

THE POWER HIVE

THE RECRUITMENT OUTLOOK REPORT

RECRUITMENT TRENDS, DATA AND INSIGHTS FROM OUR
HIVE COMMUNITY





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INTRODUCTION

NOTES FROM OUR FOUNDERS:

SEAN MCCLEARY:

Employee engagement has been massively important to the success of businesses within all sectors from a productivity perspective and in terms of staff retention; it's something we all need to be thinking of as we approach "the next normal". On the one hand, Recruiters have a unique opportunity as the talent market is becoming more fluid. Those who are passive are more amenable to the suggestion of a new role and, as this report will evidence, there are more people actively looking within the jobs market. On the other hand, this applies to recruiters themselves. As business leaders, we need to ensure our own employees are comfortable, feel valued and are presented with chances to grow and learn within our organisations so they do not decide to move on to pastures new.



KEITH SOUTHERN:

It's been a strange half-year as the legacy of 2020 has seeped into 2021. However, we've seen so many agencies embrace innovative solutions. Dare I say, we seem to be nearing the light at the end of the tunnel with many of the Hive agencies reporting their best ever months and record demand. Those that have reported their best months have all been early adopters of the best technology available and have been open to the guidance of experts (some of whom are included in the trends section of this report).

I'd like to conclude by saying that moving forward, Data and personalisation will be invaluable - not just in collation and collection of information, but in how we use it... the pandemic has been a profoundly human experience and, we need to ensure our communications reflect



MIKE SMITH:

At the beginning of the year, we urged all leaders to focus on the Respond, Recover, Thrive framework developed by Deloitte - we even based a session with Gary Elden OBE around it. We were on hand to help our members develop crisis management/ business continuity plans, and advise as many transitioned to remote operations. Now leaders must link short-term responses to longer-term aspirations, embrace new opportunities and work with their boards to strategise with the long-term interests of all stakeholders in mind, including shareholders, customers, and employees.





2020 PREDICTIONS

**WE ASKED OUR HIVERS SOME QUESTIONS PRE-PANDEMIC...
BY AND LARGE THESE PREDICTIONS CAME TRUE**

How do you think the recruitment industry will change?

A FOCUS ON
VALUE ADDS &
SERVICE TO
CLIENTS

THE GROWTH OF
AUTOMATION

ATTRITION OF
CONSULTANTS/
LESS TALENT
ENTERING THE
MARKET

MORE USE OF
TECH FOR BOTH
SALES & BACK
OFFICE (I.E
VIDEO)

THE NEED FOR
UPSKILLING TO BE
FIT FOR A
CHANGING
MARKET

REMOTE
WORKING WILL
OPEN UP THE
TALENT POOL

VIRTUAL
ONBOARDING

AN INCREASE IN
TOP BILLERS
GOING ALONE

AN INCREASE IN
THE ADOPTION OF
A MARKETING
ABOVE "OLD
SCHOOL"
PRACTICES

AN EMPHASIS
ON
PARTNERSHIPS
RATHER THAN
TRANSACTIONAL
RELATIONSHIPS

FLEXIBLE
WORKING
ARRANGEMENTS/
WFH

A SHIFT TOWARDS
CONTRACT IN
SOME MARKETS

AN INCREASE IN
INTERNAL
RECRUITMENT
INVESTMENTS TO
SAVE MONEY

INCREASE IN
RETAINED
RECRUITMENT

AN INCREASE IN
INTERNATIONAL
MARKET
ADOPTION



COVID-19

WE GOT THROUGH SOME CHALLENGING TIMES TOGETHER...

BUSINESS PROTECTION & SUPPORT:

Expert technical and legal advice on Furlough, financial support, people strategies & data to guide difficult decisions, access to a community-led network of experts & peer-to-peer guidance & support.

