

PUTTING THE MIGHTY IN THE MID MARKET

A REVIEW OF THE CENTRAL SOUTH REGION 2014 / 15



CENTRAL SOUTH MID MARKET
ADAPTABLE **UPBEAT** INTERNATIONAL
ENGINE **CONFIDENT** **COMMERCIAL** CHALLENGES **INNOVATIVE**
GROWTH **AMBITIOUS**
BULLISH **VITAL**

INTRODUCTION

When we launched our Central South Mid Market campaign nearly a year ago we had a fairly good idea of what it would reveal: that the mid-market is a true asset to this region – which is why we want to shout about it!

Yet even we were a little surprised by how much the Central South mid-market punches above its weight. Medium-sized businesses have proved resilient during some of the toughest times the global economy has known. This market segment is home to some of the UK's most impressive companies, which are exporting, innovating and staying a step ahead of the market as they execute their ambitious growth plans.

Over the last 12 months we have identified the region's mid-market companies that are growing overseas sales, achieving sustainable profit growth and demonstrating the importance of investment and innovation. These have varied in size within the £10m–£300m turnover bracket across all sectors.

We have also brought together other professionals, banks and business organisations in the Central South to discuss our findings, what we have heard from the companies we have talked to and to consider how, together, we can better support their growth and sustainability ambitions.

In this review, we want to share the dynamics of the Central South Mid Market, what we have learnt so far and the key challenges mid-sized firms face.

We work with these businesses every day. We know that these challenges are different from those encountered by smaller companies or larger corporates. This means that they also have distinctive needs, and require targeted support and legislation to help them flourish.

In response, as a firm, BDO has launched its Mid-Market Manifesto. We will explore a few of the ideas and policy recommendations that we have put forward to political parties as they consider their plans for economic growth in the run up to the general election.

**BDO: MID MARKET
ADVISER OF CHOICE
IN THE CENTRAL SOUTH***



We also have comments from some of the companies themselves as they share their thoughts on their success.

Having reviewed all the top performing companies that we identified in our analysis and having consulted with other key professionals in our local market, we announced the BDO Mid-Market Company of the Year at a gala dinner at the beginning of February. You can find out more about the three finalists and their success so far towards the end of this report.

I hope our review highlights the importance of the mid-market to our region and that you agree with us that these ambitious and dynamic companies are a truly essential part of our economy.

We are excited to be able to help them on their journey.

MALCOLM THIXTON
Lead Partner, BDO Southampton

*Based on listed auditor in accounts filed at companies house for privately owned companies with turnover between £10-300M registered in south Hampshire, Isle of Wight, Dorset, South Wiltshire or Chichester and surrounding area as at Feb 2014

CENTRAL SOUTH MID MARKET

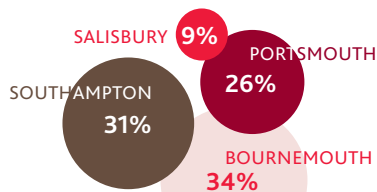
WHAT ?

£10m - £300m turnover, private companies with UK HQ based in the Central South region

WHO ?

Currently 302 companies*

WHERE ?



HOW MUCH ?

20% OF THE
WORKFORCE

27% OF REGIONAL
REVENUE

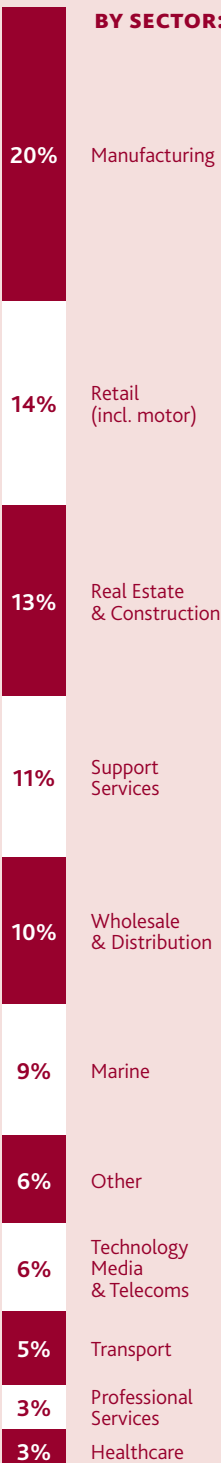
SPOTLIGHT ON MANUFACTURING

A strong performance from the manufacturing sector has helped the Central South mid market to grow. It's diversity (spanning marine, advanced engineering and aerospace & defence) is a key aspect of its robust performance.

