



The Bistro Group Gets a Valuation That Exceeds Expectations

In 1989, lifelong business partners and friends Bob Conway and Karl Davis founded The Bistro Group with the goal of pursuing a “Second Act” after successful careers as businessmen and investors. To Bob and Karl, entering the restaurant business was a way to leverage their expertise in business operations, all while having fun. To start the venture, the duo founded The Bistro Group with the purchase of two TGI Friday’s restaurants. Over the course of the next three decades, Bob and Karl, along with their families, grew The Bistro Group from the initial two locations into the 8th largest TGI Friday’s franchisee globally.

As the business grew, Bob and Karl transitioned ownership to a second generation of family members. By 2017, the second generation had ended participation in day-to-day operations management of Bistro and had moved into positions on the Board of Directors. Subsequently with Bob and Karl no longer involved with Bistro, a collective decision was made that “the time was right” for the family to sell the business to a buyer who could take what Bob and Karl had built and lead Bistro and its employees into the future.

As a result, The Bistro Group engaged an investment bank to sell its restaurant operations. The firm that was initially selected was a national, specialist investment bank that had a history of selling large restaurant groups including Friday’s stores. However, Bistro found that it was not the bank’s top priority and Bistro failed to make progress toward a transaction. The sale delay also coincided with a systemic downturn in

THE GOAL

Orchestrate a complex multi-state, multi-location deal in a down market that satisfies the differing priorities of more than a dozen shareholders.

THE OUTCOME

“RKCA got a price beyond our expectations and got us through the process to closing.”

Al Stahl
CFO, The Bistro Group



the casual dining market, exacerbating the situation. As CFO Al Stahl recalls, “At that point, we had to rethink our strategy and find somebody who could identify the right target—and then find and access a different universe of potential buyers.”

The Bistro Group Brings in RKCA

After talking to several potential investment banks, Bistro selected RKCA because the shareholders were impressed with RKCA’s strategy and processes. “RKCA knew how to prep market materials and source prospective buyers. They had processes to support due diligence and lead negotiations,” says Stahl.

Immediately, RKCA took charge, developing a novel, actionable strategy to address the market realities. Bistro’s prior investment banker had approached potential buyers who were primarily traditional restaurant operators with a national footprint resulting in a myopic approach to a changing market. However, RKCA’s research and analysis indicated that the right buyer in a down market wouldn’t be the same established national players.

RKCA tailored their approach to target smaller, more aggressive buyers in adjacent verticals. The results were outstanding despite pursuing a sale in a down market. RKCA’s strategy quickly generated strong interest, resulting in multiple offers for Bistro.

Finding the right buyers in a down market, however, wasn’t the biggest hurdle this transaction would face.

Getting the Deal Across the Finish Line

In Bistro’s case, the hardest part of the deal came after the buyer’s offer was accepted and the Letter of Intent was signed. Bistro’s multi-state, multi-location footprint resulted in the need to successfully negotiate with numerous landlords—with little leverage on Bistro’s side. Concurrently, RKCA had to orchestrate the transfer of dozens of operating permits and licenses, including liquor licenses, which were mandatory for the transaction to proceed. This involved obtaining approval from a myriad of state and local authorities in each jurisdiction that Bistro operated. Failure to obtain any of the required approvals would kill the deal.

Yet RKCA wasn’t deterred by the challenge. To successfully close the transaction, “RKCA creatively resolved issues that arose and quarterbacked the whole process to negotiate the deal,” says Stahl. “They had special legal and financial knowledge and engineered the entire sale. They coordinated with all the stakeholders involved, including the Bistro

“RKCA creatively resolved issues that came up and quarterbacked the whole process to help us negotiate,” says Stahl. “They are objective, thoughtful, insightful investment bankers.”



shareholders, and made many recommendations to close the transaction. RKCA are objective, thoughtful, and insightful investment bankers.”

RKCA navigated the complex negotiation process through robust project management, an often overlooked aspect of effective investment banking representation. RKCA took ownership of the entire sale process, leading a large deal team comprised of attorneys, accountants, and professional service providers who were all handling different aspects of the deal. RKCA’s project ownership ensured that this diverse group of professionals worked in concert toward a common goal: the deal close. Without effective project management guiding the process to a close, the strong deal on the table for Bistro could have withered on the vine. Delay kills deals, but RKCA’s focus on project management ensured Bistro’s transaction would proceed as planned and close.

A Successful Sale

The complexity of the deal resulted in a challenging process. “But RKCA stayed with it,” says Stahl. “Once we found and selected the buyer, that was a tremendous step. To actually execute it, was even more impressive. They orchestrated a complex sale from start to finish, communicating skillfully with all the parties involved. RKCA delivered where everyone else had failed. To me, that speaks volumes.”

The result: The Bistro Group successfully sold its restaurant operations to Falcons Restaurant Group, a rapidly growing operator of casual and fast-casual restaurant concepts throughout the Eastern United States. From Bistro’s perspective, the outcome was perfect: “RKCA’s M&A advisory was exceptional. We got an outcome the other firm never approached,” says Stahl. “It was beyond our expectations. We went with the right firm.”

Due to RKCA’s success, Bob Conway and Karl Davis’ legacy continues. Despite the challenges faced, including a previous failed sale process by a specialist bank and a major downturn in the casual dining market, RKCA identified the right buyer and completed a successful transaction. The result, for both the shareholders and employees of The Bistro Group, speaks for itself.

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