Mid-sized businesses are trimmed to the crisis

BERLINSKE / 2.Sektion / Monday 02.01.2012

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(Translated by Audon Partners)

It is no longer just the major publicly listed C20-companies that have trimmed themself to survive the recession, and now make money despite challenging times.

An analysis of 25 (Danish) medium-sized businesses, that have delivered their annual report for the fiscal year 2010/11 in autumn 2011, shows that a large proportion of medium-sized businesses have overcome the crisis and are starting to make more money, although the increase in turnover is quite modest. The analysis is made by Berlingske Business (Danish newspaper).
The analysis shows that the 25 Danish companies have, on average, increased operating profit per employee with 25 percent, while turnover only increased by a modest 10 percent. 15 of the 25 companies have shown clear progress on all accounts, while the results differ more with 10 of the companies. Only three, however, have a negative operational profit, but seven warn of declining earnings despite increased turnover.

Big differences
Frederik Aakard, business broker (M&A) at Audon Partners, agrees with the picture that emerges in Berlinske's analysis.
"*As we see the market, a third of the medium-sized businesses, have not only managed to become more efficient, but also acted strategically and handled the crisis in a proactive way. They have outsourced production and service further and found new markets,*" says Frederik Aakard.
Frederik Aakard mentions that there is another group of medium-sized businesses that have trimmed their business, but lack the resources to act strategically.
And finally there is the heavy end of medium-sized enterprises, which are typically strongly dependent of the Danish domestic market where the turnover is stagnant and in certain industries even declining. This applies, amongst other sectors, within retailing and construction.

It's all about leadership
Business Broker Carsten Birk Nielsen, from CBN Finance in Aarhus, points out that the medium-sized enterprises, in contrast to the very small actually can act on the situation.
"*In a small business with ten employees, it is harder to trim the organization. There is a risk of losing the ability to serve the market. The medium-sized businesses, with 200 employees, can act on the situation and take more radical decisions. Businesses of that size also tend to have a more qualified management,*" says Carsten Birk Nielsen.
Carsten Birk Nielsen is Chairman of the Board of Directors of, the medium-sized Danish floor producer, Timbermann in Hadsund. Here they have reacted to the crisis by trimming the organization and sharpening the profile by enhanced marketing. This has led to increased sales – even on the ailing Danish domestic market.