



Rippe & Kingston Legal Management System (LMS) Finds the Perfect Buyer to Accelerate Growth

Founded in 1982 by friends and business partners George Kingston and Joe Rippe, Rippe & Kingston Legal Management System (LMS) quickly grew to be the leading Tier 1 software for law firms. With experience starting and running a successful CPA firm, George and Joe understood the impact revenue and expense management, timekeeping, practice management and analytical reporting tools have on profitability for any business.

After recognizing a deep need for this in legal firms, the company built a fully integrated SaaS solution for law firms to provide oversight, workflow efficiencies, reporting tools, support infrastructure and early warning systems. Most importantly, it's the only platform in the industry to provide both on premise and cloud deployment solutions, giving firms of all sizes the flexibility to use the platform. The need was apparent as the client install base rose to more than 300 law firms across the U.S., Puerto Rico and Canada.

THE GOAL

Source the right buyer to continue the LMS legacy by capitalizing on the accelerated growth opportunities afforded by favorable market conditions.

THE OUTCOME

LMS was acquired by a private equity firm that was truly excited by the business and immediately invested the resources necessary to triple profitability.



The Decision to Sell

For decades, George and Joe remained not only great friends but successful business partners, continuing to grow their CPA firm and LMS as separate entities. In 2014, however, Joe passed away. It wasn't long before George, who continued to run LMS, began to think about selling. He says there were two reasons: "Number one: it was a very good time to be a seller given the valuations in the marketplace. Number two: I wanted to hold on because I was having so much fun, but I believe it's important in life to know your age."

At that point, George buckled down to make LMS even more profitable and a compelling entity for the right buyer.

Choosing A Middle-Market Investment Bank

After interviewing both regional and national investment banks, George turned to RKCA. He deeply respected their competency in the M&A business, specifically their ability to both source the right buyers and see deals through to completion. They were also the right size. George explains, "It's important to engage investment bankers that fit you. We were a medium-sized technology company. You don't go out and hire Goldman Sachs or other behemoth bankers. There are also many who are small—usually a one or two-person shop. That's not ideal either. RKCA specializes in mid-market deals, which was exactly what we were looking for in a business of our size."

A Successful Acquisition

RKCA brought several different buyers to the table, one of which was ParkerGale Capital, a private equity fund based in Chicago. They buy profitable, founder-owned technology companies when their operating resources can have a meaningful impact on the outcome. The partners' genuine excitement about the the value and quality of LMS spoke volumes to George. "From our first meeting with the ParkerGale team, it was clear they were the right fit for us. I had a real, comforting feeling that they were authentic people, honest and humanistic in their approach. That is so rare!"

Best of all, ParkerGale's goal was to take the profitability George had achieved and run with it: in fact, triple it. George trusted them to accomplish that. "One thing private equity brings to the table is capital," he explains. "When you have more resources, you can invest less conservatively and achieve much higher outcomes."

The terms of the deal RKCA orchestrated also allowed George to participate both as a board member and a minority shareholder, which

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means he has continued to be involved in the long-term growth of the business he and his buddy started from scratch. He's a firsthand witness to the payoff resulting from decades of his own sweat equity. From both a professional and personal standpoint, this deal was a win.

George attributes his happiness with the deal to the way RKCA handles all client relationships. "They don't just work to finalize a deal and move on; they build a real connection," he says. For him, that was one of the best parts of working with them. "RKCA was forthright and honest in how they conducted themselves. They are a high-energy investment bank—smart, motivated. I will continue to have a relationship with them."

Upon reflection, George uses the best possible word to describe the outcome: success. "Success is the most valuable outcome, and ours is a success story," he says. From the decision to sell to the final outcome, the M&A process launched LMS and Joe and George's legacy on a trajectory that's truly exciting for both LMS and ParkerGale. It's a success story that has many chapters yet to be written.

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