

SBM Case Study: Midwest Fire & Equipment



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Scott Schneekloth started his business, Midwest Fire & Equipment, 26 years ago in the basement of his Luverne, Minnesota home, with three kids playing overhead. "I had an old dodge van that I drove around Minnesota, Iowa and Nebraska looking for work—cold calling small town fire departments, offering to repair and maintain their equipment," Scott said. After a few rough years, the company began to develop a solid reputation as an expert refurbisher and quality rebuilder of fire trucks and all related safety equipment.

As his customer base began to grow, Scott added employees and expanded into manufacturing new trucks, most of which were designed and custom built to meet a local community's needs and, per Scott, to provide a community with "local pride." By 2012, Midwest Fire had grown to 30 employees, had a new \$2 million state of the art manufacturing facility and was grossing \$10 million a year building everything from rescue vehicles and mini-pumpers to full-size \$350,000 trucks.

At this time, Scott found himself and Midwest Fire at a crossroad. The introduction of new technologies and the shift from metal to plastic bodies began to change an already competitive industry. At the same time, Scott began to develop health issues that compounded the stress of managing a business in these changing times and through a deep recession. He and his wife decided it was time to transition and find a buyer for the business.

“understood the challenge”

with Minneapolis law firm Mackall, Crouse & Moore. Jerry came highly recommended and Scott was instantly impressed, “He recognized the potential immediately, but he also understood the challenge of selling a small player in a highly competitive niche industry.”

Midwest Fire engaged SealedBid and the process began. “Investors wanted to see consistency in terms of sales,” Scott said. “It was not unusual for us to go two months without selling a truck. Local governments are not predictable, nor are grants for equipment from Homeland Security. But Jerry stuck with us. He was very persistent; reaching out way beyond what we thought was the pool of likely buyers.”

Ultimately, Sarah and Dean Atchison and their firm, Rock River Industries, LLC, acquired Midwest Fire. The Atchisons already owned a manufacturer of ambulance equipment for aircraft, so they knew the safety industry. They liked that Midwest Fire was in the business of saving lives, just as they were. Following the signing of the letter of intent, the due diligence period included acquiring SBA financing as well as consents from local associations before the deal finally closed.

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And Scott Schneekloth's assessment of the outcome? “It was tough. In my opinion, Jerry put together a top-notch team and that made the difference when the road got a little rough along the way to closing. I would highly recommend SealedBid to anyone interested in transitioning out of their business. SealedBid can make it happen.”

Scott was referred to Jerry Clark and SealedBid by Bill O'Brien, an attorney

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

Address:

5151 Edina Industrial Blvd.
Suite 140
Minneapolis, MN
55439-3013

Contact Us:

Phone: (952) 893-0232
Fax: (952) 893-0380
info@sealedbid.com

We are on:

