

Chris McKenna ([00:00](#)):

So let's get started with our first conversation. I'd like to welcome Lidore DeRose, a senior partner on the transaction risk team at BRP. Lidore provides strategic counseling to clients on the effective use of representation and warranty insurance and other transaction risk insurance products. Leveraging nearly 20 years of M&A experience as a broker, underwriter and corporate attorney, her focus is on advising private equity sponsors, corporate clients, attorneys, and other M&A professionals in all aspects of procuring and negotiating RWI policies and other transaction risk insurance policies in order to mitigate the risk of loss arising from M&A and other corporate transactions. Lidore will moderate the panel of CEO and investor perspectives with Lane Wiggers, managing director of Argosy PE, Greg Burkholder, the former CEO and president of Fairway Building Products, and Jeff Bause, the CEO of Groom Industrial Services. Take it away Lidore.

Lidore DeRose ([01:19](#)):

It is awesome to be here today with this panel and I think you're going to find their perspectives really fascinating. I'm going to let each of them introduce themselves starting with Lane.

Lane Wiggers ([01:33](#)):

Good afternoon everybody. My name's Lane and although I'm from Philadelphia, I grew up in kind of the Warren County Pennsylvania and Chataqua County New York area. My folks still live in and around Finlay Lake there, so I've got a little bit of pull to the area even though I'm from Philadelphia. So my background, I started out at engineering and kind of worked my way through that and been in kind of the finance world since business school, little investment banking in the aerospace industry, then onto kind of fundless sponsor, worked in kind of family office, worked for myself doing a little private investing for a while and then ultimately landed at Argosy Private Equity about eight years ago. So Argosy, we're based in Philadelphia, we're on our sixth fund, last funded about 422 million and we invest in companies kind of 25 to 75 million in revenue. And I'll let Greg and Jeff introduce themselves, but I've had the pleasure of working with both of them over the last eight years. So I think it'll be an interesting conversation. I hope it is. Anyway, so...

Greg Burkholder ([02:40](#)):

Hey, good afternoon, Greg Burke Holder here. So I'm from currently residing in Lancaster County in Pennsylvania, so central PA the, for 25 plus years I've been involved in manufacturing that's been in the automotive space, building products most significantly as well as a period of time in the engineer, or excuse me, in the energy sector. Through that I've been involved with several acquisitions, divestitures as, and integrations as you might imagine. That's been with family owned, been with venture capital, I've been with private equity. I've even been a period of time public, which I'm not a big fan of, but never say never as they say. So that's kind of the brief and short. Thank you.

Jeff Bause ([03:42](#)):

My name is Jeff Bause. I am president and CEO of Groom Industrial Service Group. We're headquartered in New Jersey and we were brought on our private equity sponsor back in about four years ago. So we've been through covid together and all sorts of other fantastic events, but we're now four years on. We've done two acquisitions in those four years. We've more than doubled EVDA in those two years, in those four years as well. And we are an industrial services contractor with one from one location. Now we're at six locations here in the US. We provide emissions control, equipment services and products, and natural gas-fired power. And we also do a series of different explosive lagging processes in natural

gas and coal-fired power. So we own five different explosives companies throughout the US which is kind of exciting and different. So that's about it. So...

Lidore Derosé (04:55):

Great. So we're going to begin at the beginning in the pre-stages before a private equity company invests in a business and get some of the perspectives of the panel at the early stages and what types of considerations each of the parties should have there. So starting with Lane, Lane, I understand that Argosy invests in a lot of founder-owned businesses. Are there certain characteristics of founders or management teams that you look for when you're investing in these businesses?

Lane Wiggers (05:30):

Yeah, good question. I'll break that into two pieces actually. So founders, I think founder-owned businesses, Leroy is absolutely correct, probably, I don't know, 70-80% of our investments are with kind of founder, family owned type businesses and we've done about 130 transactions plus or minus over AR disease's history. And so we've learned a lot of lessons along the way on of how to make that work as efficiently as possible for everybody. And I think if you break that into two pieces between the founder, I think most of the time in our experience, the founder's probably going to stay around a couple years. There's certainly exceptions to that, but that's generally they've got a lot of their net worth tied up in the business and they're looking for liquidity and a good transition and good succession plan. And what I tell founders is I don't really, this going to sound a little blunt, but I really don't care if you want to leave at closing or if you want to use leave two years out or seven years out.

