

Print, passion and the power of partnership



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Mark Cornford, Managing Director, Integrity Print
January 2019

Summary

Integrity

£13M

The amount Integrity Print were looking for to fund their MBO

1917

Integrity Print was founded



Some of the best opportunities in business emerge when times are tough – providing you have the vision and the financial muscle to take the right risks.

About Integrity Print

Integrity Print was founded in 1917, and while the services it offers have changed hugely over time, it still places a premium on customer service and reliability. Based near Bath, its 380-plus employees run 35 continuous web presses, five label presses and ten high volume laser printers, plus print finishing and mailing equipment.

Mark Cornford’s management buyout (MBO) might have looked inauspicious at first glance. First off, the year was 2008 – the start of the worst recession in decades. Then there was the industry itself. Traditional print was on its way out. “Much of our work was business forms, such as bank statements,” says Cornford. “We were one of the biggest at what we did – but what we did was dying.”

Integrity Print needed to diversify. Cornford set about identifying other print businesses that he felt would be a good fit with the business’s ethos. “I’m quite choosy about my acquisitions,” he says. “The most important thing to me is the culture of the organisation. I could look at a business and while technically it might seem a good match for us, if the people and the culture aren’t right then I won’t buy it.”

Getting the chemistry right

He first met Investec when he was looking for £13 million to fund his MBO – and was drawn to them by their similar ethos. “They won’t just throw money at any business. For them, like me, it’s all about management and belief in the organisation. There’s a definite marriage in thinking between Investec and Integrity.”

Since then, Integrity has changed substantially. Cornford has made some tough decisions, especially around costs. Much of the company’s growth has come from acquisitions that have taken the business into a number of different areas. These include a labels and packaging company; a security business, which handles all the UK’s birth, marriage and death certificates; and a firm that sends out letters on behalf of local councils to collect fines for traffic violations.

“Back in 2008, we were good at what we did, but 100% of that business was dying,” he says. “If you look at what we do now, 60% is growth business and just 40% old business. Once that ratio tipped beyond 50:50, I knew we had pulled away from the gravitational force of the

Death Star. The richness, complexity and profitability of the business are improving over time. Diversification is driving this.”

Financial firepower for a change agenda

Any time Cornford has needed to finance an acquisition, the Investec team has been on hand. This has mainly been through asset-based lending, secured on receivables and inventory alongside cashflow term loans.

“I know they have my back,” he says. “I don’t hide anything. When I tell them there’s a business I want to buy, they believe in my passion – but they also know that my finance director will have done the numbers and that my instinct is backed up by solid figures.”

Cornford is clear that if he hadn’t been able to diversify over the past decade, the business would not be here today. “We could not have sat on that iceberg and watched it get smaller; we had to diversify. Having the nimble and supportive Investec team on my side made all the difference. I believe that my relationship with

them and how they have stood with me has been mission critical to the success of the business.”

Passion for print, the value in values

Ben Mills from Investec adds “From our very first meeting, Mark and his team have demonstrated passion for the people within their business and a passion to always be relevant within their markets. Given the challenges in the print sector, Mark clearly understood the obstacles that lay ahead and he had strong belief that they could turn those challenges into opportunities.

“With Mark and his team, they chose a business name that encapsulates what they are all about: Integrity. As a values-based organisation, first and foremost, that approach resonated strongly with us.”



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January 2019



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