with candidates, there is still the need to engage the candidate, be close to the candidate and provide the best candidate experience. With the changes in the way we communicate there comes the challenge of getting face time with candidates and clients alike, and Skype meetings are becoming more common and acceptable. Whilst we embrace technology and its impact on business, it's important to keep the relationship at the heart of recruitment to ensure we fully understand a candidate or clients' motivations, aspirations and priorities to gain a successful outcome for both.

PROFESSIONAL SERVICES SALARIES (LONDON) Q1 2018 MID-TIER/SME FIRMS

Job title	Annual salary range (£)
Assistant Manager	45K - 55K
Manager	55K - 70K
Senior Manager	70K - 90K
Associate Director	80K - 100K
Director	110K +

Notes on salary table:

1. The salary ranges given are only approximate guides. For tailored salary advice, please contact us directly.
2. Roles outside of London are likely to be £5K - £10K lower than the salaries indicated above.
3. 12-month base salaries are assumed.
4. All other benefits and bonuses are in addition to these figures.
5. Bonus ranges can vary significantly from company to company and will be influenced by market conditions, business and individual performances.