



www.mergermarket.com

Dial An Angel has received approaches but 'not ready' to exit yet, CEO says

By: Louise Weihart

7th April 2010

Dial An Angel, a family-owned Australian “one-stop, cradle-to-grave” home-based services provider, has had approaches but will be more willing to consider exit options in the next five years, said CEO Danielle Robertson. The company is one-third on its way through a strategic plan with the focus on further expansion in the next five years, she added.

Owned by Robertson and her mother Dena Blackman, who started the business in 1967, Dial An Angel provides a range of services including domestic cleaning, child care, in-home nursing, pet care and concierge services. It has 75 full-time staff and 11,000 registered angels, who are professionally screened and have police clearances.

Dial An Angel has received approaches from interested buyers including a similar, government-funded not-for-profit organization in 2007 and private equity firms in 2006, but was “not ready”, Robertson said. The private equity model also “wasn’t quite right” because although Dial an Angel is actively seeking growth, it has historically taken a slow but steady approach, she explained.

In five years’ time, Dial An Angel will be more willing to consider exit options, with its preference being a sale to a similar organisation, she said. The CEO added that a similar organisation could provide a potentially better fit as Dial An Angel would benefit from more quality workers and mid-tier management expertise, while the acquiring company would benefit from its brand. Robertson, however, did not rule out a sale to a private equity or an overseas player, or a stock exchange listing.

The company’s five-year strategic plan is to continue to expand the business by increasing the number of branch offices and franchise offices. It currently has eight branch offices and three franchise offices. Its key growth areas in the next five years are home-based aged and child care services as well as domestic cleaning.

As part of its strategic plan and to foster growth, the company is upgrading its web-based database system. The exercise is expected to be completed by mid-2010. Robertson, who became CEO in 2003, has also been involved in making the company more professional via internal management restructures including the appointment of a finance manager, among other initiatives.

While Dial An Angel will consider acquisitions to grow the business, its preference would be to acquire similar businesses of a smaller size, especially in regional areas. However, the company is unlikely to find targets, Robertson said, explaining that most home services companies specialise in one area rather than offering a “one-stop” service.

Dial An Angel has no need to raise capital at the moment, Robertson said, but would consider raising debt in the shorter term, if necessary. Currently, its commercial banker is NAB. HLB Mann Judd and DC Strategy provide advisory services.