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THE DEALMAKERS HOW 11 HEAVYWEIGHTS LANDED THE YEAR'S BOLDEST DEALS

"How'd they do that?" is the question asked whenever anyone buys or sells a company. These days private equity firms, multi-unit franchisees, founder-operated franchisors and more are doing so in record numbers. Franchise Times presents tales from the smartest players in the business, as selected from nominations by a panel of judges. **Carrols Restaurant Group**, our 2013 Deal of the Year, leads the pack, and **Trinity Capital's Kevin Burke**, cited for Special Achievement, provides a fit ending. In between are nine audacious dealmakers who only take "yes" for an answer.

After acing trio of deals, Metronome's on the map

Metronome Partners is only 2 years old, but a pair of plum assignments for Ace Hardware Corp. last year puts the Chicago investment bank on the map.

After years heading M&A divisions for other, larger firms, "friendly competitors" Jeff Rosenkranz and Randy Karchmer decided to team up and start their own. At the larger firms, they were "less down in the trenches doing what we like to do—getting knee-deep in the transactions," says Karchmer.

One of Karchmer's gigs at the larger firm paid off, however. Ace's CEO Ray Griffith sat on the board of a company that had been a Karchmer client. When Ace mentioned he was looking for a banker, the referral went to Metronome—and this was no ordinary gig.

Ace Hardware is well known for its 4,600 retail stores around the country. They also had a paint manufacturing division, which supplied the retail stores—but Ace thought they could gain more value. "They hired us to not just sell the paint manufacturing business, but to find them a partner to maximize the paint value in the stores," Rosenkranz says. "We crafted a very interesting deal that is transformative for Ace." Valspar is that partner.

Next was the \$88-million acquisition of Westlake Hardware, a chain of 85 neighborhood hardware stores in Kansas City. Those are the first corporate-owned stores for Ace, and allow the brand to pursue further acquisitions because a management

team is in place to operate them. "Given the current structure of Ace, retailers who wanted to sell their stores, or retire, didn't have that many outlets to do something. This gives Ace an opportunity to be an outlet for a retailer to sell," Rosenkranz says.

A third transaction, a recapitalization for Le Duff America, the café bakery restaurant franchisor, frees up capital to allow for growth. Karchmer expects many more deals like that this year, as owners look to take advantage of rock-bottom interest rates. "It's a very opportune time. The debt markets are exceptionally receptive to high-quality companies," he says.

Why did they name their firm Metronome? "My wife always accused me of running like a metronome," Rosenkranz says. "The real reason is we like the connotation of the long-term, consistent advice."



Jeff Rosenkranz