(06:33):

But what I asked for is kind of honesty. And the worst thing that can happen for me as an investor is somebody thinks I want to hear something, they give me that story, they give Argosy that story, and then the day after closing, everybody wants to go fishing and that, that's really not fair to me and that's not a good way to start out a partnership. Now people change their minds and that's fair and we can certainly work around that. But I think sometimes founders are coached on how to answer that question and I just ask them for honesty. So that'd be on the founder's side of ask for honesty. And then on the leadership team's side, usually it's kind of a number two, if you will, to the founder who's coming up through the business or has come up through the business and is now going to take that leadership position. And I think I'm really just looking for somebody that's open to communication and learning together. I think where I've not seen it work well is when folks come into the position from the number two position and kind of think they know everything and are kind of too proud to ask questions and too proud to learn. And sometimes I've seen that kind of get off track. So those will be the two things I'd think about.

Jeff Bause (07:46):

Do you think Lane, that I think for the number, I'm a number two person, so I, I've been CEO and president for four years, but the founder exited the company mean right at closing. I mean I literally kicked him out of the office within seven days of closing. I was like, I'm done, you can go. But I think from the business owner's perspective, the founder or even the management team's perspective, I think what's really important is the recognition of that and the recognition of here is a PE sponsor that's coming in and they're sort of buying a bit of an unknown entity Lane. I mean you're investing a lot of capital in a business where you don't, I mean you're going off your gut, right? I mean you're going off your gut on what you think if the founder's going to stick around, what do you think of the founder or what do you think of the second person in charge?

(08:42):

Because I mean they're going to drive the direction of the business a lot and that's something that's pretty risky. I think that would be interesting to hear a little bit more on. But the other thing too is I think from my perspective is you need to be a growth-oriented individual, right? Because that's, I mean that's the investment thesis. I mean it's grow, right? It's grow through revenue, grow EBITDA grow all of it. And if you're not as the incoming person, if you're not driven by growth and driven by the common goal of an exit in 4, 5, 6, 7 years where your incentive equity and your investment and your role is going to be worth more, then I don't know that that partnership is going to work. I think you need to be driven by that growth.

Greg Burkholder (09:37):

I think that some of the downsides of the founder, certainly there's with a financial stake being rolled over, you know, get some of that honesty or at least you hope you're getting honesty because they still have kind of a dog in a fight. But some of the challenges with certain founders potentially could be, and just a mindful eye out is they could undermine, not intentionally, but they could undermine the strategy that the company is ensuing post transaction and they're not doing it. They're not doing it necessarily to truly undermine the business. It's that's been their lifeblood in a lot of cases. I mean that's their life. And so when a new direction has to be pursued in order to take care of the shareholders and meet the objectives of the investment, the founders don't always appreciate that, wait a minute, what are we doing it that way for? We can't do it that way. You should still be doing it this way. That's how we've always done it. So a lot of the times the biggest hurdle in change management and from a CEO position, if you still have even in at purely up board level, you still have founders involved, that could be a challenge just helping them work through and release the reins if you will.

Lidore Derosé (11:06):

Greg, you, sorry Greg, you had the really unique position of being in the decision-making process when Ferry was being sold and evaluating different private equity partners for the potential partnership. Were there certain characteristics that at the time you were looking for in a business partner to help with this next stage of growth? Yes, so...

Greg Burkholder (11:36):

We did have the benefit of several parties coming to the table. One consideration was the management strategy. I was the president when we went through the sale from family-owned to private equity. So in that regard, I guess it could be a little bit, it was self-serving, but some private equity, they just flat wanted to bring their own people in period. And other buyers, they had laid out in their vision that they were going to buy the company and essentially consolidate the operation away from our current operations, which mean away from our people that had helped us build that business to that level. So that wasn't very intriguing because in that case the business was very cyclical, seasonally cyclical. The challenges, if their thesis was a three-year and out investment, the major changes that you hope to make in order to really grow the value is challenging at best and realistically is untenable.

