

# Life after Hours with:

# Grant Berry

Getting organised

**Client Interview, Spring 2018**

---

a fresh approach to a **financially independent lifestyle**



Grant Berry is Managing Partner of NorthEdge and has filled Benchmark in on some of the successes and challenges of his day to day role.

NorthEdge manages £540 million of private equity funds aimed at lower-mid market buy-out and development capital transactions. It typically invests between £5 million to £35 million and focuses on established businesses, with turnover greater than £10 million and profits greater than £1.5 to £2 million.

It will invest in any sector, other than pure property, which has its own specialist funds, with recent deals in manufacturing, online, chemicals, business to business and business to consumer.

NorthEdge will typically investigate about 500 new opportunities each year, although only about five or six deals will actually convert into final transactions.

There has to be a reason for a deal to happen. The capital could be needed to fund:

- a management buy-out
- product development
- investment in a greenfield site
- new people to grow sales overseas

The trigger will be either a change in ownership or a requirement for additional capital to drive new revenues. The common factor is that it is always to fuel growth.

“There are a number of reasons why a deal might not go ahead,” Grant said, “We may feel the projections are too optimistic or perhaps we cannot agree on terms. The profits may be less than £1.5 million and so fall outside criteria. The chemistry may just not be right. It is a long term relationship for three to five years, so both parties have to feel we will work together well in partnership.”

Reminding us of the inflated valuations in Dragon’s Den, Grant explained how a prospect might think their business is worth ‘x’ while his team think it’s worth ‘y’. Ultimately, NorthEdge has got to believe the financials are deliverable for a deal to go ahead.

“I enjoy seeing a business transform itself. Often it is the first time a business has had the opportunity to arrange this kind of capital so it is exciting to be able to ask business owners and entrepreneurs:-

1. ‘What could you do with ‘x’ million pounds?’
2. ‘Where could you take your business?’

“We can give them access to opportunities they had never thought possible. For example, one deal we are working on at the minute will enable investment in an 80,000 square foot brand new manufacturing facility and allow them to bring on board £15 -20 million in revenue. That is transformational.

“It is also a positive feeling knowing that we are growing employment across the region and making a difference. You meet and work alongside some incredibly talented individuals who have set up their own business ten or fifteen years ago and which continue to go from strength to strength, which is an uplifting experience.”

“To be involved with those sorts of deals is rewarding, especially as you watch them develop. As I see it, we have stewardship of these businesses for a period of time, and we aim to leave them in better shape and go on to flourish.”

NorthEdge has offices in Manchester, Birmingham and Leeds. Its management team felt the North West and Midlands deserved a dedicated pool of capital, being managed by people who live in the area and had an understanding of how the regions work, rather than in London.

Grant has worked with DBL for about five years, having known Dacre as their children all went to the same school. He asked Dacre to handle his personal finances, in particular his pension and more recently his investments too.

“Trust is a big word in my business, especially to look after someone’s personal financial position and I certainly have a lot of trust in Dacre.

“More than anything, he has made me organised. It is the old case of cobbler’s shoes. My personal finances always seemed secondary to NorthEdge’s finances. Dacre has organised mine and my wife’s personal financial affairs to a completely new level. The software he uses has meant that I have access to all my assets and liabilities in one place, which is very helpful. For the first time in my life, I feel in control of my personal finances!”