SPOTLIGHT ON MARINE

The regional mid market supply chain within the marine sector will benefit hugely from the investment and profile generated by the UK America's Cup challenger team being based in Portsmouth by Ben Ainslie Racing.

BY SECTOR:



As part of our focus on the Central South mid-market, we spoke with a number of companies to understand the challenges and opportunities they face in successful international trading.

An encouraging number of these businesses were looking at international markets for expansion, however the majority were still targeting established markets such as Northern America and Western Europe. More needs to be done to encourage and give mid-market businesses the confidence to explore the emerging markets of Asia, Africa and Latin America.

We believe local mid-market businesses need help to understand their potential for international success. They need hands-on support to map out the international journey and, importantly, must have access to the right advice and funding to implement their plans.

We welcome the trade minister Lord Livingston's announcement last year that every medium-sized business in the country is to be offered tailored UKTI trade advice and an intensive programme of support to help them start exporting or break into new markets.

GOING GLOBAL

A TOUGH BUT WORTHWHILE JOURNEY

But this is just the start – there needs to be a better mechanism of communicating this support to these companies.

The majority of businesses we met were not aware of the support UKTI can provide, and furthermore there was confusion with the number of trade bodies in the region and exactly where business should go for this support.

Culture and language was cited by a number of businesses as a key challenge when entering new markets.

This was seen as one of the reasons why a number were looking at Northern America and Western European markets rather than looking at the emerging markets for growth.

Those that have existing international operations cited **finding the right partner** – be that a distributor or supply chain partner – as a real practical challenge. Existing exporters cited regulatory legislation as a barrier when investigating new markets.

Getting the right advice when entering into new contracts abroad is key to ensuring you can both repatriate profits back to the UK successfully and structure any intra-group charging while maintaining an appropriate overall group effective tax rate.

The region's mid-market companies remain cautious on entering new markets, with regulatory and cultural challenges seen as a key barrier. However, they are well placed to overcome these challenges and take advantage of the opportunities the emerging markets have to offer.

Doing business in international markets is no longer just the realm of the region's biggest businesses but their experience and knowledge is key. We want to see greater numbers of large firms reviewing their supply chains and assisting medium-sized suppliers where they can to enter new overseas markets.

The non-exporter of today can be the global businesses of tomorrow, but only if the Government, big business and finance providers all play ball.



Arbinder Chatwal, Director BDO, discusses the challenges of going global with **Adam Oliver**, Field International, at a discussion dinner held in Bournemouth

"It's still a daunting prospect for many, but if they are able to make the investment, and have an attractive product for international markets, then absolutely they should go for it."

DAVE CORNELL
Founder, BOFA

GOING FOR GROWTH

MORE OPPORTUNITIES, MORE FUNDING

One key feature of this year's mid-market activity is the resurgence of the M&A market. As business confidence continued to rise, so too did the optimism of management teams looking to increase market share through strategic mergers and acquisitions.

Ironically, part of that optimism has come about because of the recession. Management teams were forced to understand their business better; to truly recognise their core strengths and costs, seek professional advice and realign their operations and objectives.

Playing an important part in the level of deal activity is funding. Following many years of restricted access to finance, there are now far more opportunities to gain financial support for companies with robust growth strategies. The banking environment, private equity funders and the stock markets - both AIM and the main market - are well and truly open for business.

A CHANGING LANDSCAPE

In 2014 we witnessed consistent growth returning to the UK economy, and this has been supported by a variety of funding options and judicious use of existing resources.

There has been an improving funding landscape in both debt and equity markets. However, the most appropriate funding route for an individual business may have changed for good post-recession and therefore careful navigation of the options available has never been more important.

CAPITAL MARKETS

Although equity markets have stuttered on occasions, there has been an increase in both the value and volume of IPOs in 2014, proving that it still presents a good opportunity for the right type of business to access capital and unlock funds.

The AIM market has been the most successful platform for mid-market businesses. In 2014 there were 86 IPOs and 118 transactions in total in 2014 - these are the highest numbers since 2007.

