ECI GROWTH SURVEY 2014

About ECI

Building successful businesses

ECI is the leading growth-focused, mid-market private equity firm in the UK. Founded in 1976, it is one of the country's most successful private equity groups. With offices in London and Manchester, ECI invests in management buyouts, buyins and acquisition finance deals for growth companies valued between £10m and £150m.

Taking either a majority or a minority equity position, ECI partners with ambitious management teams across a range of sectors, and has sold over 90 investments with a total value of over £2.8bn since 1990.

Long-term investor

£1.1bn+

Committed capital over 30 years

Capital to invest

£437m

Value of ECI 9, our current fund

Growing companies

18%

ECI 9 turnover growth p.a. since date of investment

21%

ECI 9 EBITDA growth p.a. since date of investment

Foreword

If a week is a long time in politics, a year is a lifetime. It seems only yesterday that George Osborne was trying to explain first why the recovery was so long in coming and then why, when growth eventually appeared, it was heavily concentrated in London and the South East. For a minister with a Cheshire constituency, in a government desperate to broaden its appeal outside the Home Counties, that was embarrassing.

Fortunately for the Chancellor, those days are behind us. This year's ECI Growth Survey confirms that most UK SMEs are now in an optimistic frame of mind and thinking about expansion. A year of over 3% growth can work miracles for morale of your average managing director or finance director. But a recovery in demand, which we have assuredly seen, also brings problems.

After more than five years of almost zero bank rates, it is clear the next move will be up. The Treasury hopes the Bank of England's first move will come on the other side of the election, but it can't be delayed much more. Firms are having to think about how to afford a higher cost of funds.

Experience tells us that a number of small firms fail as the economy picks up. In some cases that may be a delayed reaction to recession. Small firms try to cling to life as long as possible and, tragically, some expire just as the recovery cavalry come over the hill. But there is another, more prosaic, reason. In the early phases, expansion is costly in cashflow terms. Production costs and receivables rise and firms fail for lack of liquidity. It is vital in this recovery phase that large firms, and the government in all its manifestations, pay promptly. Small firms do not have a liquidity cushion to rely on.

The banks must also be prepared to take the strain. Britain's banks are punch-drunk, hit by regulatory fines on a scale unheard of in the past, and forced to hold more capital than before. In the long run this should be positive for financial stability. But, in the short term, some have strengthened capital ratios by reducing lending, rather than by increasing reserves. While demand was weak, this didn't matter so much: now it is crucial they provide funds for growth. There is evidence in this survey that businesses are finding it easier to access finance, which for most still means bank debt. But private equity and venture capital firms have an essential role. Growing firms need a judicious mix of equity and debt.

However, the most striking conclusion from this year's survey is that, across the country, firms are struggling to find the skills needed to expand. It is not surprising to find IT experts and engineers in short supply. That's a perennial complaint for UK business: it was a regular feature of CBI surveys when I was Director-General in the 1990s. But the shortages go further. Sales and marketing staff are hard to find, and in London it seems you can't find a chef for love or money.

There may be a link here to the famous productivity puzzle that continues to preoccupy analysts of the UK economy since the recession. Why is it that unemployment has remained subdued and recorded productivity so weak? One partial answer may be that the economy was not hit as hard as we thought. The Office for National Statistics has been preparing for a backward revision of GDP this autumn. But part of the answer may also be that firms have held onto staff who do not have all the skills they need, because they find it difficult to recruit new people with more appropriate skills. In those circumstances they may survive, and prosper moderately, but productivity will be affected.

We may never know which of these factors dominated. If productivity rises as recovery takes hold, the puzzle may become a historical curiosity. Let's hope so. In the meantime the government, banks and big business need to understand we are in a new phase. Recession is behind us for now, but growth brings its own challenges, financial and human. A focussed attack on the skills shortage would pay dividends. It is bound to involve education and training on the one hand, and careful immigration on the other: a tricky nettle for any government. But if they don't grasp it, a lot of good companies will fail unnecessarily.

Sir Howard Davies, Chair of the Airports Commission and former Director-General of the CBI

Contents

The Good

65%
expect it to be easy to access finance in the coming year

Raising finance is getting easier. Most respondents (65%) said they expect it to be easy or very easy to obtain finance over the coming year. That's up from 54% last year.

Growth is returning to the economy. The UK market will be a key market for many respondents in the coming year. Almost a third of respondents (32%) expect turnover growth in the coming year over 26%.

Capital expenditure is up. So is R&D spending for many firms, with 83% expecting increases.

The Bad

82%
are experiencing some kind of skills shortage

Growth is raising concerns over skills. The vast majority (82%) of respondents across all sectors and regions are already experiencing some sort of skills shortage.

The banks are still a cause for concern. Better promotion of bank lending was the most requested government action and over a third of respondents (35%) expect it to be difficult or very difficult to obtain growth finance over the next year.

There are export challenges. A lack of international expertise, a strong pound and overseas regulation are holding back UK firms from exporting more. The US and Europe remain the main export markets, with the firms still "under exporting" to BRIC economies.

Executive summary

When we launched the ECI Growth Survey in 2010 it was with the intention of obtaining a "better understanding of how successful growth companies will lead us out of recession this time and what areas CEOs see as their current priority". At the time there was much teeth gnashing about the fact that the recession had done irreparable damage to the UK economy and that it would take decades to get the private sector economy back into a suitable shape. There was even talk of a "lost decade". However, while there is still much more to do (of which more later), ECI was right, as a growth investor, to highlight four years ago that it would be successful growth companies that would be lead us out of recession and that the opinions of the leaders of these companies matter.

They matter because these are the companies that are creating jobs and contributing to record employment. They are also more likely to be able to export successfully and compete on a global basis and they are the companies that are most likely to stay domiciled in the UK, thereby contributing to the Exchequer, rather than country-hopping to the lowest tax jurisdiction.

While we welcome the optimism that the leaders of growth companies have displayed in this year's survey, it is concerning to learn that there remain so many clouds looming on the horizon that could limit their growth potential and, therefore, the UK's economic recovery.

Of these potential problems, the skills shortage is the starkest message that comes out from this year's findings. It is astonishing how quickly the issue of skills has returned to the agendas of those running growth businesses. There is another anomaly in the low-growth of wages (a shortage of supply combined with a growth in demand would normally lead to a more noticeable price increase).

But there are other messages of concern too, notably in the challenges of exporting (and especially the reduced activity with developing economies) and access to finance. These are areas where ECI, and other growth investors, can help businesses. Our current portfolio of companies exports to over 100 countries and international sales are growing at 33% p.a. (ECI 9) compared to UK sales of 17%.

