



United Garage Door Significantly Increases Value with RKCA's Guidance

In 1997, the Osborne family purchased United Garage Door, a leading distributor of garage doors, parts, and operators. Jim Osborne ran the company as President and by 2013 United became a partnership with the family. In 2018, he purchased it outright.

Under Jim's leadership, the company grew, operating in Cleveland and Columbus, OH and Pittsburgh, PA with standardized operations across all three locations. For decades, an exit strategy—and even retirement—weren't in Jim's plans.

When Covid hit, however, supply chain issues impacted United heavily, with wait time increasing from about a week to sometimes as long as three months. Projects had to be completed by United instead of vendors. Jim had previously ignored regular inquiries to buy his business, but as operational challenges increased, he decided to explore a sale.

A First Attempt to Sell Independently

With the help of his brother and trusted attorney, Frank Wardega of McDonald Hopkins—both of whom had a strong background in finance and experience in M&A—Jim ran diligence and negotiated a deal. Unfortunately, the number nor terms were close to what they had expected.

Though Jim wasn't necessarily determined to sell, even in the throes of the supply chain delay, talk of a capital gains tax in early 2021 changed his mind. After running the numbers, he realized he could sell right away or work five more years for the same number. If he was going to retire, the time was now.

Instead of trying again independently, Jim's brother introduced him to RKCA, with whom he had a personal relationship. "My brother trusted RKCA, so I decided to trust RKCA," says Jim Osborne, President of United Garage Door. "I wasn't ready to give up, so I told them my goal, which was to sell for a specific number by the end of 2021."

Then the process began in earnest.

THE GOAL

United Garage Door hired RKCA to not only source and negotiate a sell-side transaction but guide the organization through changes to maximize the deal.

THE OUTCOME

RKCA advised United Garage Door to make strategic business changes that resulted in an, far superior to what they had expected.



Gaining Trusted Advisors

For United Garage Door, RKCA operated like a Board of Directors, with a real interest in the well-being of the company. They had a plan to help Jim strengthen his profit and loss statement to achieve a more favorable outcome.

“RKCA was not just there to help me sell, but to help me manage my company and to make us better. They were instrumental in guiding us to make significant changes to improve our bottom line. They were true advisors to us, and we listened to everything,” says Jim. Though he’d had advisors in the past, never had they been so knowledgeable about the intricacies of United and business in general. RKCA laid out some strategic initiatives to put the right management in place and drive operational and strategic results for United.

These changes take time, however, and Jim had a specific timeline he was working against. “RKCA respected my goal and worked with impressive creativity to get us to the number we wanted,” says Jim. Whether that was finessing the financing required by Jim, altering the timeline for payout, or minimizing escrow, RKCA did financial gymnastics to source three offer letters, one of which met Jim’s goal—even before all the internal changes had been completed.

Unfortunately, tremendous inflation created doubt and the buyer attempted to retrade their offer to a lower price. Reticent to firesale United, Jim consulted with RKCA and ultimately passed on the retraded deal.

Making Strategic Changes in the Business

Not long after that decision, both Jim’s father-in-law and right-hand man passed away. When he and his wife got Covid shortly thereafter, he wondered if he’d made a mistake passing up a deal, even an imperfect one.

Impressed by the creativity of RKCA thus far, Jim’s attorney encouraged him to try again.

So in the spring of 2022, Jim continued to follow RKCA’s guidance in preparation for another sale process. One major change RKCA recommended was that Jim detach himself from the operational

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management of the business so that it didn't rely on him to run and grow. Jim began working from home more often and prepared the company's Executive Vice President, Joe Clark, for the role of President so Jim could move to Chairman of the Board.

"RKCA knew exactly what we needed to do," says Jim. "With the changes they suggested, we exploded in terms of revenue and profit. Sales rose dramatically, earnings rose; we were on a whole new level." Business improvements, along with relinquishing control to management, positioned United well for a sale.

This time, when RKCA sourced buyers, the result was six offers, each one substantially more attractive than any of the previous round offers. However, one prospective buyer stood out: NorthCurrent Partners, who had a history of buying companies and making them even stronger.

"The offer was far superior to anything I ever expected," says Jim, "Not only are the buyers an excellent firm but they are going to keep the company culture, keep the management staff in their roles, keep all employees, and pay us more money."

The process RKCA ran resulted in an offer so aligned with Jim's goals that it required minimal negotiation on the big items.

Reflecting on the Transaction

Now, with NorthCurrent at the helm, Jim is excited about the future for United, which he's confident will involve substantial growth. He'll even get to stay involved as a board member until he decides to fully retire.

While Jim learned from the experience of negotiating a deal on his own, working with RKCA was one of the best choices he's ever made. "Together, we navigated Covid, supply chain issues, the death of my right-hand man, and the transformation of making United younger," says Jim. "By working really closely and doing what RKCA said to do, the terms of the sale minimized my time to stay on and personal financing, and maximized my people staying on and payout."

When asked what others considering RKCA should know, Jim says, "Drop your ego. They're here to help." It can be challenging for a

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founder or owner to assume the risk that comes with letting go of running things a certain way. But trusting RKCA paid off. In other words, Jim says, “Listening to RKCA was life-changing.”

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