BDO completed 33 deals in 2014 with a value (market cap) of £5.3bn, reinforcing our position as the number one adviser to businesses listed on AIM. In Southampton, following three IPOs this year, we now advise eight companies on AIM, along with two on the main market.

What was noticeable in 2014 was the increasing number of local businesses who wanted to discuss how they could grow more rapidly.



PRIVATE EQUITY

Outside of US, the UK is home to the largest private equity market, raising more than \$250bn in the period of January 2006 to July 2014. The continued strength of the UK economy has ensured the ready supply of attractive businesses available for private equity to invest in.

The UK private equity market is seen as particularly attractive given the availability of exit opportunities (capital markets and M&A). There has been no let up in new funds raised which has further increased demand to deploy those funds in new investment opportunities – good quality businesses with growth potential. Additionally, we have seen an increasing trend of private equity supporting 'buy and build' strategies in their invested companies to support their growth aspirations.

BANK FUNDING

We have seen three key themes emerging within the debt markets in 2014 and, assuming there are no major economic shocks in 2015, not least in Europe with the potential fall out from the Greek elections, we expect these trends to continue.

Banks are more discriminating with regard to which companies they are prepared to finance and the increased competition to provide debt capital for those perceived to be stronger performers are resulting in much improved terms. Prospective borrowers should consider how best to mitigate potential risks to maximise their position with prospective lenders.

Asset Based Lending ("ABL") has become a much more flexible product being advanced against a wider range of assets.

Direct lending funds, whilst more expensive are also now more pragmatic in their attitude to risk and flexibility on terms. Companies should consider both of these as viable alternative funding solutions to traditional bank debt.

OTHER SOURCES OF FUNDING TO SUPPORT GROWTH

A striking feature that companies in the Central South have demonstrated is their willingness to tap into their own resources and capital. Many businesses we have talked to remain committed to reinvesting their profits in order to exploit new market opportunities.

However, there are a plethora of other sources of finance available to support the growth ambitions of businesses, including asset based lending, crowd funding and peer-to-peer finance, which doubled in size in 2013 and totalled approximately £1bn in 2014.

There are also numerous government-backed schemes and initiatives supporting venture capital, innovation, start-ups, self-employment, green economy and social entrepreneurs. In addition, there are regional funds available through Local Enterprise Partnership which are often linked to job creation or provide match funding. For detailed information on these visit www.solentgrowthhub.co.uk



LOOKING TO TOMORROW

PUTTING **INNOVATION** ON THE AGENDA

Each year for the past five years, we have continued to see more and more companies investing in innovation.

We've long known that mid-market businesses rely heavily on investment in innovation as one way to ensure they remain competitive.

But as companies start to focus on sustainable growth and compete in global markets, innovation is becoming an ever more critical element of business strategy.



DRIVING GROWTH

As part of our Central South mid-market focus, we interviewed two local manufacturing companies that rely heavily on continuous investment in innovation to achieve aggressive growth.

Following continued investment, Andover-based VES has won high profile national contracts, as well as secure pan-European collaborations with several technology 'giants' on the continent to secure EU funding. For Rimor, based just outside Portsmouth, investment has allowed them to exploit opportunities in the lucrative oil and gas sector.

Both companies were very clear that successful innovation takes time, both through investment in a quality workforce and by ensuring that financial investment continues to empower teams to explore new opportunities.

As part of our focus on innovation, we consulted with other professionals in banking, law and intellectual property to identify the 20 companies that truly demonstrated the breadth of innovation across the region. These included a variety of manufacturers but also composite yacht designers and several software companies.

We discussed the drivers for innovation with these businesses, and what effect was being seen at both a top and bottom line level. In almost all cases, the benefits were rapidly seen through either increased revenues due to market leading new products, or increased profitability due to the higher margins achievable on more technically advanced products.

INNOVATION THE KEY TO SUCCESS

Across the board, companies agreed that innovation was crucial to their business. It wasn't optional – they strongly believed that if they stopped investing in innovation, it would quickly lead to reduced profitability. Common challenges to sustained innovation included the ability to recruit and retain a talented workforce in a fiercely competitive labour market. There was intense frustration of the understanding gap between higher education institutions and the needs of businesses looking for apprentices.

Access to grant funding for innovation – or more specifically support for businesses in how to identify the right funding and successfully apply for it – was also perceived as lacking.