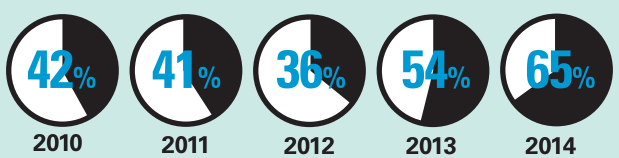
This survey is all about the thoughts and attitudes of the leaders of growth companies. But it would be remiss of me not to bang the drum for sophisticated equity investment. The right partner can really help growth businesses to maximise their potential. Reading some of the reasons that the leaders of growth companies give in this survey as to why they are not exporting more reminded me of the work we have done with companies in the last few years. We have helped our portfolio companies in various ways in this area, from getting specific exports licences to identifying which countries would be best to target in the first place, to supporting the investment in staff and offices in those markets and locations.

That's the sales pitch over. I would like to take this opportunity to thank all the growth companies who participated in the survey and say congratulations for being such inspirational business leaders. Without your hard work and creativity the UK economy would not be performing anywhere nearly as strongly as it is. Entrepreneurs, we salute you.

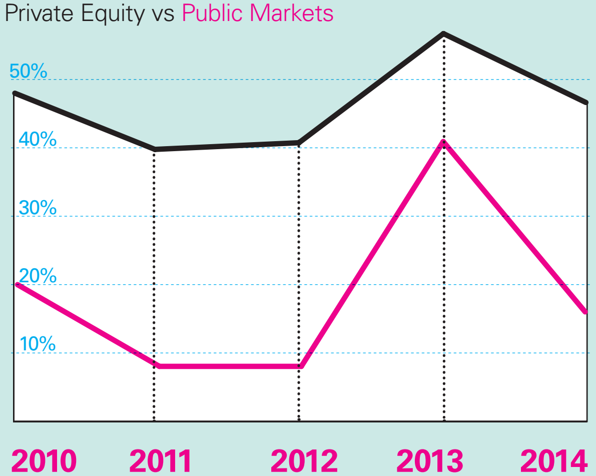
David Ewing, Managing Partner, ECI Partners

Key findings
From the 2014 Growth Survey

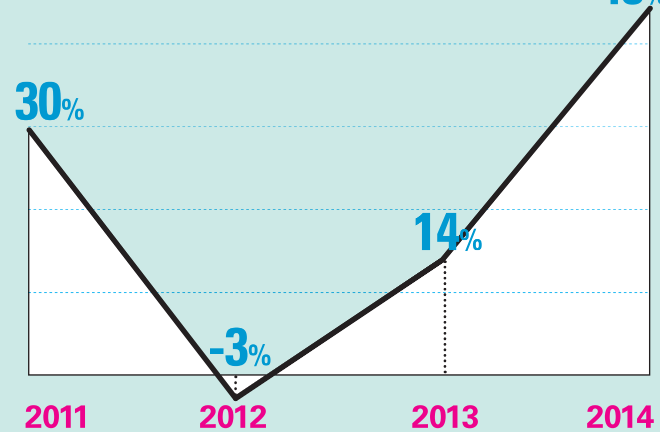
Ease of access to finance
% expecting it will be easy or very easy to access finance



Sources of funding
Private Equity vs Public Markets



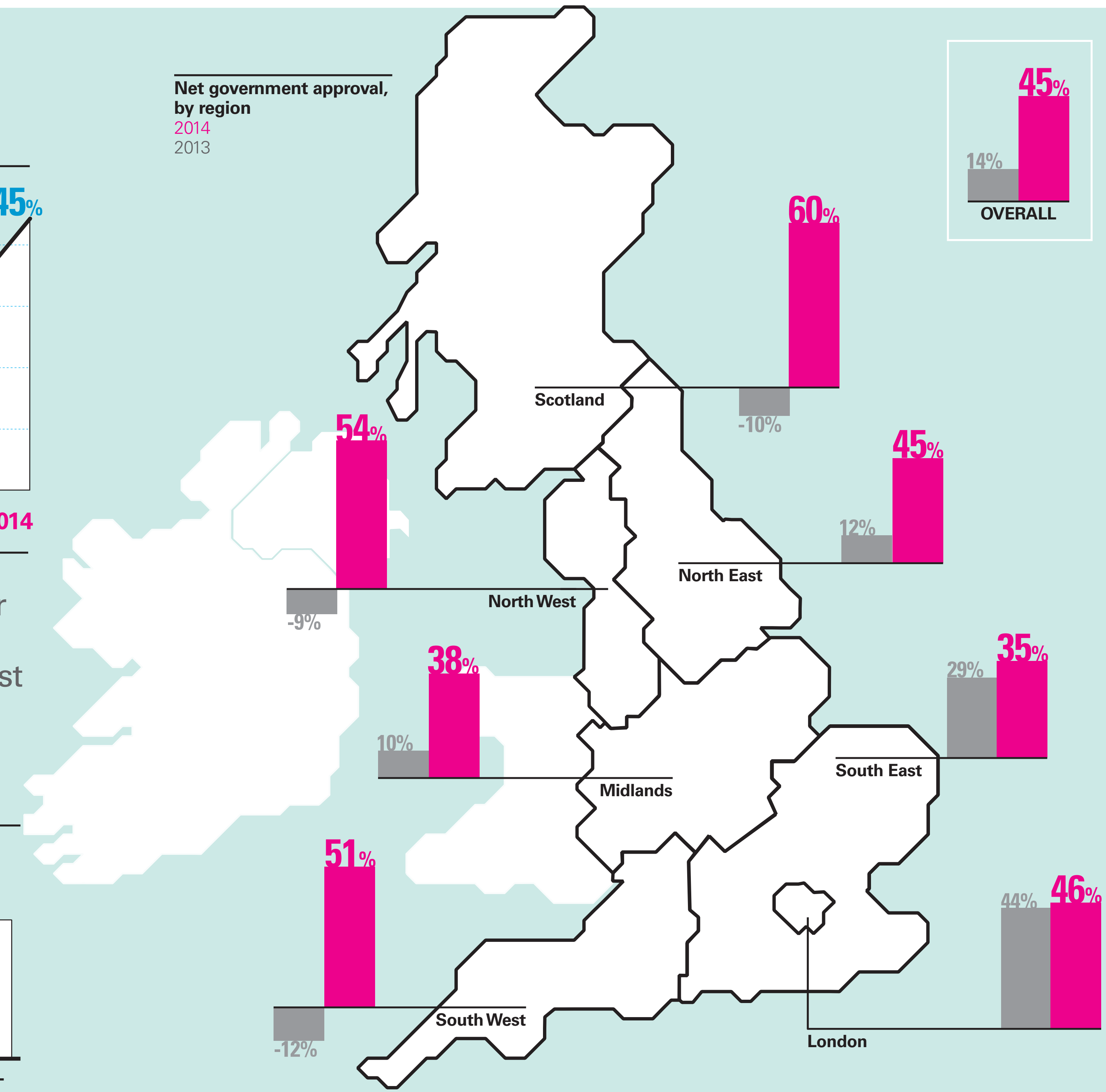
Support for government policies
The net positive score is at its highest level



Key drivers of growth

A main growth driver this year was investment in staff with **54%** citing it, up from **31%** last year. Capital expenditure was cited by **40%**, up from **13%** last year.

