

Prompt action during the 'Credit Crunch' helped this award winning PR agency streamline their business. Ethical Comms is now set to achieve pre-tax profits of £100,000 or more.

Before:

Elaine Mitchel-Hill of Koan Limited:

- **2004: "In three years we tried three different Accountancy firms,** but nothing worked. I felt like we were too small to be important to accountants."
- **July 2007: At last worthwhile Management Information.** "Finally to have up-to-the-minute management information which helped transform the business was exciting, thanks to Hallidays."
- **August 2008: The credit crunch bites.** "Sales dropped and Hallidays advised we develop an early recovery plan."
- **November 2008: Risk of business failure.** "Hallidays advised, guided and supported me throughout a very difficult time."

After:

In November 2008 Ethical Comms looked very different:

- **Benefits from monthly management reporting** enabling team to make informed decisions earlier. "Without this we could have been out of business."
- Introduction of monthly **'One Page' business plan** incorporating Ethical Comms Key Performance Indicators.
- **Early successful recovery plan** (turned around within 30 days) streamlining business model to project sales of **£450,000** and pre tax profits of **£100,000**.
- **Started 2009 with a working business model,** operating from a virtual office provided by Hallidays, on a reduced workforce protecting owners, career income and assets.

Elaine's story - what's happened...

Working with an accountant with no business interest and input in her firm taught Elaine exactly what she didn't want from her accountant. As an award winning PR agency whose success was founded on delivering excellence, Elaine knew she needed much more from her accountant to drive the business forward. Elaine approached Hallidays and in her first email she said

"For the first time I am excited about working with an accountant."

Elaine benefiting from monthly management reporting and her 'One Page' business plan was able to respond to drastic market changes and also her legal responsibilities during the credit crunch. Koan expanded rapidly from incorporation in Jan 2004 to a turnover of £1 million in April 2008. They had a high calibre team of six when they experienced difficult trading conditions resulting in a sudden drop in trade of over 50%. This was due to bad debts of £40,000 and a construction sector client reducing its monthly spend by up to £40,000 per month because of the credit crunch.

"Hallidays are much more than your average accountancy firm. They act as our surrogate finance department, taking care of everything from bookkeeping to finance director input. Working with Hallidays over the past 12 months has resulted in excellent management information, allowing for good decision making. I am delighted to have Hallidays on board as we continue to drive the business forward."

Due to the continued credit crunch difficulties sales did not recover as planned and professional advice was taken regarding corporate recovery procedures at the beginning of November 2008. Koan's streamlined business re-emerged as Ethical Comms Limited with projected sales of £450,000 and pre-tax profits of £100,000.

Email: clientservices@hallidays.co.uk

Tel: 0161 476 8276

Fax: 0161 476 8277

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In Elaine's own words:-

2nd December 2008

Dear Nigel

Now that the dust has finally begun to settle I wanted to take sometime out to email you and let you know how you and your team have guided and supported me through a very difficult time. I have no doubt that the course of action was the right one, but Ian and yourself allowed me enough time to come to that conclusion, rather than to feel dragged along by circumstances and events. The rare emotional intelligence shown by Ian and yourself is not lost on me and is much appreciated.

The Management information which I so badly wanted when I first became a Hallidays client ensured that the decision making process was backed up by facts and figures which spoke for themselves.

Although I'm feeling rather bruised by the events of the last few weeks I'm now focusing on Ethical Comms and on getting contracts signed up for 2009. I'm very much looking forward to working closely with Ian and with the rest of the team at Hallidays moving forwards. I would heartily recommend to others Hallidays technical ability, can-do attitude, supportive culture, and your impressive network of partners.

Whilst I realise the team that I work closely with at Hallidays are part of your larger team I would like you to know what a great joy it is to work with Ian. He has been and continues to be a constant for me with his solid unflappable approach interspersed with brilliant moments of inspiration. Rhian has been consistent, friendly, and professional at times under some stress when contacted by creditors. Lyndsay & Matt have excited me about IT and have provided a solution which is perfect and so straight-forward. I would also like to mention Bev and the team of receptionists who I always find to be just brilliant, professional, and warm. Quite simply I'm blown away by Hallidays and plan to be a client for a very long time - if you'll have me.

After going through the administration process I have only two pieces of advice for others who will doubtlessly follow as the financial climate tightens further;

1. Let Hallidays guide you through the process.
2. Don't pick up any awards the week that you file your notice to begin the administration!

With heartfelt thanks

Elaine Mitchel-Hill

Ethical Comms

Key results:

- Profitable business with a bright future
- Early action secured the future business
- Monthly reporting enables good decision making
- Two offers to buy the business
- More profitable than ever before



ethical
COMMS

Discover how you can make the most of your business potential (even during challenging times) by calling 0161 476 8276 or email clientservices@hallidays.co.uk