(12:59):

So we needed an investor that was committed to a five to seven-year hold in order for us to overcome that seasonal cyclicity and be able to make the changes to increase that valuation. And probably the final one, aside from communication, the final one really was leveraged quite honestly. There were offers on the table where there was a significant amount of leverage that was going to be put on the

business and that would be a huge hindrance at the outset of trying to make those step investments for the growth. And so we were conscious of that and what that investment thesis looked like in terms of leverage.

Lidore Derosé ([13:51](#)):

And Jeff, if Lane involves you when he sells you to the next private equity owner, do you have advice?

Jeff Bause ([13:57](#)):

I was involved pretty heavily in the selection of Argosy as well from the previous founders. I think once we create a SIM and you kind of go to the market and there's bids and you kind of get to the top three, you take to a management meeting at that point for us, most of the value was identical. I mean it was a certain number of turns of EBDA and they looked all three deals looked very similar for us. For me a big, I like to read people and understand people and for me it was just kind of understanding who are my partners going to be and how did that feel, what was my gut telling me? I mean at some point, as an entrepreneur and a business person, you know, got to trust your gut. It got you to a point where you were very, very successful and you had to trust your gut with were these people that I wanted to partner with, were these people that I wanted to be in business with? Did they match short of your morals and your values and your ethics? And I think to me that was important because you know, going to, you know, could argue that if you look, in my opinion the last four years I've worked twice as hard as I worked the previous four years. And is this somebody I want to work that hard with? Is this someone that I want to be with long-term was very important to me.

Lane Wiggers ([15:28](#)):

Can I just tell a funny, yeah, could I tell a funny story? So Jeff's talking about culture, I'm going to go back to Greg's, the two founders that owned Greg's business prior to our involvement. And hopefully I'm not going to tell this out of school, you'll correct my math here if I get any of this wrong. So we had made an offer and I think we had made it into the diligent stage and we opened up, it was an LLC. So we opened up the operating agreement and there about three pages in was the craziest thing I'd ever seen in an operating agreement before. And it was drafted by a real law firm. It wasn't just kind of a one-man shop out in Lancaster area. I mean it was a real national firm. And the two founders I think really liked working with each other.

([16:14](#)):

I'm sure they had their differences at the time, but they really liked working with other always back and forth and they would bet on anything. And I mean they would bet on the election, they'd bet on horses, they'd bet and just fun money back and forth between the two of 'em. And so in the operating agreement, there was a closet, if one of 'em passed away, they were going to take something like \$25,000 down to Atlantic City and the one was supposed to put it on black, whatever, the other guy was supposed to put it on red, whatever. And if they lost, they were to come back to Lancaster and they were going to take and have a big party at the company and if they won, they were going to take the whole company to Bahamas or Bermuda or something like that. Do I have the story about right?

Greg Burkholder ([16:55](#)):

We were all supposed to go to Vegas, we were all supposed to go to Vegas if they won.

Lane Wiggers ([17:01](#)):

It's a crazy story and I've never seen anything like it, an operating agreement before. And in Augusti, not gamblers, I'm not a gambler, but one of our values, we have five values and one of 'em is going to celebrate our achievements. And those guys, what that showed us was that they celebrated their achievements maybe even in death, but they were a fun group of folks to work with and I think we had a great relationship and it was a crazy story of an example of the culture fit from the beginning I guess. So yeah...

Lidore Deroose ([17:31](#)):

That's great. I can't say I've ever seen a provision like that in an operating agreement. I've brought a lot of them. So obviously it's a big change to move from working in a founder-led company and move into a structure where you have private investments. Jeff, Greg, what were your expectations about working with a private equity fund, and how have you found your expectations measured up to reality?