Skills shortages, by region
% of respondents who are experiencing some sort of skills shortage



Skills shortage
Demand for talent is hotting up

Skills shortage

82%

of respondents report that skills shortages are an issue

25%

of respondents report a shortage of sales and marketing skills

The return to growth across the UK economy is a positive for most small and medium-sized, high-growth businesses. It brings with it greater opportunities for new business, stronger sales and expansion (domestic and overseas). But recovery is also a dangerous time for businesses. Expanding too quickly into a recovery can cause insolvencies to rise. But with interest rates at close to zero, this recession looks to be different from previous downturns and there are new challenges for businesses as we enter recovery.

There are signs in this research of one challenge in particular. A feature of the pre-recession economy, the shortage of skilled employees appears to be back. As demand for new goods and services increases, so more companies will look to hire new staff. The latest Business Trends survey from accountancy firm BDO shows businesses hiring at the fastest rate for 16 years, while the Office for National Statistics has reported a sharp rise in employment. In this survey, over half of respondents (54%) cited investment in staff as a growth driver for the next 12 months.

Driven as it is by structural, demographic issues (population, immigration and education), it is not surprising that as demand recovers and companies want to hire, skills shortages should emerge. The surprise is how quickly. If the battle for talent was never won, the intensity of the fighting had certainly eased since 2008. Now it is building up again.

Already 82% of respondents report that skills shortages are an issue, with 13% reporting it as "a significant issue". The broad diversity of skills in demand and the consistent regional spread of these shortages highlight that this is not simply an issue for a few firms in atypical regions. It is a broad structural issue affecting the whole economy.

The fast pace of digital development (combined with the ease of specifying requirements in this area) means IT skills are clearly those most in demand, with over a quarter (27%) reporting it as an issue for their business. Perhaps as another sign of growth, it is interesting that finding the right sales and marketing people is also an issue for a quarter of respondents (25%), suggesting a focus on new business generation. The lack of engineering skills has been a perennial issue for the UK (13%) but management skills were also an issue (13%).

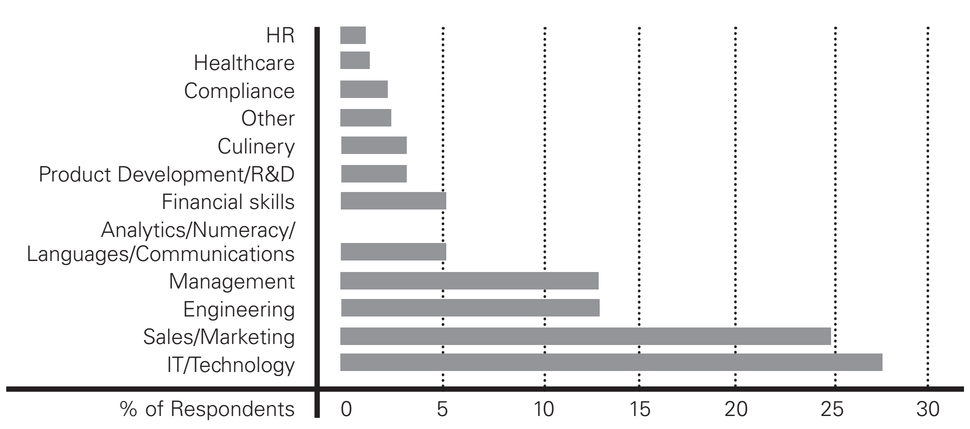
The regional picture clearly demonstrates that this is an issue for all businesses, regardless of location. The North West tops the list of regions experiencing a shortage with a huge proportion of respondents (93%) experiencing a shortage of some kind, although these are evenly spread across all skill types. So for the Midlands, which reported a high level of skill shortages (87%), the most cited skill shortages were sales and marketing (27%), IT (22%) and management (15%).

In London, where 83% claimed to be experiencing a shortage, IT (37%), sales and marketing (36%) and management (11%) were the main skill shortages.

One defining feature of this recession has been its drawn-out nature, with over six years of an almost stagnant economy, characterised by low-interest rates, relatively low inflation and low or no wage growth. While this report clearly highlights that the skills shortage is starting to bite again, it is less clear what impact, if any, this will have on wage costs. Economics 101 would suggest that as demand for skills outstrips supply, so pressure on wages should increase. But there are mixed signals from this survey.

The headline figures suggest that 70% expect wages in the next 12 months to increase between 0% and 5%, which is unchanged from the last 12 months. However, there are signs of a slight increase in wage inflation pressure in some sectors. In financial services, for example, 40% of respondents expect wages to increase by 6% or more. So while it is yet to become an issue for many businesses, there may be the first signs of pressure on wage inflation building, as recovery starts to gain momentum. However, wage growth will not increase dramatically in the coming year. And it still remains to be seen the extent to which these growing skills shortages will impact on output, productivity and growth across the economy.

What skills are most in demand?



