

Independent organiser

*Emap, CMP, REED, DMG et al hit the headlines on a regular basis, but what about the independent organisers that aren't so high profile but, nonetheless, turn out important shows for their sector? In our regular series profiling these perfectly formed operators, we talk to **Colin Brunton**, chairman of the Golf Show Group.*

The Golf Show Group owns and manages the London Golf Show, launched at Excel London in April 2005. It has been running every year since. Building on the success of the London Golf Show, the company launched The NEC Golf Show in 2007.

What is the concept behind your company?

We own and manage two shows - The London Golf Show and the NEC Golf Show. In the past, there have been other people who have attempted golf shows but they were unable to bring together the demand for a show that allowed a good consumer experience, with the needs of exhibitors to showcase products. Our business model has created its niche and works by maintaining a careful balance between exhibitor, visitor.

What drives you to launch the shows?

I would describe the main impetus as fear. Fear that I couldn't maintain the niche or build up the business. At this time, as with many small exhibition owners, I would describe fear and hope as our biggest drivers.

How did you get into this industry?

I was invited onto the board as chairman of this business. My experience was needed after the first London Golf Show made substantial losses. The reality of the trading situation and the debts were revealed; then we had a horrible time trying to find out the truth. Within a short time, a new board was appointed and we started rectifying the mistakes of the past. The short answer would be I got into this industry by mistake.

What are the advantages of being a small company?

Everyone is aware of all aspects of the business and we all work closely. In simple terms, the advantages are clarity in our objectives and clear understanding of what is needed. We can also react quickly to events and sort business problems without too much debate.

What challenges have you faced?

I have alluded to the initial challenges of overcoming the disastrous situation we inherited. The ongoing challenges have been to fuel the growth of the business whilst managing debt and protecting the niche. Right now, as a small business I have to manage reluctant bankers, and make sure that we make the right decisions in a business environment, that will be merciless in the next few years.

How do you market your shows with a comparatively smaller budget?

We have developed a niche so it is about maintaining and communicating with the hard core that make our shows a success. We have 40,000 people on our database, who have visited our last six shows and with who we are able to communicate directly. In addition to this we have built a good relationship with the media across the golf industry. We do not spend as much as we should probably but then, we seem to get the numbers.

Are you planning to diversify in the future?

I am not. Market conditions generally are in free fall and we will continue to consolidate what we have. We have plans, when the time is right, to expand into the international arena but at present we will hold fire until things pick up. On the other hand, I believe there could be some good exhibition businesses out there that are ailing and have been seriously damaged; we will keep an eye out for opportunities.

The M&A Files

Steve Monnington of Mayfield Media Strategies presents a step by step guide to selling your business

Part Five: Valuation and Price Negotiation

It may sound a bit corny to say that a business is worth what someone will pay for it but this has



never been truer on a recent transaction where the offers ranged from £750,000 to £2.6 million.

Companies have different methods of valuation and certain buyers may be prepared to pay more if the exhibition is particularly strategic for them.

Most buyers ask for price guidance but they only want to know this so that they don't pay more than the seller is expecting to receive. It is important to let the buyers value the business, knowing that they won't make their best offer straight off. However it provides a good starting point for negotiation.

You will hopefully receive more than one offer for your business and you shouldn't worry about keeping potential purchasers waiting while you assess and negotiate the different offers. However you should be open and honest about the situation so that everyone knows where they stand.

You should also use an intermediary for the negotiation. Buyers are very good at reading emotions and a dispassionate approach could mean a higher achieved price. Using a third party in this way will also give you more time to reflect and to consider the best way to respond without being pressured into an immediate reaction.

Selling after a show rather than before allows you to keep the profits of the show and to base the price on a higher profit than the previous edition. It is often effective as a final negotiation to include an element of earnout – an amount to be paid on future performance.

However, unless you are continuing to be in control of the show this shouldn't be a large proportion of the total price.

Next month: Preparing for Due Diligence