

SBM Case Study: Meter-Man, Inc.



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Lyle Stevermer, president of Meter-Man, Inc., a Minnesota developer and manufacturer of measuring wheels used by surveyors, appraisers, and many other professionals, was approached several times about selling his company.

The original device, which Lyle invented in 1963, had since grown into 28 different models which were marketed through major chains like Menards; private-labeled for Home Depot and Lowe's; and exported to 36 countries.

When Komelon Corporation, his South Korean distributor, offered to buy the line, Lyle sought professional help. Handling the complications of extended negotiations was more than he wanted to undertake alone, especially with a foreign buyer. Lyle turned to Jerry Clark and SealedBid, a Minneapolis mergers & acquisitions firm serving privately owned, lower mid-market companies. "Jerry and his associate quickly engaged themselves in every aspect of the process of negotiations," Stevermer said, describing their abilities and experience as "top shelf."

"I was very frustrated dealing personally with the potential buyers. They were extremely cautious and would send in 3 or 4 people, spend a full week doing due diligence and asking every question imaginable," he said. "The situation was complicated by language problems, since they spoke little English." SealedBid addressed many of these challenges, Stevermer said. "They were very effective at getting Komelon to put up a substantial amount of money upfront.

“direct and firm negotiator” The process was lengthy, spanning nearly six months. Without SealedBid, I can't imagine how it would ever have ended in a positive outcome. There were just too many challenges to deal with,” he explained. Lyle credits Clark's skills as a direct and firm negotiator for saving the day. “Every part of the transaction was difficult. Even during the 6 ½ hour closing, the buyers were still trying to renegotiate the terms of our deal!”

Robert Orzech, president of Komelon USA, reinforced Lyle's assessment. “Komelon is a conservative company, and Meter-Man was their first American acquisition. So everyone was nervous...they really did not know what to do or how to do it.”

Orzech praised the SealedBid team for seeing it through. “They showed tremendous patience, in a process that took a lot of time to work through due to differences in language and business culture as well as the difficulty of communicating details of the deal with a parent company thousands of miles away.” Added Orzech, “I found Jerry to be a tremendous, energetic intermediary working on his client's behalf. I wish he were my next door neighbor--that's how much I think of him.”

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And Stevermer? He's moved on, acquiring a new complex to manufacture agricultural measuring equipment his company has produced for years, which was not part of the Komelon deal, and now selling under the trade name of Visions. “My total experience with SealedBid in the Komelon transaction can be described in just two words,” he said. “Very good.”

SealedBid is an M&A firm focused on lower mid-market companies with revenues ranging from \$2 million to over \$50 million.

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