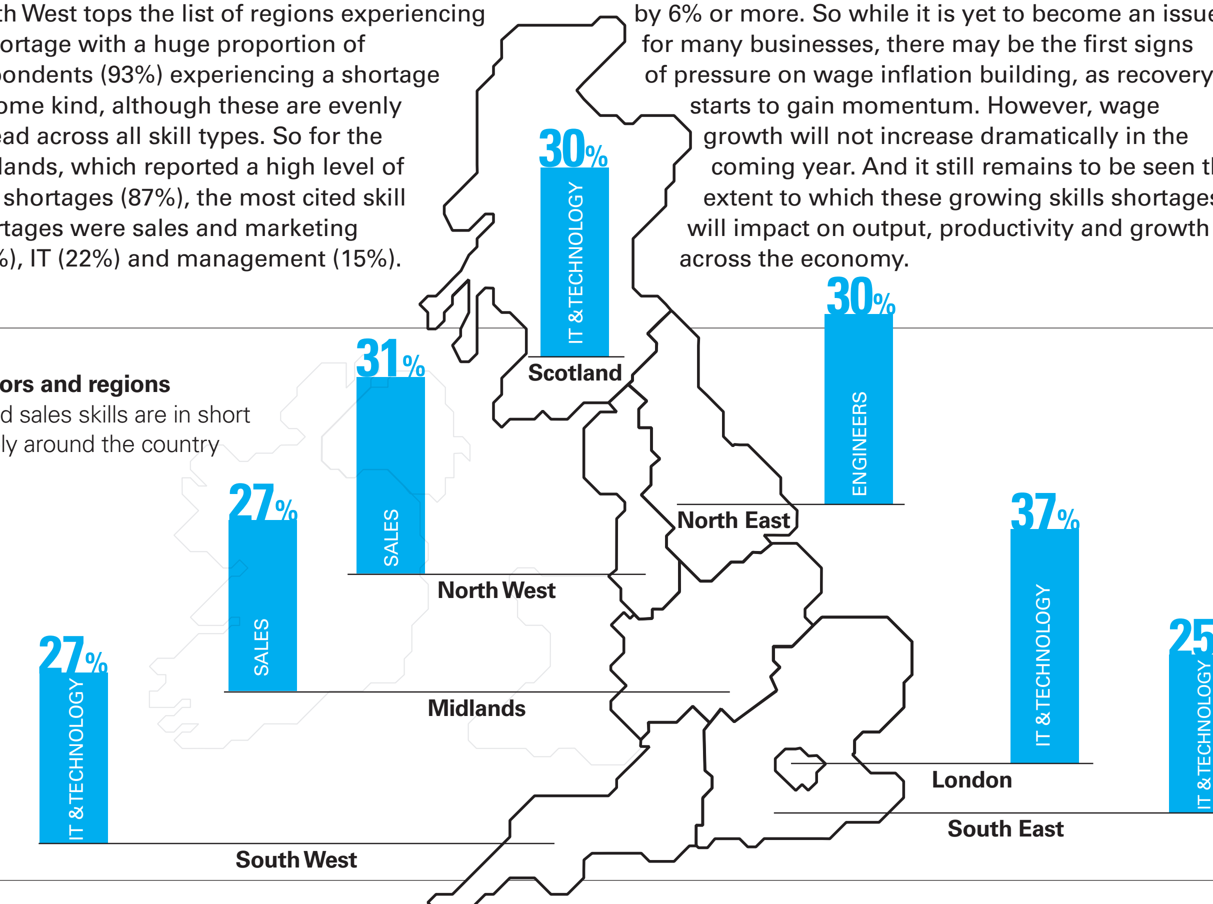
Skills shortage

27%

of respondents report a shortages of IT skills

Sectors and regions

IT and sales skills are in short supply around the country



Government and business

Here comes the sun?

Government policy

45%

net approval for coalition economic policy

Boom, election, slump. Until recently it was a cycle almost as dependable as that of the sun, moon and stars. But the “great recession” of 2008 threw things out of kilter, with an unusual pattern of slump, election followed by stagnation, as global factors (and notably the eurozone crisis) further destabilised the UK economy. However, as our economy gets back on the rails and with an election on the horizon, there is good news in this report for the coalition.

With the government well into the last year of its term, it will take comfort from the fact that its policies appear to be resonating with the high-growth businesses that responded to this survey.

Asked to describe government policy as having a positive or negative impact on their businesses, there is net positive support for the coalition this year of 45%*. This marks the highest level of support for government since the question was first included in the survey in 2011.

This marks a recovery from a low point of the net negative position in 2012 (-3%), when talk was of a double-dip or even triple-dip recession and the euro was in crisis. This net positive score suggests respondents are happier than ever and are feeling the benefits of recovery. The picture is particularly marked in some regions, notably the North West and South West, which have both seen a +63% swing from slight net negative views last year to substantially net positive positions.

It is also worth noting that as well as the net positive score increasing significantly, this year also saw the number of respondents who feel positive about government policy significantly outnumber those who are neutral (last year neutrals were the largest category by far). This year 51% were positive, while 42% were still neutral on the question of whether government policy has been good or bad for their business.

Respondents were also asked to name the things the government could do to make their life easier in the next 12 months. Surprisingly, considering the comments made elsewhere about the ease of access to finance and bank funding, the most popular choice (cited by 49%) was “the promotion of bank lending”. Clearly bank debt remains the most significant element of the funding mix for small and medium-sized companies, while the continued “flight from risk” in the banking sector (as these large institutions seek to meet new capital requirements) remains a problem for many small firms.

Indeed, given the role played by the taxpayer in bailing out some of Britain’s biggest lenders, it is questionable how much widespread support there is for the government subsidising bank lending to small firms, while many see UK business as still too reliant on debt finance and would rather see greater promotion of equity finance options.

A third of respondents (33%) were keen to see cuts to NICs and corporation tax, while just under a quarter (23%) wanted to see greater investment in training for young employees through greater funding for a future workforce grant scheme.

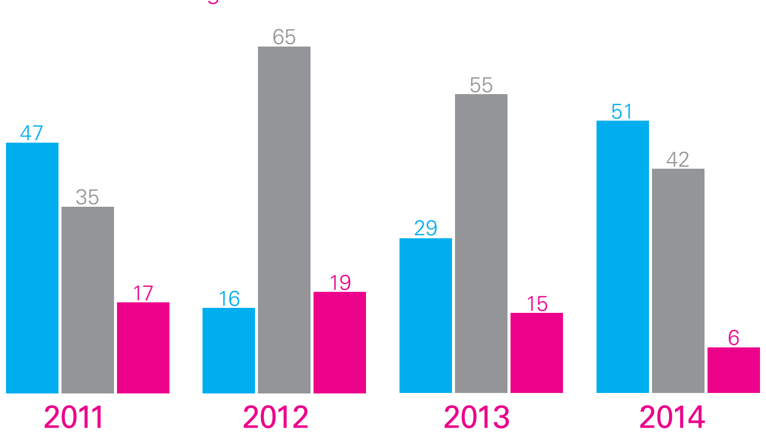
Regionally, there were some marked variations in the desired priorities for government, with the North West and Midlands the least keen on tax cuts (14% and 12% respectively).

> “The overall level of taxation and regulation is high, which means huge incentives for independent operators to cheat. It frustrates me that the authorities seem unable to enforce compliance with tax and employment laws among much of the independent sector we compete with”
>
> Andy Laurilland, founder, Giggling Squid

*The net approval score takes into account only those respondents who express an opinion one way or another and ignores all those who are neutral.

Has government policy been positive or negative?