Whilst innovation is traditionally found in the technology and manufacturing sectors, we have seen businesses across broader sectors increasing their reliance on innovation, whether it be innovative new business practices, processes, or using technology to streamline operations.

In the context of the wider economy, this may in some part be due to businesses having stripped out any 'surplus' in their business during the downturn, pushing management teams to look at smarter, more innovative methods of maintaining margins and market share.

GOVERNMENT SUPPORT MISSING THE MARK?

A worrying trend is that when asked the majority of companies told us that R&D tax relief does not influence investment decisions and is purely "a nice to have". Considering the investment that the Government has put into this in the past five years, this is concerning.

We don't believe this is the fault of the Government, but rather that many companies simply don't get the right advice at the right time to demonstrate how valuable targeted tax incentives can be towards supporting cash flow and profitability.

"We had ridden a good sales-growth path based on our proven products, but forgot that this success was because of our company's traditional focus on R&D and its ability to offer alternative, often innovative, solutions to clients."

KEVIN FEENEY
Director, VES

THE BDO MID-MARKET MANIFESTO

WHAT IT MEANS FOR THE CENTRAL SOUTH

In the run up to this year's General Election, political parties have a unique opportunity to build policies into their manifestos which unlock the mid-market's full potential.

BDO has published its own Mid-Market Manifesto – a set of policies that could unlock the potential of the UK's mid-market, adding over £1.3 billion to mid-sized companies' GDP contribution and creating thousands of jobs.

The practical policy recommendations in BDO's Mid-Market Manifesto address a range of areas from procurement, tax, corporate finance and National Insurance to retail, manufacturing and education and skills. They are designed to create the right conditions for growth, from seeking corporation tax incentives that would particularly benefit mid-market companies in the tech space, or measures that encourage entrepreneurs to keep and grow their firms to become large businesses rather than simply selling up.

We have selected just three of these recommendations which, from our conversations with directors of mid-market companies, are particularly relevant to the Central South region.

1. BUILD CONFIDENCE THROUGH UK TRADE & INVESTMENT (UKTI) AND UK EXPORT FINANCE (UKEF)

The support given by UKTI is greatly valued by the mid-sized businesses that use its services and is seen to be vital in helping them reach the next level. Similarly, UKEF helps to take the risk out of opportunities overseas by providing insurance to exporters and making it easier to access finance.

However, too few mid-sized businesses know that these services are on offer. UKTI and UKEF must use their regional offices to actively seek out mid-sized businesses that have the potential to export, and offer their support to get over the initial barriers.

2. ALLOW THE REGIONAL GROWTH FUND TO LEND TO SMALLER BUSINESSES

Make it easier for ambitious mid-market firms to access the Regional Growth Fund to aid expansion.



3. HARNESS THE POTENTIAL OF HIGH QUALITY APPRENTICESHIPS FOR BRIDGING THE SKILLS GAP, ESPECIALLY IN MANUFACTURING AND TECHNOLOGY SECTORS

For every 1,000 employees in England there are just 11 apprentices, compared with 39 in Australia, 40 in Germany and 43 in Switzerland. We should:

- Improve the awareness of apprenticeship programmes
- Reform the Ofsted assessment system for schools to give some weight to the number and quality of apprenticeship places secured by schools for their pupils
- Focus incentives in areas where there are acknowledged skills gaps such as technology and apprenticeships
- In return for incentives, businesses should pay apprentices properly to encourage take up of places. The number of apprentices paid below the minimum wage increased by 45% in 2012.

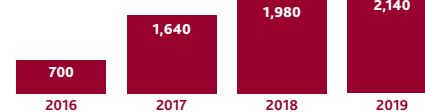
IF THE GOVERNMENT EXTENDED ADDITIONAL FINANCIAL SUPPORT TO THE REGIONAL GROWTH FUND, THIS WOULD SUPPORT ADDITIONAL MID-MARKET REAL GDP OF...



UK REAL GDP OF...



JOBS...