RESPOND
RESPOND
RESPOND

RECOVER
RECOVER
RECOVER

DEVELOPED AN EXTENSIVE PROGRAMME OF SUPPORTING CONTENT

Over 40 experts and 100's of participants contributed to our virtual sessions. From Member's Meetings to our Power of Connected Community Conference talks, Roundtables and Recruitment Interviews. We've expanded our on-demand content through our Member's hub, supported culture and reintegration with our COVID culture check, partnered with an Exceptional Training Group, and assisted with market pivots, different business models and even a couple of MBO's...

TIME TO THRIVE... WHAT'S TO COME FOR THE HIVE

We are consistently working to ensure you get even more value from them Hive and have a variety of exciting projects and the events in the pipeline... look out for our summer conference.

We'll be launching new opportunities to connect with each other, including a Marketing Community, Contract Leaders programme, and Growth Group, and are introducing multi-membership and group access memberships, bringing back the Northern Soul with fun to connect the community.

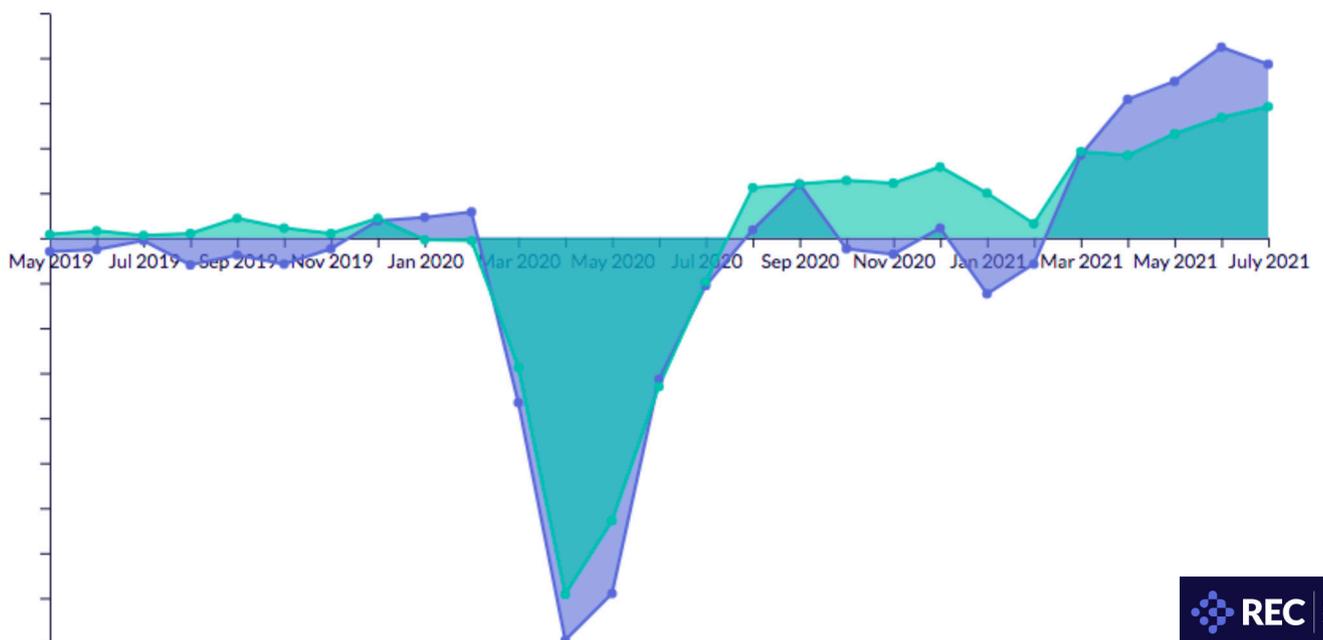
THRIVE
THRIVE
THRIVE

THRIVE THRIVE THRIVE

THE LATEST KPMG AND REC REPORT INDICATED POSITIVE SIGNS FOR THE UK JOBS MARKET. DEMAND FOR WORKERS FROM BRITISH EMPLOYERS GREW AT THE FASTEST RATE SINCE THE LATE 1990S AS MUCH OF THE ECONOMY REOPENED...