Positive Neutral Negative



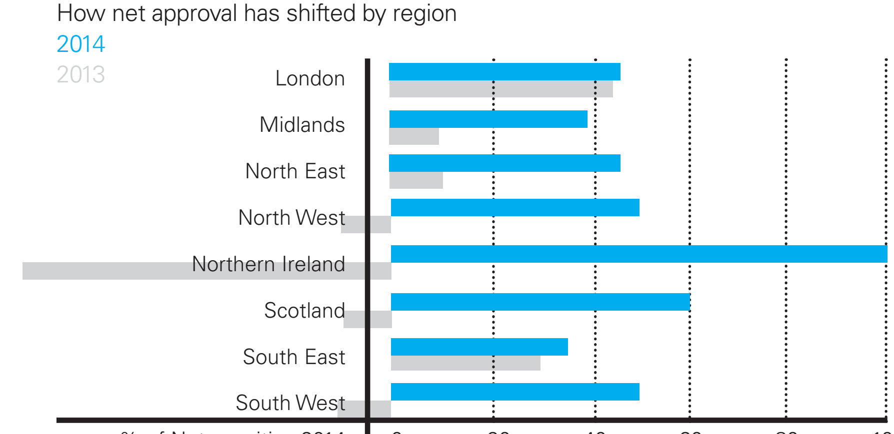
Lower taxes

33%

would like to see cuts to taxes including corporation tax and NICs

Shifting political opinion by region

How net approval has shifted by region



Better banks

49%

would like there to be more promotion of bank lending

International trade
Putting the first world first

We live, as economists and commentators repeatedly remind us, in a global economy. What happens overseas has an impact on the UK economy, and on UK businesses, like never before. But when it comes to plans for expansion, over a quarter of respondents to this survey (27%) plan to focus on the UK market. Of those who do expect to increase their international revenue in the year ahead, 70% expect it to grow by more than 10%, with 15% so bullish they expect overseas revenue growth of more than 50%.

Those with plans to export are looking to decidedly old-world markets first. A combination of geographical proximity and heritage relationships are likely to be the main factors behind the continued popularity of markets such as Continental Europe (49%) and North America (43%). This year has seen a drop in popularity of all export markets other than the US (up from 35% to 43%). This could be a reflection of the continued strengthening of the UK economy, with more demand from local markets reducing respondents' reliance on overseas markets. It certainly chimes with the official statistics on exports.

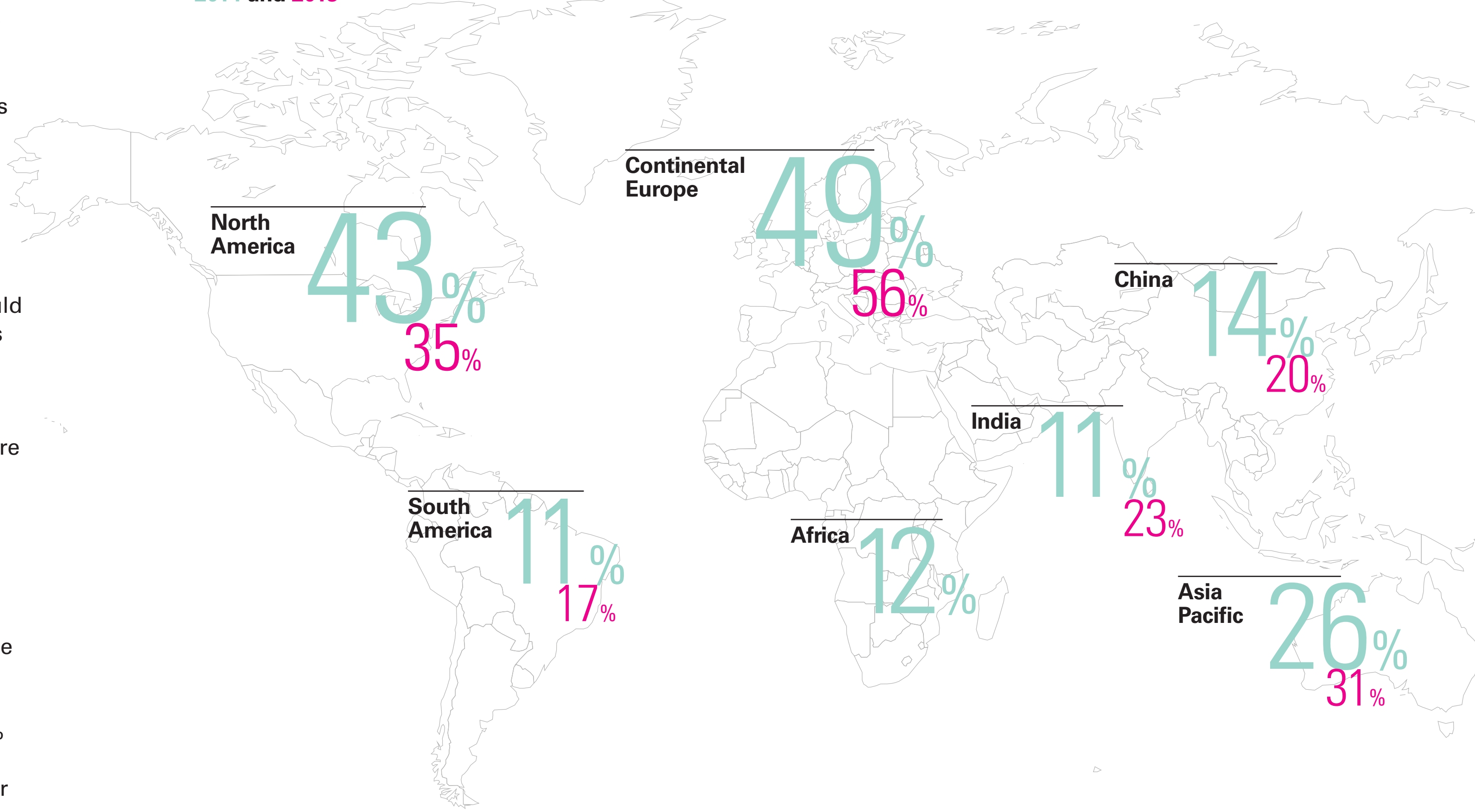
A recent HSBC Economic News Briefing highlighted that the latest UK trade figures showed another generally disappointing export performance, with the value of exports falling by 1.6% in June. It reported that, while exports to the EU grew by a reasonable 1.2% in the three months to June, exports to countries further afield actually dropped by 0.6%. This means they are down in total by 2.3% from a year ago.

This continued dominance of Europe and the US, combined with a worrying dip in the proportion of respondent firms exporting to China, India and South America, raises the question of what government could and should be doing to help these growth businesses export more, espeically to the BRIC nations.

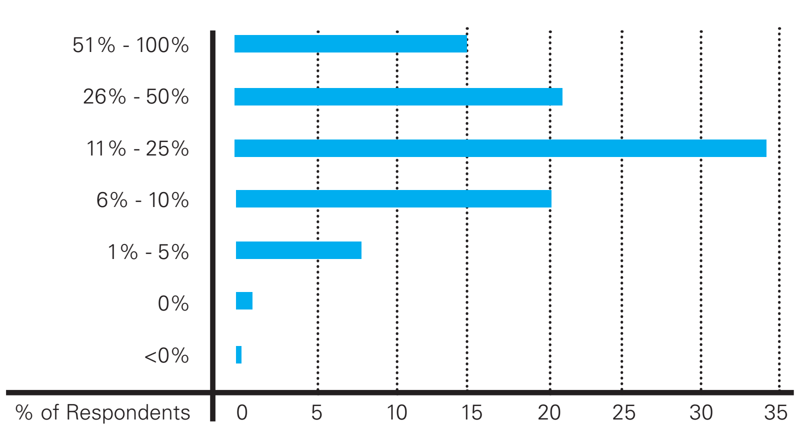
The coalition has invested significant efforts into its trade relations with China and India, in particular. There have been several high-profile ministerial visits, with the prime minister, chancellor and business secretary all leading trade missions to these regions. So far, from the evidence here, these have yet to pay direct dividends for smaller, growing companies.

