

SBM Case Study: Dyne Technologies, LLC



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A decade had gone by since Joan Leedy founded Dyne Technologies LLC, an independent testing laboratory specializing in fire protection and industrial safety codes and regulations. The company was enjoying steady growth in the expert testing of firefighting foam, antifreeze solutions and compressed breathing air for petroleum industry clients nationwide and Joan decided it was time to pursue a transition. "I was extremely involved every day, but my life was changing," she said. "I wanted fewer responsibilities, more time off and greater flexibility."

SealedBid's involvement happened almost by accident. Joan had been down the "selling road" with another intermediary who failed to perform and large investment banks thought Dyne was too small to be worth their while. After meeting with SealedBid's Jerry Clark, she knew they were a great fit. "We were a match, personality wise," she said. "Once we committed to SealedBid, I was surprised at the efficiency of their process."

"We provided perhaps 20 leads we thought might have an interest, but Jerry's reach went far beyond; exposing our confidential offering to both strategic and financial firms as well as individuals he identified who might potentially be interested." The wide reach of SealedBid paid off quickly – over half a dozen potential acquirers stepped up. Joan wanted a buyer who cared about the existing employees and had the vision and commitment to drive the company to the next stage. SealedBid found that buyer for her in Mark Spaniol and Paul Harry, partners in Expertus LLC, a Twin Cities based investment group.

“skilled at negotiating”

employees I had worked with for years. “Plus,” said Joan, “they appeared to be a group I could work with.”

With the best possible purchaser identified, Jerry accelerated the process, directing and coordinating every aspect of the negotiations. “I marveled at the speed at which everything happened,” said Joan. “Just seven months from first conversation to finish.” The final agreement was a recapitalization, which allowed Joan to roll-over equity to the newly formed entity and maintain a minority interest, participating along with the new owners in future profit distributions and a consulting arrangement.

Michael Murphy, a lawyer with Morrison Sund PLLC and sell-side attorney for Dyne Technologies, noted how smooth the transaction went. “I have worked with Jerry on transactions like these for years. He is really skilled at negotiating – protecting his clients’ interests while keeping the discussions cordial. He’s not afraid to confront and deal with the hard parts, but stays focused and tamps down the emotions, which always come up. And believe me, selling a business you have built over many years is always emotional.”

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“The results were exactly as I hoped they would be,” Joan said. “I am very happy, and I owe it all to Jerry and the SealedBid team. He did an excellent job... he delivered what he promised.”

“Mark and his group stood out in every way, with a good offer and a commitment to keep all of the

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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