Permanent placements and temporary billings indices

■ Permanent placements ■ Temp billings



- ⊞ Permanent placement growth hits highest since October 1997
- ⊞ Demand for staff improves to greatest extent in 23 years
- ⊞ Marked drop in candidate availability places upward pressure on pay
- ⊞ The first week in May 2021 saw record number of jobs added – 181,000 new jobs



REGIONAL AND SECTOR VARIATIONS:

Recruitment activity continued to rise sharply across the UK at the start of the third quarter of 2021. Permanent staff appointments and temp billings continue to soar at record rates and demand for staff is hitting an all-time high as COVID restrictions are more or less completely eased and economic activity picks up.

As job postings increase, candidate shortages are intensifying. "Rising demand for staff and a further marked drop in candidate supply led permanent starting salaries to increase at a quicker pace. Notably, the rate of salary inflation was the sharpest seen in nearly 24 years of data collection. Moreover, temporary/contract staff hourly pay rates rose at the second-quickest rate since the survey began" - REC.

Regional breakdowns show increases in permanent staff appointments across all the monitored English regions. Unlike recent months, which have been relatively stagnant, London saw the quickest expansion (the fastest on record). "There were also strong rises in temp billings in London and the Midlands with growth somewhat softening in the South and North of England - this still remains relatively robust overall" - REC.

"In the private sector, demand for permanent staff expanded at a slightly quicker pace than for temporary workers. In contrast, short-term vacancies rose more quickly than permanent roles in the public sector" - REC.

Weekly job postings trend

This chart shows how the number of active job adverts in the UK has changed since the pandemic hit the UK.



As REC's weekly trend graph shows, lockdowns have had a huge impact on job postings with the dips in activity correlating to periods of restriction.

"Demand for permanent staff rose across all of the ten monitored job categories during July, led by IT & Computing. Nonetheless, vacancy growth remained marked elsewhere" - REC.

THRIVE
THRIVE
THRIVE

THREATS THREATS THREATS

DESPITE THE POSITIVES, THERE ARE STILL THINGS WE NEED TO BE WATCHFUL OF...

DATA SHOWS US EMPLOYEE ENGAGEMENT IS DROPPING...

Some of the main drivers include:

- Fatigue
- Misalignment
- Resistance
- Misunderstanding

25
%

More than 25% of women are considering leaving the workforce altogether, according to a survey from LeanIn.Org and McKinsey.

Some reports suggest 1 in 4 currently looking to move jobs, and nearly 50% plan to move once the pandemic is 'over'.

1
in

4

28
%

More than a quarter (28%) of the companies polled decided to reduce performance-related bonuses in 2021, while more than half (55%) were considering doing so.

According to estimates, more than 17% of employees are actively disengaged, and the cost of an individual's disengagement comes to 34% of their salary.

17
%



OTHER CONSIDERATIONS

- ⊞ Is demand outweighing supply?
- ⊞ Is there a generation of lost recruiters?
- ⊞ Tough market challenges – IR35, Brexit, Different Models, Technology
- ⊞ Transformation has been accelerated everywhere we look, is it happening to our industry

WITH DEMAND FOR WORKERS IN MAY INCREASING AT THE FASTEST RATE IN 23 YEARS, THE JOBS MARKET SEEMS TO BE FIRING ON ALL CYLINDERS, AND WE NEED THIS MOMENTUM TO CONTINUE FOR OUR ECONOMY AND BUSINESSES TO FULLY BOUNCE BACK.