There are some interesting sector-specific twists to the responses, with firms in healthcare more likely than average to head for Europe (61% compared to 49%), technology firms more likely to export to the US (54% rather than 43%), and consumer firms more reluctant than average to head for India (6% rather than 11%) or Africa (3% rather than 12%).

Where do you expect to expand overseas?
2014 and 2013



If you are growing your business outside the UK
How do you expect your international revenue to change?

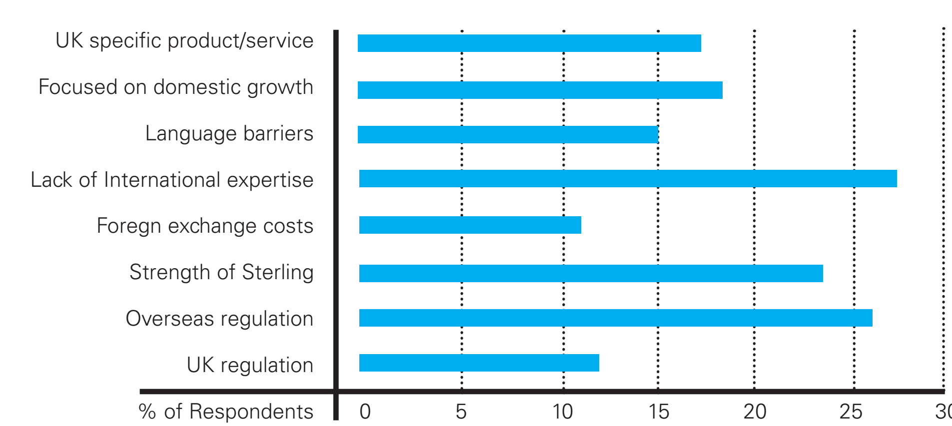


European exports

49%

plan to grow their business in the EU, down on last year

Barriers to exporting over the next 12 months



Exports to the US

54%

of technology businesses say they intend to grow their business in the US

Growth strategies

Where will growth come from?

Not unusually for an economy just returning to growth, it is as easy to find signs of economic fragility in the UK as it is to see indications of robust, sustainable growth. The good news for those looking for positive indicators in the economy is that not only are the majority of respondents expecting growth (these are high-growth firms, so that is expected), but the rate of expected growth has leapt forward on last year.

Almost a third of respondents this year (32%) expect to see both turnover and profit grow by more than 26%, while 14% expect headcount to expand by the same rate. This compares with last year, when the comparable figure was 11% (for turnover and profit) and 4% (for headcount).

A return to high growth

32%

expect both turnover and profit to increase by more than 26%

Where will this growth come from and what strategies are firms planning to use to achieve it? Clearly fast growth often costs money, so where will they get the funding for this activity? The vast majority of respondents say their firms will be likely to or will definitely seek funding for these growth initiatives (80%, with 44% definite).

Across the country, the regional picture mirrors the national, with businesses in the North East and South East marginally more definite about growth plans (57% and 51% respectively versus 44% nationally).

One common complaint from small business owners since the financial crisis (and to some extent even before that) has been that growth finance has been difficult to access. Some have pointed to the banks' need to restore capital ratios and rebuild balance sheets as one factor. The good news is that for growth businesses, this difficulty has apparently eased in recent years, and this year 65% claim they expect it to be easy or very easy to access (up from 54% last year) over the coming 12 months.

Since the growth survey launched in 2010 we have been tracking the reliance of respondents on different sources of finance. With five years of data it is now possible to note the extreme volatility of the public markets in comparison to other sources of finance such as private equity and bank lending (see below).

Over the last five years, public markets have been identified as a potential source of funds by as few as 8% of respondents and as many as 41%, a range which far exceeds that for private equity (40% to 57%) and bank debt (49% to 68%).

Over the last five years there has been considerable volatility in the use of public markets. Both bank debt and private equity finance have been more stable across the same period

The positive mood of many respondents, potentially entering a "sweet spot economy", blessed with low interest rates, relatively low inflation, easy access to a range of finance sources and minimal pressure on wages, is perhaps summed up by their expansive attitude to capital expenditure.

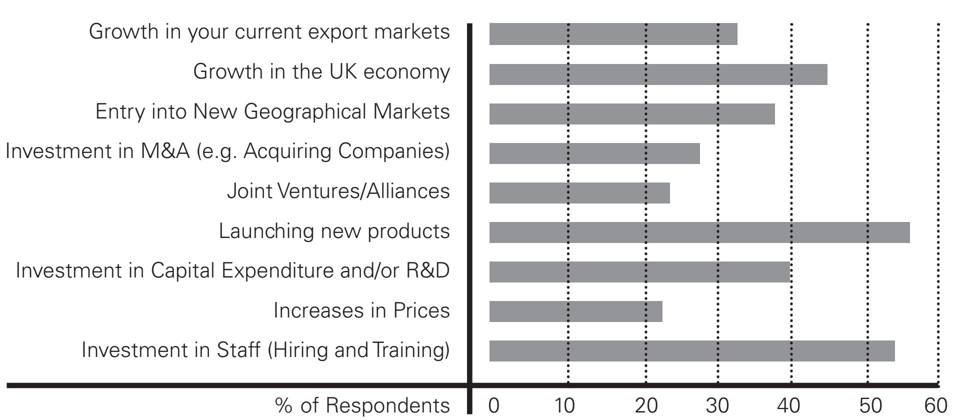
The overwhelming majority (83%) intend to expand investment in R&D or capital investment, with 48% looking to grow investment by more than 10%. This marks a steady continuation of the figures for the last 12 months (80% and 49% respectively).

Asked to identify the key drivers of growth for their businesses from a number of options, respondents rated launching new products as their key priority (56% of respondents selected it), with investment in staff (both hiring and training) also selected by over half of respondents (54%).

Growth in the UK economy was rated as being more important by respondents than growth in existing export markets (45% compared with 33%), while entry into new markets was cited by 38% of respondents. Increased capital investment and R&D was also highly rated (picked by 40%).

