



CASE STUDY /

LENNON PROPERTIES: FROM OPERATING OUT OF THE BANK ACCOUNT TO HAVE THE CONFIDENCE TO OPEN TWO NEW LOCATIONS

Lennon Properties is an Estate Agent that sells and manages properties to let in Northumberland. We first met Martin Trinder, the owner, at a property conference where Martin Wardle, our Director at Robson Laidler had been speaking.

We instantly hit it off with Martin Trinder and made a real connection. Martin by nature is very switched on, commercial and has a real entrepreneurial spirit, which as business advisors is the perfect match for us, as he was very open to change and willing to try new things to grow his business.

Martin has a co-director Annmarie Clark, who we ensured was involved in any decision-making processes and was 'on the bus' with the direction the business was heading.

MARTIN WAS PLANNING TO OPEN A COUPLE OF NEW BRANCHES BUT HAD QUESTIONS ABOUT WHAT WAS HAPPENING IN THE BUSINESS

Like many business owners Martin was running Lennon Properties from a bank account. Businesses who operate like this often find pressure in terms of not being able to plan effectively and set meaningful goals. Running a business this way is temperamental and uncontrollable. When the bank balance is up, everything is looks rosy. When it goes down, it's not good. You worry. You can't plan. It's hard to make decisions without the right data.

To fulfil his goal of opening a new branch, it was important to know the cash position of the business and liquidity to assess the level of risk. But more importantly, to make any future decisions and move the business forward, it would be vital for Martin to understand what was really happening in the business - to really 'know' it - not just have a sense of it.

TO AVOID EXPANDING TOO QUICKLY WITHOUT THE CASH, WE TOOK MARTIN BACK TO BASICS

We're always excited to help ambitious business owners see their vision through. But we would have been doing Martin an injustice to encourage him to rush in too quickly without the financial insight to back him. The risk would be a far more exciting one knowing that he had enough cash and knowledge about the workings of his business to go ahead.

For this reason, we started with record keeping, setting Lennon Properties up on Xero and Dext (formally Receipt-Bank). This would mean Martin could stop making decisions for Lennon Properties based on

a bank balance and could see the flow of money coming in and out of the business at any time.

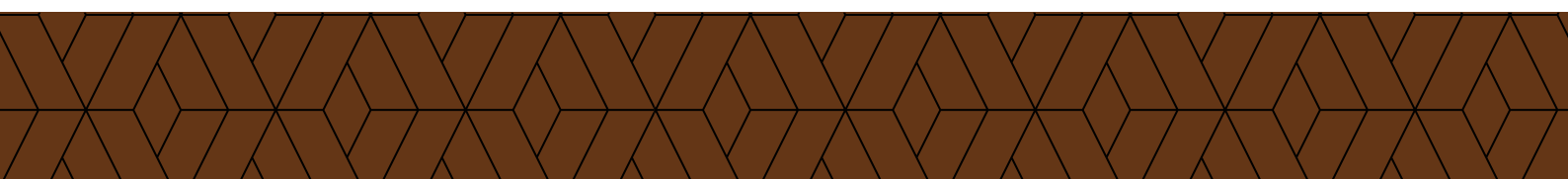
Once the finances were laid out, we then sat down with Martin, Annmarie, and the rest of the team in a Business Planning Session to get to the heart and soul of the business and gain a greater understanding of the vision. We mapped out the short term and long-term goals and linked them to the finances.

The outcome of the session was a clear one-page Business Plan. The plan identified and prioritised goals, and created strategies to achieve them, with accountability setting to review actual performance against targets. We established an action plan to address immediate and critical issues. Importantly, this process eliminates a factor that is all too common in business - procrastination.

In order to make informed decisions for the business, backed by data, it was important that Martin and the Lennon Properties team understood their own financial reports. This would empower them to track their business performance and assess risks. So we worked with them training them through how to do this.

Once the Directors had an understanding of their financial information, it was important we helped them think about measuring the numbers associated with their properties. This meant looking at their properties from a financial point of view (measuring volume of new lets, volume of new sales, contribution from each sale) and an operational point of view (selling period from sign up to completion, impact of reducing small amounts of waste across the company).

Cash flow is crucial to the survival of a business, but they say a business is only as good as it's systems! Expansion would rely as much on solid processes as it would on having the cash and the confidence to jump at an opportunity.



WE HELPED MARTIN AND THE TEAM MAKE WIDER COMPANY DECISIONS AROUND THEIR PROCESSES

Our aim isn't just to provide the numbers. We want to help business owners free their mind, free their finances and free their time. Figuring out where improvements can be made on the operational side of the business goes a long way to freeing up time for strategic thinking and future planning.

We were involved with decisions around KPIs that are important to Estate Agent owners such as:

- Sales management systems - Increasing sales, lettings, and property management
- Not having properties on books for too long
- Percentage commission
- Asking price for properties
- CRM system
- Website traffic
- Tailored and Timely info
- Consolidating financial & non-financial info

We use our forcefield analysis tool to measure these KPIs and discover the positive and negative forces that impact them and seek out ways to increase

the positives and reduce the negatives. We then meet regularly via our coaching sessions to monitor these KPIs and identify quickly whether anything needs attention.

Working alongside our Management Accounts Team puts us in a privileged position to have access to the have the financial data at our fingertips to advise more effectively.

A LOT OF PLANNING AT THE START MEANT SMOOTH SAILING TOWARDS TWO NEW OFFICES

In the pursuit of growth, Robson Laidler put counter-measures in place to prevent being blindsided in the process. This included making sure the business was structured in the right way, so as not to dilute shareholding or control as the company expanded.

Lennon Properties has since made the decision to invest in two new locations – one being its recently opened branch in Ashington, which is hitting sales targets successfully.

TESTIMONIAL /

“Before getting the financial assurance and accurate business planning from the guys at Robson Laidler, I may not have dared to expand so soon, for fear of it going wrong. This is the power you have when you know your numbers.

You can practically see an opportunity and plan for it, rather than jump in and hope for the best. Having the ongoing support and guidance from Robson Laidler made me confident that I could move in a forward direction, with the financial data and know-how to back me up.

Knowing the advisors are there to coach and steer means business decisions aren't just a fleeting thought and action points are achieved.”

MARTIN TRINDER
Lennon Properties CEO

Do you have ambitions to grow like the team at Lennon Properties? If you're worried about taking the risk, invest in understanding your business better and plan to achieve your goals, rather than dream about them. **We're here to make it happen.**