The BDO Mid-Market Manifesto: Oxford Economics Data

HOW WE HELP

SOME CASE STUDIES FROM THE CENTRAL SOUTH REGION

ENTERING NEW MARKETS

- Having attended a BDO Doing Business in India event, a leading Solent manufacturing company in clean technology engaged with BDO to support its market entry strategy and company structuring for the Indian market
- BDO's international network, supported with structured market analysis, assesses the potential for the company's products in the territory
- We supported management with distributor and joint venture partner searches, identifying appropriate OEM manufacturers in the companies supply chain
- We further supported the business by insights into the market entry strategy chosen by their competitors (direct sales vs. distribution channel, local resellers vs. combination sellers per market segment) and the potential go-to-market strategy implemented in-country.

ACQUISITIONS & FUNDING

- We have supported a number of clients in their growth strategies. This has encompassed supporting acquisitions of business, whether whole companies or divisions of larger entities
- Funding for these acquisitions has ranged from use of companies' own cash resources to bank funding. For the latter, this has included being able to secure an acquisition funding line to facilitate faster growth without the need for recourse to seeking bank funds for each individual acquisition.

TAX PLANNING FOR A MANUFACTURING COMPANY

- Having met a large local manufacturing company around 18 months ago through a referral from another client, we have worked closely to support its management in implementing a new business model across the UK group and its European subsidiaries to bring greater control, consistency and transparency to its operations. Whilst coordinated by the local BDO team, the work has drawn on specialists from our transfer pricing team and also involved overseas BDO offices to deliver a coordinated solution. Management commented how impressed they had been with the calibre and enthusiasm of the team
- In the same period, we have delivered tax refunds to the company of nearly £500k as a result of R&D claims made for both current and historic periods, which historic advisers failed to identify
- Going forward, we will continue to support their ongoing European acquisition strategy, with the input of a BDO Relationship Partner and International Liaison Partner.

BDO IS ALSO DELIGHTED TO SUPPORT THE MID-MARKET THROUGH ITS NATIONAL SPONSORSHIP OF THE SUNDAY TIMES **FAST TRACK 100, PROFIT TRACK 100 AND TECH TRACK 100** PROGRAMMES



THE CENTRAL SOUTH TOP 20'S

THE REGION'S BEST PERFORMING COMPANIES

As part of our focus on the region's mid market and through our analysis over the last twelve months we have identified the region's top performers in the key areas of international activity, growth and innovation. All of these companies were nominated for the BDO Mid Market Company of the Year award.



INTERNATIONAL GROWTH

- A Cooper Group Limited
- Aim Aviation Limited
- Barfoot Holdings Limited
- Bofa International Limited
- Cannon Technologies Group Limited
- Carte Blanche Group Limited
- Croydex Group Limited
- ECO Sustainable Solutions Limited
- Emerge Limited
- GDC Group Limited
- Hiflex Europe Limited
- Imagine Publishing Group Limited
- Incomm Europe Limited
- Kondor Limited
- Marden Edwards Limited
- Neal's Yard Holdings Limited
- Radio Technology Holdings Limited
- Secure Meters (UK) Limited
- Selwood Holdings Limited
- Superior Group Limited

PROFIT GROWTH

- 288 Group Limited
- Ageas (UK) Limited
- Blue Chip Data Systems Limited
- CLC Group Limited
- D.P.P. Limited
- Drilling Systems Limited
- ECO Sustainable Solutions Limited
- Eflorist Limited
- GDC Group Limited
- Goodwood Estate Company Limited(The) Limited
- Manitou UK Limited
- Mitutoyo (U.K.) Limited
- Reilly Holdings Limited
- Salisbury Glass Holdings Limited
- Selwood Holdings Limited
- Siva Holdings Limited
- Trans Ocean Bulk Logistics Limited
- Ultimate HC Limited
- Wessex Advanced Switching Products Limited

INNOVATION

- 4Com plc
- Beagle Technology Group Limited
- Cannon Technologies
- Cloudpay Limited
- Colt International Limited
- Curtiss-Wright Controls (UK) Limited
- Green Marine Limited
- Gresham Computing Group plc
- GW Pharmaceuticals plc
- i20 Water Limited
- Magma Global Limited
- Marden Edwards Limited
- Rimor Limited
- RTL Materials Limited
- SPI Lasers UK Limited
- Stannah Holdings Limited
- Sunseeker International Limited
- Universe Group plc
- URT Group Limited
- Ventilating Equipment Supply Holdings Limited

Companies listed alphabetically

The financial information used in this research has been compiled exclusively from publicly available information on privately owned companies registered in south Hampshire, Isle of Wight, Dorset, South Wiltshire or Chichester and surrounding area with turnover between £10-300M. International activity has been measured by compound growth in overseas turnover over the previous three years where stated in the accounts filed at Companies House with a minimum £.5M in year three. Profit growth has been measured by using an adjusted profit: compound annual growth rate (CAGR) over a three year period. For innovation as well as considering R&D spend as stated in accounts filed at Companies House, we also considered qualitative information and consulted with other professionals in the local market to identify 20 companies demonstrating the breadth of innovation in the region.