Key drivers of turnover growth

Over the next 12 months



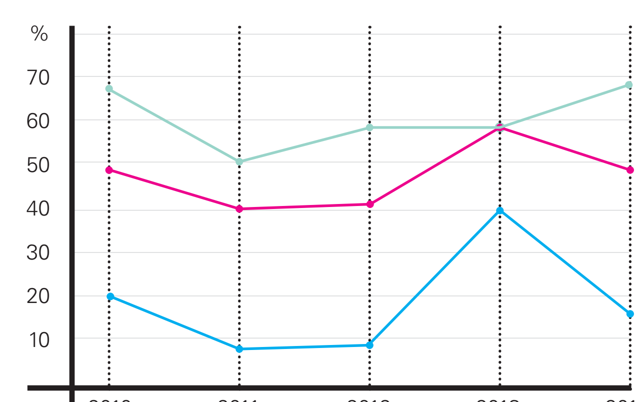
Funding growth

44%

report that they will definitely be looking to fund growth initiatives

Popularity of external funding types

Public Markets Private equity Bank debt



Methodology

This is the fifth edition of the ECI Growth Survey. It was conducted between June and July 2014. Potential respondents were identified via a corporate database and only included firms with a minimum of 6% turnover growth over the last five years.

A total of 371 responses were collected via an online survey, with respondents having been invited to participate via email, before follow-up by phone and email.

All participants were director-level executives of the businesses, predominantly CEOs or FDs.

Case studies

Giggling Squid

“We have not been held back by lack of skilled chefs, indeed we have a waiting list. But as we grow, immigration policies of the next government will have a bearing on our success”

Andy Laurilland, co-founder, Giggling Squid

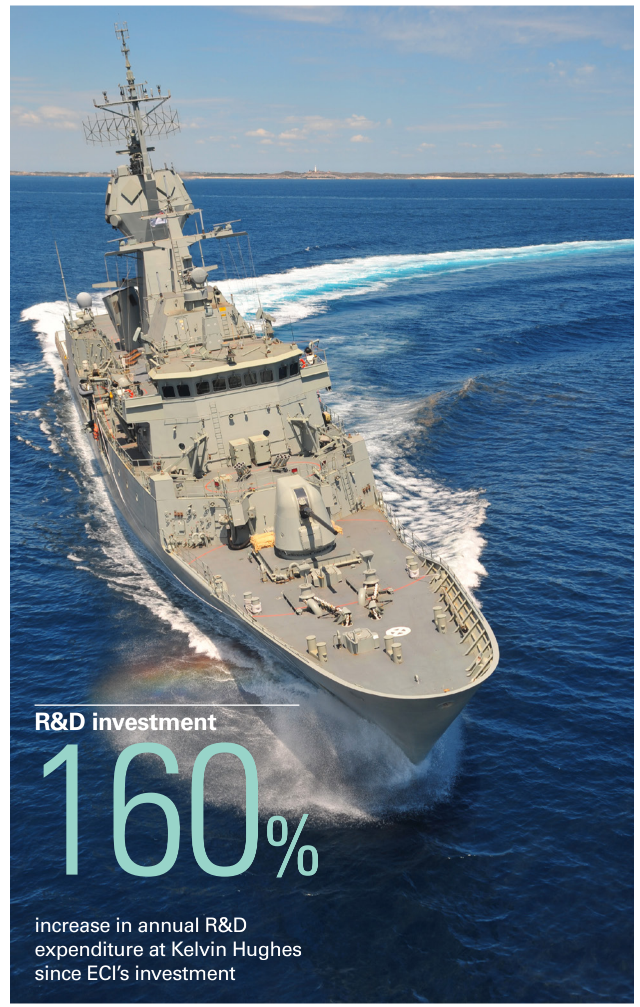
Giggling Squid is a rapidly expanding chain of contemporary Thai restaurants, which relies on a combination of expert Thai chefs and the freshest local ingredients (with an emphasis on local seafood) to offer high-quality rustic Thai food. So far, the combination seems to be a winner, with estimated turnover growth in the next year of 93%, following 68% growth this year and 66% last year. It employs approximately 300 staff, although this is increasing all the time as new sites open.

Co-founder, Andy Laurilland, explains that the business is currently benefiting from an early decision to focus on one brand across a broad regional area, rather than launching several brands in a single town. “The recession also helped, as it opened up opportunities for us to acquire sites that would otherwise have been too expensive,” says Laurilland.

He adds that for all the talk of a skills shortage, Giggling Squid has not yet been held back by a lack of skilled chefs. “We have a waiting list of speculative applicants at the moment but, as we look to grow the business to over 50 sites, immigration policies of the next government will have a bearing on our success. It is not clear though whether the impact of restrictions on foreign workers will be positive or negative. On the one hand reduced availability might make it harder to expand rapidly. On the other hand it means less quality Thai restaurant competition. If we can retain our reputation as an excellent employer, I believe we can build a sustainably differentiated business that will be hard to copy.”

Other areas of concern for the business remain the overall levels of taxation and regulation. “There are huge incentives for independent operators to cheat. It deeply frustrates me that authorities seem unable to enforce compliance with tax and employment law among much of the independent sector.”

Kelvin Hughes



Kelvin Hughes is a world leader in the design and supply of navigation products, solid state radar-based surveillance and security systems. It is the world’s largest distributor of paper and electronic charts, paper and digital navigational data, and marine publications.

From high-tech, solid state surveillance radars to integrated radar and electro-optical camera security systems, electronic charts and digital navigation products (brought to the market by its ChartCo brand), it has established itself as an innovator in safeguarding vessels at sea, harbours, coastlines, land borders, critical infrastructure and offshore installations.

With an eye-to-the-future, Kelvin Hughes consistently sets new technology firsts. In the past six years it has applied its unique solid-state SharpEye™ radar technology to new applications to enhance safety and security, including land border protection, critical infrastructure protection and mobile surveillance systems for border authorities and the military. It also developed PassageManager software, allowing access to ChartCo’s full range of services.