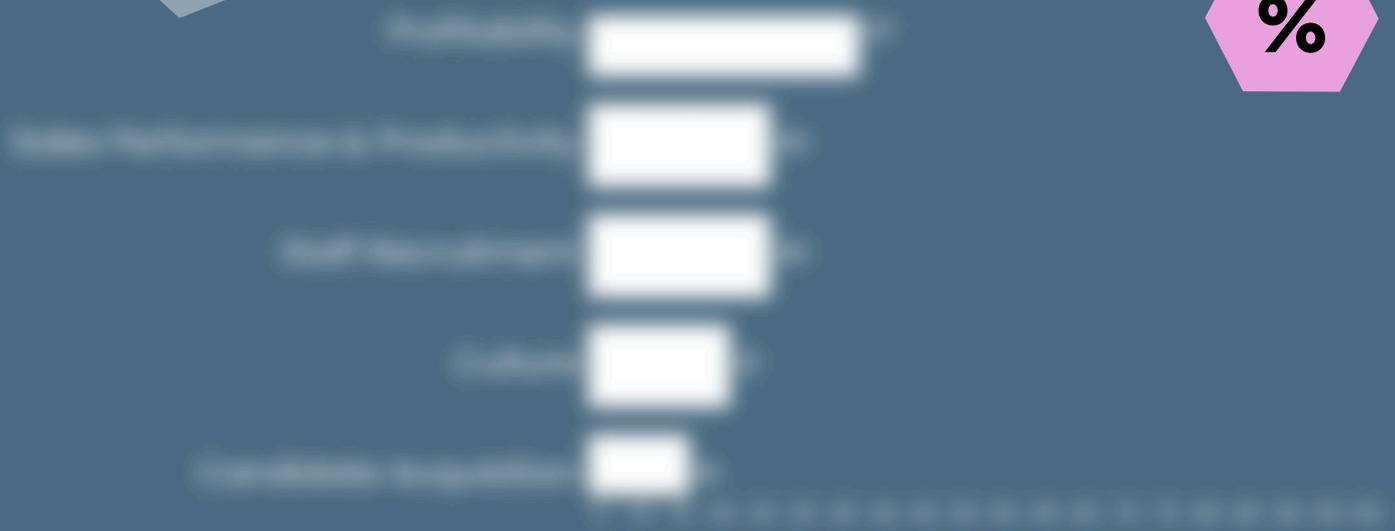
BUT THE DETERIORATION IN STAFF SUPPLY INTENSIFIED THIS MONTH, WITH OVERALL CANDIDATE AVAILABILITY DECLINING AT THE QUICKEST RATE SINCE MAY 2017. THIS IS A WORRYING TREND AND THE MESSAGE IS CLEAR: WE NEED BUSINESSES AND RECRUITERS WORKING ALONGSIDE GOVERNMENT TO URGENTLY ADDRESS THE SKILLS GAP BY SUPPORTING CANDIDATES AND EMPLOYEES TO UPSKILL AND RESKILL TO MOVE INTO NEW ROLES. THIS WILL BE CRUCIAL TO OUR RECOVERY FROM THE PANDEMIC AND THE LEVELLING UP OF OPPORTUNITIES ACROSS THE UK.

CLAIRE WARNES, PARTNER AND HEAD OF EDUCATION, SKILLS & PRODUCTIVITY AT KPMG UK

**THREATS
THREATS
THREATS**

FOCUS FOCUS FOCUS

WHAT ARE THE MAIN FOCUSES OF OUR HIVE MEMBERS FOR THE REMAINDER OF 2021?



- Profitability remains the biggest driver of our Hive members as they seek to capitalise on an increasingly turbulent market.
- The second largest driver is performance and productivity. These also tend to sit the highest as a more productive workforce equals a more profitable business. High levels of performance and productivity are linked to a growth in employee engagement and indicate that the structures you have in place are helping your workforce succeed.
- Staff recruitment is also tied in second place. We go on to discuss the importance of this point in our trends section with commentary from recruitment insider Mark Taylor.

1.

PEOPLE

- Identifying the best talent in the current market
- Building an EVP that truly stands out
- Implementing a high-performance culture
- Improving employee retention strategies
- Understanding the importance of diversity



2.