BDO has not carried out any verification work on the financial information used and gives no opinion on the financial information. The financial information was not compiled with the intention that it should be used for any purpose save for that described above. We do not accept responsibility for the financial information to any person or for any purpose other than that for information. The financial information was not compiled with the intention that it should be used for any purpose save for that described above. We do not accept responsibility for the financial information to any person or for any purpose other than that for which it was prepared

MID MARKET COMPANY OF THE YEAR

THE THREE FINALISTS

In our search for the Central South Mid Market Company of the Year we wanted to find the business that demonstrated all the attributes we have come to associate with the ambitious mid-market: the desire to innovate; the willingness to adapt to new market opportunities; and the ability to achieve sustainable growth.

CANNON TECHNOLOGIES LIMITED

Location	Turnover	Employees
New Milton	£ 13,762,000	102

Cannon Technologies is a UK based company which is well recognised for IT Racks and advanced Data Centre Infrastructure, having supplied global brands around the world with its state of the art technology. Cannon has pursued an aggressive programme of product development and R&D for many years, as a strategic basis for growth.



This inventive culture has added high tech Modular Data Centres to its cutting edge infrastructure, placing Cannon at the forefront of Turnkey Data Centre solutions. The superiority of Cannon solutions has been recognised by international organisations of repute who have honoured Cannon with many awards including "Technology Company of the Year - 2014"

The Company is developing international sales and has recently won a major highly valuable contract, for continent wide Data Centre supply across Australia, among other important successes.

The International Modular Data Centre Market is advised to grow dramatically in the next four years and beyond, due to the dramatic financial advantages that Modularity affords investors when compared to existing, old fashioned business models.

Cannon technologies is recognised in the industry as providing solutions which are at the forefront in this sector and Cannon is well placed to win a significant share of this dynamic market.

CLC GROUP

Location	Turnover	Employees
Southampton	£ 77,723,000	801

Established in 1969 as a painting contractor, CLC now successfully delivers property and asset maintenance services within the housing, healthcare, education, hotel & leisure, retail, commercial and industrial sectors. CLC is primarily focused on providing planned maintenance services, however during 2014 it was awarded its first major contract to provide reactive maintenance and void property refurbishment to MOD housing stock, potentially a new and successful business stream. The branch network offers customers the flexibility and responsiveness of a small local business with the resources and back up of a large national company. Each branch has its own management team and skilled workforce thereby ensuring local sustainability in each location in which CLC operates. Organic growth has been achieved by expanding its client base across multiple industries and establishing a network of branches across the UK which enables CLC to deliver unparalleled customer experience. This has led to established long-term relationships with suppliers and customers and a high level of repeat business allowing CLC to provide secure, long term employment for its directly employed workforce. It also enables CLC to provide training in the form of apprenticeships to young people creating the tradesmen and women of the future.



CLC has continued to grow and achieve excellent profits throughout an exceptionally difficult time for the construction industry, a fact recognised by its nomination for the Sunday Times Profit Track 100 'Ones to watch' award.

SELWOOD

Location	Turnover	Employees
Eastleigh	£ 56,231,000	416

Founded in 1946, Selwood is now one of the largest privately owned companies serving the Water, Environmental and Construction industries employing 420 staff through its three trading divisions. Selwood is the No. 1 Pump Hirer in the UK with an unrivalled depth of technical pumping expertise supplied from a nationwide branch network, holding framework agreements with eight of the UK's water and sewerage companies. The back bone of this hire fleet is the Selwood Pump. Selwood has designed and manufactured mobile site pumps since 1953 and is acknowledged as one of the leaders in this field with 75% of units now exported through a worldwide distributor network.



