

Partnering with a Founder-Focused Investor for a Successful Sale —A Case Study



Imagine an enterprising individual scrawling ideas on a napkin in the mid-1990s, determined to leave his mark on the commoditized world of wire and cable. By 2020, those concepts and ideas evolved into a successful company, fetching a \$465 million sale through William Blair serving as financial advisor.



WINDY CITY WIRE®
CABLE & TECHNOLOGY PRODUCTS, LLC

Windy City Wire and Seidler Equity Partners

The company, Windy City Wire of Bolingbrook, Ill., did not enjoy an easy journey to success. But its leaders made an important decision in 2005 by joining Seidler Equity Partners, an investment firm known for helping founder-focused entrepreneurs expand their businesses. Under Rich Galgano, founder and CEO of Windy City Wire, this 15-year partnership saw the company's EBITDA grow more than 10-fold—cementing it as a leader in the low voltage wire and cable industry.

The Company's Journey

Windy City Wire's journey was marked with many of the challenges typical for start-ups, yet its early struggles were particularly severe. Days after the company's founders departed their former employer, lawsuits and temporary restraining orders were filed, temporary restraining orders granted, depositions conducted, and in lieu of continued litigation and legal cost, settlements agreed to. It all cost Windy City Wire tens of thousands of dollars that the company didn't have and months of wasted time that could have been spent nurturing this newborn business.

But thanks to discipline and understanding the importance of reinvesting profits back into the business, the company grew its EBITDA beyond the \$5 million mark in its first decade. Despite this significant wealth on paper, the two founders found themselves at a crossroads. With eight children between them and the risk associated with having 100% of their net worth in a single asset, both founders felt that diversification was the responsible thing to do.

Finding the Right Partner

They agreed that selling a minority stake would work under the condition that the business remain debt-free, meaning the transaction would be done without the burden of leverage so cash could continue to be reinvested in growth. Finding an equity group that was compatible with these conditions was much harder than anticipated.

Windy City Wire's founders searched tirelessly until they met the Seidlers, a private investment firm with a history of helping founder/family-owned businesses. The Seidlers' less-intrusive partnership strategy, financial flexibility, dedication to aligning incentives and respect for existing company culture won over Windy City Wire's founders, leading to a 15-year collaborative relationship.

Seidler Equity Partners and Windy City Wire closed the partnership deal in February 2006, just six weeks after their initial face-to-face meeting. Because the investment was a minority stake in the debt-free business, Windy City Wire's owners retained full control of the board. Seidler provided guidance that allowed Windy City Wire to make two acquisitions, expand multiple facilities, and enhance its customized IT system while successfully transitioning from distribution to vertically integrated manufacturing—resulting in a premier brand before the time of their exit in October 2020.

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The Next Chapter

After 25-plus years of building Windy City Wire, the ownership team decided to exit the business early in the second quarter of 2020. Over the course of a month, Galgano considered term sheets from more than eight firms to handle the sale of the company. He had numerous experiences with investment bankers and knew what was needed to get this deal over the finish line in difficult market conditions.

Galgano picked William Blair due to its extensive sector expertise and proven record with founder-led companies. Even amid COVID-19 challenges, the sale process was completed remarkably quickly; just two months from kickoff to signing. William Blair's expertise at managing remote deal processes ensured a swift transaction and kept things on schedule throughout.

Windy City Wire's next chapter officially began when its sale to international distributor and supplier of technical products and services Diploma PLC closed. Galgano prioritized maximizing value, maintaining culture, and safeguarding legacy and employees, resulting in a successful transaction. He is currently authoring a book about his career journey that includes a more detailed account of the remarkable history of Windy City Wire.

About Seidler Equity Partners

Seidler is one of a select group of investors that partners exclusively with founder- and family-owned businesses. Now in its 25th year and managing over \$5 billion of capital, the firm's business model is built on understanding business owners' capital needs and objectives and structuring investments that meet those objectives while allowing for flexibility and maintaining a true partnership. Seidler has partnered with more than 50 founders over the last two-plus decades and has helped numerous companies reach their full potential.



William Blair as a Resource

About William Blair

William Blair prides itself on working alongside the world's best investors. While Seidler has built a leading name in the industry, there are many financial investors and strategic buyers that offer flexible liquidity solutions for business owners. We welcome the chance to learn more about you or your client's goals and to find ways to help business owners optimize their own personal situation when the time is right.

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