Jeff Bause ([18:02](#)):

I mean, there's no doubt that private equity in general gets a pretty bad rap across the board. I don't think anybody would challenge that statement. So I think going into it, you're very apprehensive, you don't know what to expect really. But for me, I think that it's exceeded all of my sort of expectations from a developmental perspective. Professionally, I think there's certain things you have to accept prior to closing, prior to sale, you have to accept that there's going to be some debt on the business. You have to accept that there's going to be some covenants with the bank. You have to accept that you sort of have a new boss. The board is your boss, your sponsors are really in essence your new boss. I think that if you can accept those things, then the transaction isn't so scary. Post transaction, I knew we partnered with a bunch of folks that weren't sharp-elbowed and going to be in my shorts. They take a very much partnership approach. I think it's all about communication. I think it's all about communication. And I'll say it again, I think communication is key. I mean, no surprises in the boardroom, no surprises in your board deck, regular communication with your PE partners. I mean just look at 'em as your business partners. I mean it's that simple for me. I think that's kind of where it stands. Greg, what did you...

Greg Burkholder ([19:46](#)):

Yeah, so I guess one thing I hadn't appreciated with going into this deal is I'd grown accustomed to the founders kind of self-serving their own data because they founded the business, they grew up inside of the operating system, seldom did they come asking for additional financial detail. And it just never occurred to me until it did after transaction that, oh, I have to serve these guys the financial data. They can't just go into our system and look at it. So that became a whole new task that I hadn't appreciated. And so a CFO became an absolute must. The first time our Mez lender wanted a bridge, I was like, I had to turn to somebody and put the phone on mute and say, what the hell has a bridge got to do with this? I had no idea. I can give 'em a P&L, I can explain it too, I can give 'em a balance sheet, I can explain it to 'em. I didn't know what a bridge was. So there were some additional financial expectations and language that I didn't appreciate prior to that quickly learned. And really also when it's in this case, privately held by the founders, your financial accounting, although legal for sure is really with a tax liability in mind. And so however, under the EBITDA focus, I hadn't appreciated how much we would need to really embrace for the benefit of a company and valuation embrace the accrual-based accounting. So that was something that again, I hadn't appreciated going in, but certainly learned during the process that that's a critical component.

Lidore Deroose ([21:56](#)):

And Lane, is there any advice that you give to founders or management teams that are new to ownership as to what to expect and how to work best in this new partnership?

Lane Wiggers ([22:09](#)):

Let ask. So over the last six months I've had a bit of a unique experience in that we had a founder of a business that was supposed to on his own Accord transition out of as of December and kind of came to us in August and he said, I think I want it to be October. So we really hadn't started a recruiting process and so guess who got nominated to be the CEO in the interim? And so that role just wrapped up for me here about three, four weeks ago. And man, it's tough being a CEO, but so it really helped me and I've kind of played that role on a short interim base, interim basis before. But this six-month stint really kind of drove home exactly what I think both of you hit have hit on is I was a board member with the private equity firm and even I was surprised by the feeding the care and feeding of the board of which my partner's on, and there's other two co-investors and I am in running the business, I got a pretty good idea of what I'm doing.

([23:23](#)):

Things are going actually really well and I'm getting all these calls, all these questions, and they want additional reports and this and that. And it is easy to lose sight that those board members are fiduciaries and they're not in the business every day. They have no idea if the trucks are full going out, if the manufacturing lines working the way it should, whether we got a supply chain disaster, whether we got a quality issue, they have no idea in remote offices. So I think kind of keeping that perspective always at front of mind again, it surprised me over the last six months and this is my business anyways. I, I'm nodding my head when you guys are talking about that piece of it. Yeah.

Lidore Derosé ([24:06](#)):

And as you get further into that relationship when you're six months, a year, two years in Greg, is there additional advice, we've talked a little bit about the importance of communication. Is there additional advice you would give in terms of creating a successful partnership and working together well?

Greg Burkholder ([24:26](#)):

Yeah, I think one of the key things that I really appreciated was the authority matrix that was provided to me. And so that provided me a lot of clarity. I understood exactly quite honestly what I could and could not do pre-transaction to private equity. It was a simple conversation over a beer and it was done. But post private equity, if it was exceeded X amount of dollars, then I needed to have a conversation and get approval by the investors. But that was hugely helpful. So I think to have a good relationship that needs to be something that is considered and in place so that it's clear understanding on how far the authority as a standalone goes For the CEO, I know we did say about communication, but communication is not, communication is certainly the rhythm. That's the first thing I think of.