Selwood has also retained its strong regional presence in plant hire and sales with an extensive range of equipment available. Selwood has emerged from recession stronger, leaner and fitter with a clear strategic direction supported by strong corporate values and governance, and locally empowered teams focused on delivering the vision of the future. To support this Selwood has made significant investment in the business, not just in plant and equipment but also in employee training and development. This ensures individuals have the right skills and that succession planning is in place. Investment in R&D is guaranteeing new Selwood Pump models are bought to market. Selwood reinvents itself with continual improvement in both the products and services that are supplied - standing still is not an acceptable option.

LOOKING FORWARD

OUR RECOMMENDATIONS FOR THE MID-MARKET

In working closely with the mid-market we have identified the seven key drivers behind those companies that are achieving sustainable and profitable growth.

1. Have a clear plan for the next three years

A clear plan properly communicated will ensure everyone in the business is working towards the same aim, understands why certain decisions are made and what actions are needed to achieve it. It should always be flexible to respond to new opportunities that arise and any changes in market demand.

2. Consider growth through acquisitions

Be aware of M&A opportunities in both domestic and international markets and within your sector generally. Understand the value that a carefully evaluated strategic acquisition can have to your business.

3. Retain and reward key talent

With the growing strength of the labour market, it is crucial to minimise the risk of losing talent to your competition. Recognise the contribution of your key people and consider the best way to reward them.

4. Make friends

Have a strong network among peers in your industry. Finance roles in industry can often be a lonely place, and we see time and again the value of bringing people together to share experiences.

5. Be ambitious when seeking overseas markets

Try to be at the forefront and take a leadership position, do the research up front and commit to long term growth in key markets. High growth sales are likely to come from beyond Europe and the Middle East – look at emerging markets to achieve significant growth.

6. Invest in new technologies

Mid-market companies achieving sustainable growth continuously invest in new technology and processes and seek to innovate, even during a downturn. They are also much more likely than most UK firms to license-in proprietary technology.

7. Get the right advice

Ensure your management team has strong relationships with a network of professional advisers. This will give you the confidence that there are no 'unknown unknowns' and leave you to focus on running the business.

And we have three recommendations for the Central South region itself

1. Improve access to available support

Whilst efforts have been made to simplify how the support available for financing, employment and skills is accessed with the creation of the Dorset Growth Hub and the Solent Growth Hub, more alignment is needed between partner organisations such as the Chamber of Commerce, universities and local government. They need to work with the wider professional services community to ensure the information is actually reaching the mid-market.

2. Reducing the skills gap

We need more apprenticeships in local businesses and a clearer channel for mid-market companies to access the pool of young talent available to them. There are organisations that act as recruitment 'agencies' for companies looking to take on apprentices but support is not consistent across the region.

We suggest that mid-market companies explore partnerships with the region's technical colleges, which run accredited apprenticeship programmes often with trade body support. Such collaboration will also reduce the gap between the skills companies are looking for and what is actually produced by the curriculum on offer. It will also encourage companies to improve how they plan for their future skills needs.

3. Supporting overseas growth

The mid-market companies expanding overseas that have taken advantage of the support offered by the UKTI and UKEF found great value from their input. The region's trade bodies and wider professional community need to promote this support on a more consistent and proactive basis and encourage their clients to find out more through one of the "Doing Business in...." events on different economies that are held throughout the Central South region.

2014 CAMPAIGN EVENTS

CENTRAL SOUTH
MID MARKET
STAKEHOLDER
LUNCH



GOING GLOBAL
DISCUSSION DINNERS
BOURNEMOUTH,
PORTSMOUTH AND THE
ISLE OF WIGHT WITH HSBC



GOING FOR GROWTH
FUNDING SEMINAR WITH
LLOYDS



2015 CAMPAIGN COMING SOON !

LOOKING TO
TOMORROW –
INNOVATION
DISCUSSION DINNERS
IN BOURNEMOUTH
AND PORTSMOUTH
WITH THOMAS EGGAR



GOING GLOBAL SEMINAR WITH HSBC AND UKTI

LAUNCHING IN SPRING 2015 **THE MID MARKET: THE ESSENTIAL SOUTH**

As we roll out our mid-market focus throughout 2015 we will look at common drivers of success and identify how the market is changing year on year. We will seek out those that are the mid-market companies of tomorrow.

We will also consider the impact of the skills gap in the region, track the journey of a mid-market company and, importantly, the challenges they face along the way.



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