STRATEGY

- Developing a clear business strategy
- Aligning the organization's resources
- Implementing a data-driven approach
- Optimizing operational efficiency
- Enhancing customer experience
- Investing in research and development

TRENDS TRENDS TRENDS

REALISING VALUE THROUGH AN MBO/ EOT OR SIMILAR

SIMON WHITEHEAD, EMPLOYMENT PARTNER & RECRUITMENT SECTOR HEAD AT BRABNERS

MBOs are about identifying the future as this is a form of succession planning. On leaving, you want to make sure you have the right people in place to take the company forward.

One of the biggest selling points of an MBO is that the existing management team understands the business and often will already play a key role in overseeing day-to-day operations. An MBO will also avoid the disclosure of sensitive business information to trade competitors. If the management team is familiar with the business and the opportunities, there is perhaps less risk for other prospective buyers as they understand the challenges and so should give both parties a cleaner break. An MBO offers the business stability and continuity and is particularly attractive in businesses where the people delivering the service are key to the value of the business.

Although MBOs are undoubtedly a viable exit strategy, for some, they also contain risks, particularly for management. The scope of warranties is in many cases the most contentious area for management on an MBO. A balance needs to be struck to cover the requirements of the seller, the management buyer and any third party funder, ensuring that the structure and finance of the deal reduce risk for all parties. If a third party lender or private equity fund is financing all or part of the MBO they may require greater protection than the management team may be willing to accept. The tax treatment of management's equity investment is another important factor to consider. Alongside this, reconciling management's participation in an MBO with their existing duties as directors and employees can sometimes pose a challenge, as will the terms of any new employment arrangements.

Top tips

1. Consider what the process looks like after you've exit and understand how you are getting paid. Payments are usually made throughout a varying period (this could be a short-term or long-term arrangement). Also, payments could be tied to the performance of the business.
2. Don't assume you've been clear. **make** sure you are clear and avoid people walking away with different perspectives of the arrangement.
3. Get your foundations are right - for example, ensure all your employment contracts are up to date. It's a huge task to go through everything you have in existence just before the exit period comes about.



TRENDS TRENDS TRENDS

YOUR PEOPLE ARE PIVOTAL: WHY TALENT ACQUISITION SHOULD BE HIGHER ON ALL LEADERS' PRIORITY LISTS

MARK NEILAN, RECRUITMENT INVESTMENT

Leadership is the backbone of any organization. It's the driving force behind every decision, every strategy, and every success. But what if the backbone is weak? What if the driving force is unclear? What if the success is uncertain? These are the questions that leaders should be asking themselves.

The answer lies in the quality of the people who lead. It's not just about having a dedicated team, but about having a team that is aligned with your vision and mission. It's about having a team that is motivated, engaged, and committed to your success. This is the foundation of a strong organization.

The secret to building a strong team is to focus on the quality of the people who lead. It's about creating a culture of excellence, where every team member is held to the same high standards. It's about fostering a sense of ownership and responsibility among your team members.

Leadership is a responsibility, not a title. It's about taking ownership of your team's success and failure. It's about being a role model for your team members. It's about being a coach, a mentor, and a confidant. It's about being a leader who inspires, motivates, and empowers your team.

Leadership is a skill that can be learned and developed. It's about being open to feedback and willing to learn from your mistakes. It's about being a lifelong learner who stays current in your field.

Leadership is a journey, not a destination. It's about being a role model for your team members. It's about being a coach, a mentor, and a confidant. It's about being a leader who inspires, motivates, and empowers your team. Leadership is a responsibility, not a title. It's about taking ownership of your team's success and failure. It's about being a role model for your team members.