([25:35](#)):

How frequently do they want to hear from me? How often do they need to be updated and in what format? So honestly, when we first went through the transaction, and in Lane's fairness, Lane wasn't involved at that point, we didn't provide any kind of templates now that since has been rectified, but we didn't know in what format they wanted to see certain things and so we just wong it and we would do the work, send it, and then they would say, now we really want to see it this way. Okay, so we'd do what we thought they meant, and no here here's something that somebody else does we'd like. And so it just

creates a lot of heartburn for the managing team of the platform if that clarity is not provided upfront with some specificity on the report, on the reporting templates. And again, communication.

(26:35):

The other thing is the strategy, the management strategy. So failure to communicate that the, the private equity company has a planned post transaction to install key staff positions. Even though you might may have a president and CEO, but if they've got it in their mind that they're going to put their person in the organization, that really needs to be communicated before the transaction so that you don't walk in one day and be greeted by a new face saying, Hey, I'm so and so. I'm here to work for you. Private equity sent me. So that can cause some challenges. So that needs to be communicated on the front end.

Lidore Derosé (27:27):

Great talks. I have a question about the authority matrix that you mentioned. In my past life as a lawyer, I've spent a lot of time drafting operating agreements and things, setting out those rules, which I assumed no one ever read. Is that something that somebody put distilled down for you into a document or was that just a conversation that you had?

Greg Burkholder (27:45):

Yeah, no, it was quite honestly, it was a basic Excel spreadsheet with about three columns and headers on it. And it just said, if it's a capital investment over, I don't know, \$50,000, then we need consent for approval. And if it's a contract over a million dollars, you need board approval. So it actually defined the different levels of who could expose liability for the business at what dollar level. So it was very... ereand including hiring and firing. So although as a CEO, your staff is your staff, there was still certain positions that required consent or advisement, if not consent, just advisement heads up, Hey, we're going to do this. So

Lane Wiggers (28:40):

Throw in 2 cents on top of that. So absolutely operating agreement can incur debt, can't do acquisitions. This is probably the, well, I know it's the next layer down. So it's VPs have this authority, CEO a, CFO, and COO have this authority outside of the budget. CEO has this authority outside of the budget or contract approvals, things like that. I don't want you to think that this is this governing document that Greg was having to refer to every day. I mean, we try to sit down with the leadership team at the beginning of the transaction and say, how does your business normally work? I mean, if you're normally approving \$500,000 contracts without talking to the two owners, great. Then five hundred's the number. We're not trying to create this crushing oversight or anything like that. But I do think, I'm glad to hear Greg say that. I didn't.

Greg Burkholder (29:33):

Mean it to across that way. You're absolutely right. I mean it was great. That's a different story. It was definitely that, but it was very helpful as the leader of the platform to know exactly what the limits were and what the expectation was so that we didn't have to have that tough conversation after the fact.

Jeff Bause (29:55):

So I got the same document that Greg got right with some tweaks, but it was just sort of a nice guideline to get, Hey, I knew what I could do without getting my wrist slapped. Especially at the beginning, within

the first kind of 12 months after the acquisition when you've had a couple of board meetings, but you're still trying to feel each other out and develop that relationship. It's nice to have a rough idea of what sort of the guidelines are like, Hey, when do I need to advise? Most of us that are going to be in this position haven't been in this position before with a private equity firm and board meetings and board decks and everything else. So having a document that helps you navigate some of that is, Hey, it's a good idea if something like this happens to inform the board or at this stage we need to get board approval for this.

