

Business Summary & Industry

Founded in 2012 we originally set up as an exclusive agent for an established Italian manufacturer of process and control instrumentation. With my 20 years of experience in the industry and a extensive range we gained traction and grew within the first 12 months. Unfortunately after our first year of us trading with them, the manufacturer could not recover from some bad investment choices and went into receivership.

This steered us on a different path where we decided to rethink our business model. We decided to create our own brand and own products. We found a factory plant in China and developed our first product. We focused on sub metering for electricity monitoring; this was due to my knowledge and experience in the market. I was aware also that in 2006 a new directive called MID (Measuring Instrument Directive) was now required for sub meters used in billing applications. In 2016 Ofgem was completely replaced by the European directive MID. So we got our first product certified in 2014 and started to promote the brand. The industry we are in is legislation driven as well as incentivised by government, as an example our products are used in a PV (Photo Voltaic) installation. So any one who had solar panels on the roof would have to have a meter that is certified to claim the Feeding In Tariff the government was offering. Also part of L2 building regulations requires sub metering. Finally we have seen that also energy management and carbon reduction requirements have helped scale up our business over the last 5 years. We provide a key part of all of this which is the device that measures electricity.

Competitors

We were fully aware of the competition and the large companies we would find ourselves coming up against. ABB, Schneider and Socomec are the 3 main largest competitors. These are large organisations that are less flexible on pricing and also less agile on development. This is where we benefit as our ranges of products are considerably more competitive and we are able to design and develop a lot faster. Our unique selling point for all our products is they are MID certified and offered at a non-certified price, giving our customers a future proof product. All our products are tested by external third party labs, giving the confidence in regards to the quality and reliability. Our other unique selling point is as a business we offer a service to help guide the customers to the right product and solution.



Why do we need investment?

As we import and brand these products from China we have to pay up front for the goods. The way the industry is we also have to give credit terms of around 30-60 days. As the business has grown our cash flow demand has also grown and we found ourselves relying on Invoice finance facilities. To date this has allowed us to grow but now we realise it is costing us around £30K per year. We also want to invest in an experienced sales and marketing person who can take some of the burden of the current infrastructure. And help drive the business to the next level. Finally we are looking to advertise and improve our marketing as well as looking to do one of the largest exhibitions in April that will give us European visibility. Currently to date we are forecast to achieve £1,500,000 and with the investment and right investor we will be able to grow from £1,500,000 to £5,000,000 in a 3 year period. Once we get to our target we estimate the value of the business to be £6,000,000 and will consider our exit strategy.