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US EXPANSION/ EMBRACING NEW OPPORTUNITIES
PETE BRZEZINKA, MANAGING DIRECTOR AT ORG3D

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TRENDS
TRENDS
TRENDS



KNOWLEDGE KNOWLEDGE KNOWLEDGE

TECH



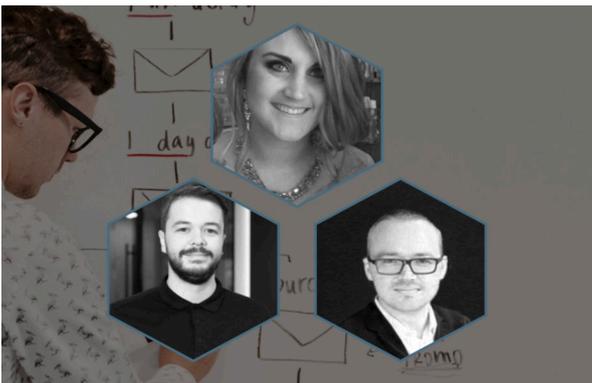
SOURCEBREAKER DEMO WITH CEO & FOUNDER STEVE BECKITT

SourceBreaker is a matching and robotic automation platform powered by AI. It integrates with your CRM, ATS and other databases to improve candidate pools by over 200% and identify vacancies that match profiles at the click of a button. This session is a whistle-stop tour of all SourceBreaker's capabilities.



NURTURING SALES THROUGH DATA - MARKETING PANEL

Marketing Technologists Steve Beckitt (Co-Founder & CEO of SourceBreaker), Donna Owen (Head of Sales & Marketing at Vincere), Nellie Perrin (Head of Marketing at Hinterview) and Alex Faiers (Founder of Addicitivity) talk about the importance of data and connectivity between your sales and marketing functions.



USING THE BEST MARKETING AND AUTOMATION TECHNIQUES TO GROW YOUR BUSINESS - MARKETING PANEL

Expert Marketeers Laura Wood (Co-Founder of Loaded Hype), Kris Holland (Director of marketing for Charlton Morris) and Alex Faiers (Founder of Addicitivity) talk about productisation, creating purpose, trackable ROI, source attribution, and the best website tools and automation strategies you should be investing in.



BUSINESS



REALISING VALUE THROUGH MBOs, EOTs & SIMILAR OPTIONS WITH BRABNERS

Brabners' Legal Director Ruth Hargreaves (Corporate) and Employment Partner Simon Whitehead explore the options available to you when it comes to buy outs. This virtual session will cover the risks, rewards and considerations for owners, management teams and investors alike.



BUILDING A VISION FOR POST-PANDEMIC SUCCESS WITH GARY ELDEN

Building a vision and instilling growth mentality during a time where many are focused on the immediate here and now is difficult. This Hive Members Meeting, hosted by Mike Smith, has been designed with this in mind - to encourage leaders to plan for the future both practically and optimistically.



ESSENTIAL FOUNDATIONS FOR BRAND NEW & SMALLER AGENCIES WITH MARK NEILAN

Mark guides us through everything a start-up or small agency needs to consider when developing or expanding their Recruitment proposition, from nailing their purpose, staying focused and staying authentic.



POST-IR35 DEADLINE UPDATE WITH ADVANCE

The changes to IR35 have officially been implemented - but that doesn't mean the subject has been put to bed! Advance has predicted that there will be a chaotic period as companies get used to the new IR35 rules.



POST BUDGET AND IR35 PANEL WITH MIKE SMITH, BRABNERS, & ADVANCE

The changes to IR35 legislation (6th April 2021) have caused large scale disruption. This session offers practical advice into the world of IR35, specifically covering what agencies need to watch out for as well as how they can be on hand to offer their support.



PEOPLE



BUILDING A TRUE SENSE OF BELONGING WITH RUSSELL CLEMENTS & STEVE MIDDLETON

This round table tackles the challenges of maintaining a thriving culture post-pandemic, whether teams are coming back together in the office or embracing a Hybrid remote future, and how to create a sense of belonging in your business that will set you aside from the competition.



CULTIVATING A GROWTH MINDSET WITH WELLMINDS AT WORK

Research links growth mindset with many benefits. During this session, we will look at the different thinking traps we can fall into and why. After all, understanding why you might adopt a negative perspective is just as important as understanding how you can change it.