(30:44):

Just having some guidelines to know and circumnavigate those waters is helpful. And Greg touched on it before you talk about 6, 12, 18, 24 months post private equity acquisition. It look like you touched on it before on the finance side. I think talking about the professionalizing of the business is really important because that's really what, in my opinion, aside from acquisitions and everything else, that's really what you're doing most of the time is working on professionalizing the business from GAP accounting and having, we didn't have a CFO, we had to hire a CFO we had to professionalize our finance department completely and we had a bookkeeper before and now we've got six full-time people in finance including my CFO. And you've got to have, we're closing months, two months after, by the 15th of every month, our books are closed and we've got a package ready to go to the board with our monthly financial package. We struggle to close a year within 60 days before acquisition. I mean, it's the tracking KPIs. I mean, in looking at all that stuff on a regular basis and having strategic planning meetings and looking at the direction of the company for 3, 6, 12, 24 months down the road, all that professionalizing to me is really thanks to the PE sponsors because I don't think that's any stuff as the founder or as the second in charge with the founder. We never did any of those things that was very, very different than anything we did before.

Greg Burkholder (32:28):

I mean...

Jeff Bause (32:28):

Wasn't necessary. We made money, we did well, but yeah, now it's required. Now you've got to figure out that information and KPIs. I mean, we're a big labor company, got 200 full-time field employees sprinkled out throughout the country. And one of the things we never tracked before, for example, was labor utilization of field labor. And now you look back at those KPIs and they tell you things before it. I mean, if you go back and look at those KPIs back last year, you could see the struggle within the labor market and now you look at your labor utilization and retention of those people. And what those KPIs are telling you now is the labor market is back for us. Blue-collar labor is fine, it's readily available in the market today, but you only get that from the professionalization of the professionalizing of the business and tracking those KPIs that we never did before that it's very useful.

Lidore Derosé (33:29):

Great. And I think we've been focusing a lot on what makes a good partnership and how to communicate well together. I think that as everyone has experienced, it's easier to be a good partner when things are going well, but we all know that that's not the reality that businesses face challenges in recent years. We've obviously all faced a huge crisis that nobody anticipated in terms of the pandemic and the global macroeconomic effects that it had. What advice do you all have for managing through the tough times when things are not going well? How do you maintain that good partnership?

Lane Wiggers ([34:12](#)):

Yeah, so I think it starts with a good foundation. I mean, the pandemic was an interesting thing. I don't know if anybody in this room ever saw anything like it. I know I certainly didn't see some economic disasters, but that was a different one. So I think it starts with a good foundation and having a good partnership with your companies and that's not a hundred percent. If I sat here and told you that of our 27 portfolio companies, I've got as good relationships as I do with Greg and Jeff that, I mean, that wouldn't be true. But I do think that for the overwhelming majority, we do have that good partnership. And I think that starts at the beginning and just, I'm going to tag onto the last question a little bit and then I'll roll into that one. And I think that starts at the very beginning and kind of put yourself in the shoes of the executives and the founders. So the money's great, but I mean you've just spent, let's say diligence is three months. The process is probably longer, I don't know, whatever, three, four months probably. They have gotten the absolute snot beat out of them for three months. They've had a dozen diligence providers in there looking through everything from 401ks to environmental to obviously the financials, the market interviews. I mean, it is a grueling process. Don't forget about sales.

([35:34](#)):

Tax. Sales tax. Yes, absolutely. That's a Kelsey can help there. So it is a grueling process. And then we as PE guys, we're chomping at the bit, I mean the meter's kind of running from day one and we're chomping at the bit Day one, she's get together and we're going to have a strategy session or whatever we're going to have and we're going to figure out how to conquer the world together. And that's all fine and dandy. But I do think building a personal relationship before you jump into all that meaty stuff makes a difference when the times get tough, economic downturn, like a pandemic, whatever it might be. And so I think that foundation is important. I think the prep work you do going into those types of things, we try to do a lot of collaboration across our portfolio. So that's not only between the companies and Argosy, but also company to company.

([36:33](#)):

I mean we, I think it's 27 companies in the portfolio today, and there's 27 other, let's say there's 26 other CFOs that maybe there's one CFO who has a question about payroll or sales and use tax or whatever. There's 26 other folks that are doing relatively the same type of job across the portfolio. Why in the world we connect those folks and give them the tools to connect each other and have conversations with each other. And then I think the last thing I'd say is just kind of doing what you said you were going to do and be that good partner. And I don't think Jeff said this for my benefit, but we were having lunch at a table in the back room and we were talking about cash flow and kind of running out of cash and not making payroll. And again, I don't think he was saying it just because I was there, but it is true that we have Jeff's back, we had Greg's back and whenever there's a problem, we're all in this together. It isn't pointing fingers at somebody and saying, oh geez, you should have been watching cash more closely. Or how in the world did ever happen or anything like that. I mean, it's really...

