

Client Profile **DCA – Database Consultants Australia**



CEO & Owner

Declan Ryan

Location

Level 5, 355 Spencer Street, West Melbourne

Type of Business

Original Equipment Manufacturer (OEM): design, manufacture & distribute mobile phone cases

No. of Employees 105

Tell the story of your business

Database Consultants Australia (DCA) started in 1993 with three staff. I joined the business five years later and led a management buyout at which point there were 22 staff. The DCA business was primarily providing data services – data hygiene, slicing and dicing of data. Our customers were large direct marketers in the not for profit, telecommunications and retail sectors at the time eg World Vision, Telstra and Coles Myer.

In 1999-2005 we restructured the business and extended our service capabilities to include building intellectual property i.e. building software, selling licenses to the intellectual property we built and we expanded our capability to include hosting and design of software.

We then focused on two niche markets from 2000 onwards including civil compliance/municipalities and

E-health. This included aged care, electronic transmission of secure messages and indigenous health case management, up until 2013. Over that time DCA made four acquisitions, in order to secure a larger footprint in our target markets.

Our target clients were always large organisations and we needed to deliver accordingly, so that they were assured when they were buying from DCA. This included having our financials in great shape including the Balance Sheet, our skill sets and our credentials in dealing with their peer companies. Our culture meant that we were agile, affordable and delivered results with a team that cares.

In the E-Health sector we built a case management system for almost every aboriginal man, woman and child in Australia. 80% of all E-Health messages sent in Australia were sent through the DCA E-Health system. The community health software we built managed over 750,000 people's details for those living at home.

What do you love about your business?

Seeing young people come into the business, stay with it, and a decade later seeing them have much stronger skills than they came with and be professionally responsible for large responsibilities. I also like to see the families of our staff grow over time and know that we play a role in supporting their personal and family life.

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Since we engaged in the management buyout 17 years ago the same management team has stayed with the business. DCA has virtually no staff churn with an average tenure of greater than seven years. We realised that we needed to attract, recruit and retain good people. Our plan, or intention for all of our stakeholders is to be big enough to matter and small enough to care. Our people matter to us and they care about their work and our customers.



There was and still is a real focus on people and development. People feel secure here and people who want to advance feel that they have the opportunity to do so. We have a good team on board and we appreciate the diversity they bring to DCA. With a team

of 105 staff, we recently had a team luncheon where 17 cultures and types of food were represented. We love the multicultural aspect of our team and what that brings to our workplace.

How did you come to be working with Prime Accounting & Business Advisory?

I engaged Prime (formally MPR) to meet my personal tax and accounting needs, about three decades ago, when I was the CEO of a public corporation. I also had a series of small businesses and so worked on these with Marc Peskett the founder of MPR. Therefore I had Prime on board right from the start of my involvement with DCA, which is now over 16 years ago.

What challenges were you trying to solve? What were you looking to address?

We have worked closely with Prime over several decades supporting us with our accounting, corporate governance, tax, structuring, acquiring new businesses and the sale of a significant part of the business we built up, our E-Health business.

More recently around 2012 I realised the health technology landscape in Australia was changing. The privatisation of Medibank, the emergence of

multinational health technology corporations coming to Australia and the consolidation of health care providers was occurring. I could see that the big were going to get bigger and the small to medium organisations were going to come under threat.

The issue at hand was: "How can I continue to meet the investment requirements of this sector and still continue to satisfy all of the stakeholders?" That is, having a corporate customer base, while still being a SME? The conclusion I came to was that all stakeholders including customers, staff, management and shareholders would be better off if the business could be transitioned to an organisation with a serious commitment to health and a very large balance sheet.



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How have Prime helped your business to date?

We embarked on a discovery at first to answer the question, what is the value of this business? This was 12 months before we constructed an Information Memorandum (IM). We engaged Prime to assist us with the structure of the business, how we could unlock the value in the business and general consultation around DCA moving forward.

In late January 2013 we reached a point where we issued an IM where we targeted a select number of prospective purchasers. We targeted 7 potential buyers and constructed the process so that there was an order and discipline throughout the process. One example of this is that we created an electronic data room. When each prospective buyer entered the data room they confirmed their non-disclosures and confidentialities every single time. Prime were part of our advisory team. Their role included the financial reporting, treatment of assets and company structure. They advised us on all of these matters and when we selected prospective buyers, Prime presented on our behalf those aspects of the business. **They met with Telstra and Telstra's advisory team to explain the details around the treatment of assets, structures, reporting etc. which concluded in a successful sale of our E-Health business to Telstra.**

The process went for about five months and in September 2013 we transferred the business to Telstra. Since then Telstra have achieved their undertaking to continue to invest in and grow the business. All the original management team remained with Telstra and the business is considerably larger than it was when Telstra purchased it from DCA.

What's great about Prime? What do you like about them?

We have used Prime for over 16 years, so obviously we are very happy with the service they provide. The Prime values are consistent with the DCA values – they are agile, knowledgeable and reliable.

They really know their stuff and the Partners are committed to their profession. They are masters of their craft, passionate about quality execution and innovation and growth in business, just as we are. Our business provides big end of town service offerings to corporates and at the same time we are small enough to really care about our work and our customers.

Similarly Prime have the capability of a big end of town accounting firm, providing value without the big price tag, and are still small enough that you're not just another number, you deal with the Partners and they care about you as a client and the growth of your business.

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