



Financial Services Challenge

Activity 3 – General briefing sheet

Mason Jones Ltd

Mason Jones Ltd is a private company operating in 4 towns and 2 villages in Suffolk. The business was founded 40 years ago by Mr. Mason merged with Jones Lettings 15 years ago. The company has traditionally operated at the 'upper end of the residential market'. Sales turnover has fallen from a peak of £3.5m in 2008 and last year they fell below £2m, which has had a dramatic effect on pre-tax profits (£100,000). Forecast revenues are set to fall again this year as yet another competitor is rumoured to be looking for premises in the major towns in which Mason Jones operates. Mr. Mason admits that has let the business slip in recent years by preferring to offer a traditional service with long standing and loyal employees. His very ambitious son Stuart is keen to join the family business and is full of ideas having worked in a high-octane sales environment after completing his MBA in technology and finance.

Shareholding and Finance

- John Mason owns 75% of the shares
- There is no Bank borrowing
- Mason Jones Ltd has received a number of takeover approaches in the past and wasted inordinate amounts of time as no offers were received

The Board of Directors

- John Mason (Chairman)
- Three years ago, John recruited an old school friend and a fellow golf club member called Richard to act as the Managing Director. Richard has made no progress in investigating the viability of a new management system or in designing a bonus structure for managers and staff
- Sally Jones (62) works in the letting department and is a respected trainer in the Industry
- John's sister Joan (68) used to work in the business full time some twelve years ago and now lives in Holland returning each month to attend the Board meeting and overseas the marketing.

Management

- Henry (64) has been in charge of Residential sales for the past twenty years
- Tracy (32) has recently joined the business from Martin & Co and is in charge of Lettings. She was hired directly by John
- Martin Jones (65) is the part time Director of Finance and is married to Sally. John likes to work from home which is close a golf course
- Sally's only son David runs the 'Maintenance business' which breaks even at best and he is renowned for going to mother when under pressure.

Market Place

- Two new entrants have recently entered the lettings market offering cheaper management fees
- The number of house transactions has just started to improve after the Banking crisis