

## **FHL CAPITAL CASE STUDY: ACQUISITION OF THREE LEADING LANDSCAPE COMPANIES**

### **THE NEED**

The McKinney family had built a portfolio of four leading companies that serve the satellite TV installation industry. The companies had annual revenues in excess of \$100 million but the family was worried about having all its profit streams tied to one industry whose growth rate may have peaked.

The family wanted to look for acquisitions that would complement their core competencies while providing diversification and new opportunities for growth. They decided to organize a family investment vehicle to buy privately-held businesses and hired a top quality team. Having founded and grown their own companies in the past, the McKinneys wanted help sourcing, evaluating, negotiating, and closing acquisitions.

### **THE SOLUTION**

The family contacted a successful acquirer of businesses for advice. He suggested they talk to FHL. FHL's professionals met with the family and their team, seeking to understand their personal and corporate goals. The McKinney team wanted to focus on industries that had similar business processes and could benefit from their expertise in managing a large number of field service providers.

FHL, in conjunction with the McKinney team, developed a list of industries that fit the bill. McKinney decided to focus on landscape services, so FHL approached the top landscape companies in target cities across the Southeast. FHL set up meetings with interested owners and coached the McKinney team on how to best present their story. FHL managed the acquisition process for several interested targets, allowing the McKinney team to simultaneously focus on their existing companies as well as learn the acquisition process.

### **THE BENEFITS**

FHL's disciplined process yielded over 10 qualified targets. FHL and the McKinney team evaluated and negotiated with several attractive candidates. The McKinney team was able to acquire two leading landscape service companies in 2011. In 2012, McKinney focused on supporting their new portfolio companies while FHL focused on keeping other top prospects warm, closing the year with a complementary third acquisition.

The combined landscape operations have revenues of roughly \$20 million, plus enjoy leading positions in their markets and outstanding growth prospects. Independent of satellite TV installations, the McKinney team knows the grass will keep growing.

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*"FHL was invaluable as we completed our third transaction together. We look forward to making more investments in the future." – Danny McKinney, Managing Director*