

#SA Expertise

Consider the Future of your Business: What Are Your Options?

The distribution landscape has undergone tremendous change over the last several years. As we've noted in previous posts, the competition in our industry continues to increase, with the large parts distributors continuing to get bigger, internet distributors beginning to make their mark, and even private equity entering the market and pursuing aggressive growth.

This creates challenges and opportunities for traditional warehouse distributors as they think about their future. The one thing that does appear certain: Keeping things the same is not a long-term option.

So, what are your options?

As many have discovered recently, now might be the best time to sell your business. There are many buyers who are interested in well-run distribution businesses – and are willing to pay very fair prices for those that meet their investment criteria. If selling your business is in your plans “at some point,” it may be time to investigate your options. And remember that selling your business does not necessarily mean that you completely exit the business if you want to stay involved; deals can be structured to include roles for you, your family and, of course, key employees.

On the other hand, you may be fully engaged in the business and intend to be for the long-term. You may even have an actionable succession plan. But, in order to grow, you need a partner with deep pockets to make the necessary investments without putting your personal capital at risk. We have seen a lot of interest from the private equity market in the distribution segment of the aftermarket. These firms find the aftermarket very attractive and are looking for good operating partners to invest with.

Whichever route you plan to take, don't try to do it alone. Engage the services of the expert team at Schwartz Advisors. We know who the buyers and partners are, what their investment philosophies are and how best to connect with them. With unmatched industry expertise and experience, Schwartz Advisors provides leading-edge and comprehensive M&A and strategic growth advice to middle-market, light-vehicle and commercial truck aftermarket companies and investors.

For more information, please visit www.schwartzadvisors.com. For more personal attention, contact:

- Rick Schwartz: rschwartz@schwartzadvisors.com
- Bruce Tartaglione: btartaglione@schwartzadvisors.com