“We are in expansion mode and are hiring. We see some tightness in the employment market in specialist skills such as programmers and engineers”

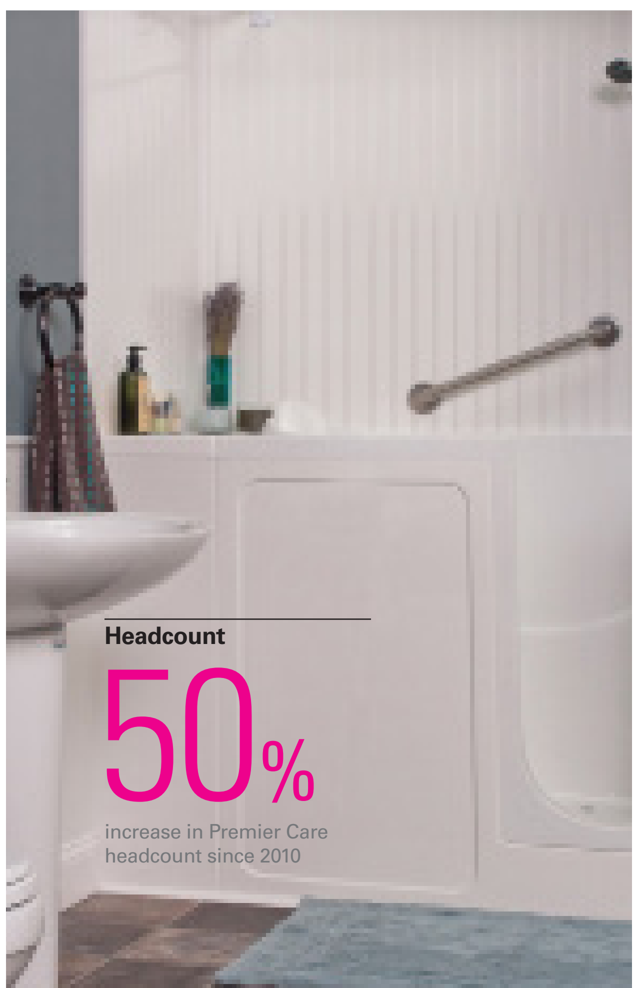
Russell Gould, chief executive, Kelvin Hughes

The company was founded over 250 years ago and with growth last year of 8.2%, it achieved turnover of £68m. It employs over 370 staff worldwide. ECI backed a buyout from Smiths Group in 2007, since when the business has accelerated investment.

“We’re in expansion mode and hiring. We’ve experienced some tightness in the employment market for specialist skills, such as FPGA programmers, radar engineers and naval systems engineers,” says chief executive Russell Gould.

Premier Care

Premier Care provides specially adapted baths and showers for people with mobility difficulties. The business has grown strongly recently, increasing headcount by over 50% since 2010. Premier Care has also pursued an ambitious overseas growth strategy and has seen US turnover more than double since 2006, to over $100m. Richard Chapman of ECI Partners has worked closely with the firm. He is pleased with the company's overseas success. "Contrary to the popular media narrative that expanding into the US is unachievable, Premier Care has successfully built a business there, doubling sales over eight years."



The firm's success is helped by demographic trends in the developed countries in which it operates. In the UK, for example, the over-50s hold over three-quarters of the nation's wealth. It's easy to see how businesses targeting the "grey pound" are set for success. And, over the next 20 years, it is expected the global total of people aged 65 or over will reach 1.1 billion.

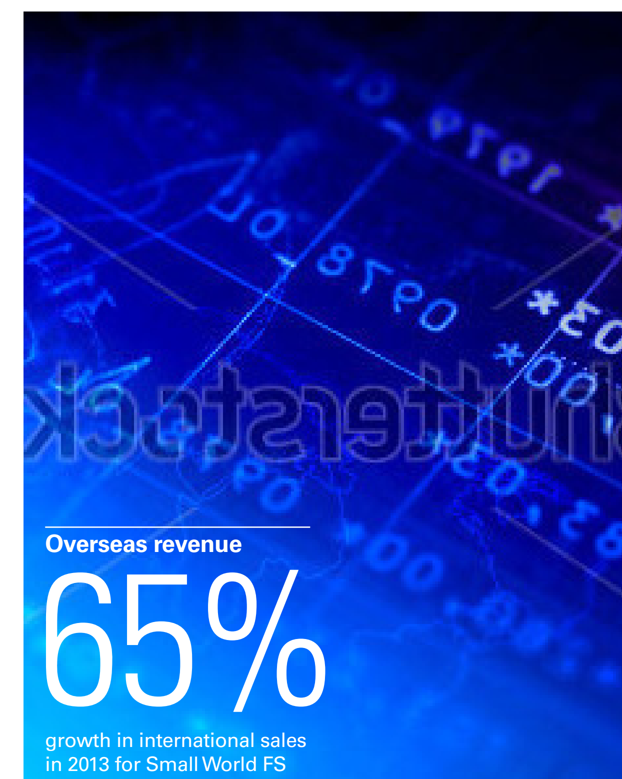
> "Contrary to the popular media narrative that expanding into the US is unachievable, Premier Care has doubled US sales in eight years"
>
> Richard Chapman, partner, ECI

With costs of care provision likely to continue to rise, governments recognise the need to provide independent living solutions for the elderly as an alternative to care homes. In 2012, the government published a White Paper outlining a range of measures designed to make it easier for individuals to continue living at home for longer. These included subsidised loans for investment in household mobility furniture and fittings and a new £160m capital fund to support the provision of specialised housing conversions.

It's clear that Premier Care is well positioned to capitalise on these developments and also the wider demographic, social and healthcare trends.

Small World FS

Small World FS is an international payment services provider offering a simple, low-cost way for consumers and businesses to send money to 190 countries worldwide. It offers a universal service, meaning money can be sent to bank accounts, for collection in cash, loaded onto prepaid cards or mobile wallets or, in some cases, delivered to a recipient's home. Nick Day, co-founder of Small World FS, explains: "The key is delivering money quickly in a way that suits the receiver: anywhere, in any way, at a fraction of the cost of the traditional players."



> "Although we have never had a problem finding the right people, the UK has long been under-supplied with skilled IT workers"
>
> Nick Day, co-founder, Small World FS

Small World FS's global payment network means cash collection can be made in under 15 minutes at over 250,000 locations worldwide. Bank deposits arrive between 15 minutes later and the next day. It is a successful, fast-growth and award-winning technology business that has gone from a standing start to £55m revenue in seven years, processing over £10bn of transactions. Last year the business processed £2bn of transactions and was selected as one of Tech City's "Future Fifty" programme.

The company continues to grow and now employs 450 people worldwide. In 2013 international sales grew by 65% and the company was recently ranked 41st in the Sunday Times Fast Track 100 table of fast-growth UK firms. Innovation comes naturally to technology businesses and Day puts success down to the company's proprietory IT platform and the expertise and dedication of his team. Naturally, this means it needs employees with the best IT skills. "Although we have never had a problem finding the right people, the UK has long been under-supplied with skilled IT workers. Our team comes from Spain, Belgium, the USA and Colombia.

"For a business like ours, immigration and the skills gap is double-edged. It is relevant because our customers are the sorts of people who are in the UK to help plug these shortages. The issues are complex, but we support freer movement of skills and labour across borders in a global economy," says Day. "There is an international dimension to the skills picture and our network is helping to build stronger local communities in all our markets."

eci

London
Brettenham House
(South Entrance)
Lancaster Place
London
WC2E 7EN

Telephone
+44 (0) 20 7606 1000
Facsimile
+44 (0) 20 7240 5050

Manchester
Centurion House
129 Deansgate
Manchester
M3 3WR

Telephone
+44 (0) 161 819 3160
Facsimile
+44 (0) 161 819 31 61