MINDFUL APPROACHES TO PERFORMANCE WITH BE THE TRIBE

During this session, Be The Tribe will offer practical tips to help you manage your sales teams more mindfully, engaging in discussions around: mindful approaches to leadership, investing in Mental Wealth, demonstrating strength to create resilience, & regulating stress to enhance performance.



THE LOOMING CULTURE CRISIS WITH ENGAGEMENT MULTIPLIER

Company cultures are hard-pressed to keep up with the huge changes in employees' expectations of their employers - and the new trends in employee engagement. Steve focuses on the four forces that pose the biggest threat to businesses post-pandemic: FATIGUE, MISALIGNMENT, RESISTANCE, & MISUNDERSTANDING.



MOTIVATION - COMBATTING SEASONAL AFFECTIVE DISORDER WITH PERFORMANCE POT

Co-hosts Kate Hayward and Vicky Hughes discuss building resilience and its impact on productivity and performance, remaining positive and motivated during the January blues period and looking after your own well-being as a leader.



MORE ABOUT THE HIVE

We've got plenty to look forward to as we move towards the latter half of the year, including our Summer get together in September.

We'll also continue to provide monthly digital events and new supplier deals!

Keep an eye out for the official launch of our Growth Group this summer and our contract and marketing divisions by the end of the year.



The content hub in the hive members area is also continually populated with our most recent webinar and interview recordings, as well as resources pertaining to each session.

[ACCESS HERE](#)

If you don't have a login:

[REQUEST ACCESS HERE](#)

KNOWLEDGE KNOWLEDGE KNOWLEDGE

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EngagementMultiplier
The Era of Belonging
Why a sense of belonging is vitally important and how to develop it within your organisation.

Creating Your Organisation's
PEOPLE CHARTER
EngagementMultiplier®

EngagementMultiplier
New Threats to Company Culture Post-Covid:
How to recognise them & protect your organisation

POWERMIND INFOGRAPHIC SERIES:

THE POWER HIVE

TIPS TO DEVELOP A GROWTH MINDSET WITH WELL MINDS AT WORK

- 1 Reframe your thinking by using the perspective check
- 2 Practice breathing (try the 4-7-8)
- 3 Develop awareness of your thinking
- 4 Think about how you would advise a friend
- 5 Get into a neutral state "Okay, this has happened, what can I do about it?"
- 6 Be present and mindful of your own thoughts
- 7 Be kind to yourself
- 8 Audit your own thinking traps
- 9 Try journaling

THE POWER HIVE

THE BENEFITS OF A GROWTH MINDSET

- 1 Increased mental and physical health
- 2 Develops greater resilience as challenges are seen as growth opportunities
- 3 The desire to learn encourages a more positive response to constructive feedback
- 4 More adaptable to change
- 5 Employees are better team players and more likely to share knowledge as they don't see others as a threat
- 6 The knowledge base in your company increases
- 7 It increases employee loyalty and makes you more attractive as an employer