Greg Burkholder ([37:42](#)):

Called Lane, Lane's iceman. Nothing rattles him.

Lane Wiggers ([37:48](#)):

On the inside. It might. But anyways, I mean, listen, it is a team that's a partnership. I mean we're in this together and having each other's back is important and demonstrating that and don't leave somebody hanging I think is a big piece of that. So...

Lidore Derosé (38:05):

Jeff, Greg, any last words that you want to add? Unfortunately, I could sit and talk to these guys all day long and hear about the lessons learned from these guys, but we're kind of in the final stretch here.

Jeff Bause (38:18):

I think I'll stop with this. And that is one thing that somebody said to me early on, which I think has stuck pretty true, is sort of pick your battles. I mean, Lane has been on, I don't know, 30, 40 different boards or whatever through his career, seen most of everything that's going to happen and your private equity sponsors are going to have, and your board members are going to have some suggestions. They might not try and shove it down your throat, but they might have a suggestion like, Hey, they have certain vendors they like to use, maybe for commercial and liability insurance or four [inaudible] providers because of fiduciary responsibilities and things like that. Don't pick your battles, don't fight that stuff. It's not worth it. If you pick your battles, then when it comes time to it in the boardroom or on a board call and you want to stick to your guns and you want to fight 'em on something, they'll hear you.

(39:16):

But it's like the boy who cried wolf. If you fight them on every single thing, then eventually they're just going to turn you off and they're not going to want to listen to you anymore. So that would be my last 2 cents would just be pick your battles and I think you'll find that that relationship is spectacular. And then I'll shut up with this. One last one is, and I talked about it before, but I think that partnership approach and that relationship you develop with your private equity sponsors, with your deal partner, your operating partner, if you have one, et cetera, you can't put enough value on that. And when you select the right person, I mean Lane and Kevin who are my partners, I mean we hang out outside of work. I mean we have that relationship because they're people that I want to spend time with.

(40:04):

I respect them professionally, but I also like them personally. And I think that that relationship is really important because then when times do get tough when Covid hits or you've got to leverage, you got a senior leverage ratio issue with the bank or you've got a call for some cash, it's those tough conversations are just easy and simple. They're not even hard, don't I look back on Covid in those first six months, it wasn't, wasn't that hard of a time because we had each other's backs and we just got through it because we liked each other and we had that great relationship. So.

Greg Burkholder (40:45):

Thing final that I'd like to just put out there too is that the understanding that it divestitures, we always talk about acquisitions, growing enterprise valuation, don't lose sight of divestitures. In our case with Fairway that really spiked by executing on that strategy, we were able to significantly positively impact the exit value of the business through a single divestiture. So not always is it just acquisitions. So just bear in mind, you and I know you do, you're smart enough that what you buy mean that's what you have to sell, at least not all at once. So that was a good piece for us. And finally, one other thing, just because we talked about covenants and we talked about tough times and leverage, I learned that just because conventional, conventional lending is the default in certain businesses, ABL lending, asset-based lending can be much, much more forgiving and provide a lot of wiggle room for your lending needs for a new acquisition and provide kind of freedom to move in order to make those step investments for growth.

Lidore Derosé (42:24):

I think this panel has really demonstrated the importance of relationships. You can see what type of good working relationship they've all had together and honestly could sit up here and listen to them talk all day long. But unfortunately there's some other panels that have to get up here. So I will turn it over to our house. Thank you so much.

Lane Wiggers ([42:45](#)):

One last thing, sorry, this will take will be quick. This is a sales pitch. I hope I don't embarrass him, but Greg is a fantastic operator, tons of experience. He got to manufacturing, building products, great guy. And he's out looking for his next gig. So I'm looking for something for him. But his personal success is more important than us finding something at Argosy for him. So this is your guy. Appreciate it. Yeah, thank you.