THE POWER HIVE

THE SIGNS OF STRESS: 10 THINGS LEADERS SHOULD BE ON THE LOOKOUT FOR

- 1 **OVERWORKING:** Keep an eye out for people staying at work later and later, or coming in earlier and earlier, especially when out of character. This could be a sign of an employee who's struggling with their workload.
- 2 **IRRITABILITY:** twitchiness, nervousness, fidgeting, and over the top reactions are signs that your employee might be dealing with stress. It's a natural response to feeling overwhelmed, helpless and fearful.
- 3 **VISIBLE SIGNS OF TIREDNESS:** those who are stressed may suffer with insomnia or trouble sleeping at night. If an employee is regularly coming into work visibly tired - and they haven't had a new baby or taken ill too far at the weekend, this is signals something isn't right. Stress can have both a mental and physical impact to someone who is usually energetic and enthusiastic becomes lethargic, then stress may be taking its toll on their physical wellbeing.
- 4 **ALOPNESS AND DISENGAGEMENT:** when stressed, employees might withdraw to avoid drawing attention to themselves. Some employees are introverts. But if someone who's normally outgoing and sociable begins isolating themselves, it could constitute a red flag.
- 5 **NOT TAKING BREAKS:** employees who stop taking breaks, specifically lunch breaks to catch up on work could be stressed about their workload. Even worse, if they take home work or work over the weekends!
- 6 **TIME OFF:** like with the above, a reluctance to take time off could be a sign that an employee is worried they'll fall behind with their workload. On the other hand, employees who begin arriving late on a regular basis or start looking more time off than usual, may be avoiding the workplace to get out of the stressful situations it gives them.
- 7 **LACK OF CONCENTRATION AND UNCHARACTERISTIC SLIPS IN PERFORMANCE:** lapses in memory and concentration could indicate distraction caused by stress. Employees may also feel sensations of confusion, helplessness and indecisiveness.
- 8 **OVERLY SENSITIVE:** It's likely that those experiencing stress will become increasingly sensitive and emotional. People can become easily upset and defensive about their work and take pains to hear.
- 9 **NEGATIVE LANGUAGE:** using negative language is a tell tale sign that an employee cannot escape their negative mindset; they may not be able to seek the solutions to problems and as a result become frustrated. This is most easily spotted in the way that a person speaks, tone.
- 10 **ISOLATING THEMSELVES SOCIALLY:** employees may withdraw from the environment contributing to their stress, as a result they start to disassociate with things to do with that environment such as out of work activities and opportunities to get to know members of the team.

THE POWER HIVE GROWTH GROUP

BUSINESS
 Permanent & Contract Divisions
 Professional Services
 Finance
 Vision Plan
 Market Mapping & Niche Qualification & Quantification

TECHNOLOGY
 CRM
 Website
 LinkedIn
 Team Collaboration
 Communications
 Analytics & AI Tools

MARKETING
 Email Solutions & Direct Email Campaigns
 Recruitment Marketing Plan
 LinkedIn Package
 Job Alerts & Lead Generation
 Authority, Automation, AI Tools

PEOPLE
 Recruitment & Retention
 Learning, Training, Development & Coaching
 Mental Wellbeing
 Employee Engagement
 Team Collaboration

BUILDING A VISION FOR POST-PANDEMIC SUCCESS
 WITH MIKE SMITH & GARY ELDEN OBE

Engagement **Multiplier**[®]
THE KEY TO UNDERSTANDING EMPLOYEE BEHAVIOUR

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Deloitte.

COVID-19
Workforce Strategies for Post-COVID Recovery

MBOs – Key Considerations

MBOs – Overview
 A management buyout is the sale of a target business or company to the existing management via a transaction known as a management buyout (MBO). The management team will typically gather together resources and funding to acquire a business, and this may come from a range of personal resources, private equity backing as well as seller-financing.

Rewards of MBOs
 One of the biggest selling points of an MBO is that the existing management team understands the business and often will already play a key role in overseeing day-to-day operations.

An MBO will also avoid the disclosure of sensitive business information to trade competitors.

The management team's is familiar with the business and the opportunities, and there is less risk than perhaps for other prospective buyers as they understand the challenges and so should give both parties a cleaner break.

An MBO offers the business stability and continuity and is particularly attractive in businesses where the people delivering the service are key to the value of the business.

Risks of MBOs
 Although MBOs are undoubtedly a viable exit strategy, for some they also contain risks, particularly for management.

The scope of warranties is in many cases the most contentious area for management on an MBO. A balance needs to be struck between the requirements of the seller, the management buyer and any third party funder.

Ensuring that the structure and finance of the deal is structured in a way to reduce risk for all parties. If a third party lender or private equity fund is financing all or part of the MBO they may require greater protection than the management team may be willing to accept.

The tax treatment of management's equity investment is another important factor to consider.

Alongside this, reconciling management's participation in an MBO with their existing duties as directors and employees can sometimes pose a challenge, as will the terms of any new employment arrangements.

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