

MERGERS & ACQUISITIONS

THE DEALMAKER'S JOURNAL

March 2007

As the Tampa Bay Market Grows, So Does ACG's Local Chapter



By Penny Hulbert

Tampa Bay has experienced tremendous growth in the last few years, establishing it as a top contender for business relocation and corporate expansion. As momentum builds in the region, parallel growth has been taking place in the local ACG chapter.

Since its formation in 1997, the Tampa Bay chapter has tapped the local service provider community for its membership base, which in earlier years included a relatively small number of private equity groups.

That began to change, however, in mid-2005, as more opportunities emerged for investment in mid-market companies. With those opportunities came an increase in the number of private equity and funding firms that either moved into or grew within the market.

So what's creating the changes we're seeing? Figures provided by Tampa-based Hyde Park Capital Partners reflect deal growth in five particular sectors: industrial, consumer goods, health care, information technology, and financial services. Factors working to support that growth include:

- Increased awareness of capital opportunities on the part of business owners. This awareness is fueled in large part by more and higher-quality networking opportunities, such as those offered through ACG.
- Increased interest in privatization of public companies. A recent *Fortune* article referred to 2006 as the year of private equity. Locally based compa-

nies such as OSI and Checkers reflect local participation in the national trend toward going private. Given the smaller size of local public companies and their negative perceptions of how Sarbanes-Oxley affects them, we would expect this trend to continue here.

- Baby Boomers and serial entrepreneurs still "retire" to Florida. These bright, wealthy, and still-vital individuals quickly tire of playing golf and look for the next good deal.

- "Critical mass" created by the growing number of serial entrepreneurs who now reside here. Fewer business owners these days start a company, sell it, and then move away. More typically, once they sell, they stay and start their next venture.

- Maturation of the service provider and investment support communities. These deal support communities have matured to the point where they're now recognized as being of the caliber demanded by growing businesses. An increasing number of business owners are cutting the cord and replacing their Boston- or New York-based law, accounting, investment advisory, and private equity firms with the very capable firms located in the Tampa Bay area.

- Tampa, like other Florida communities, is now being recognized as the home of more private equity and venture capital firms. Increased activity by such organizations as the Florida Venture Forum supports this thesis.

- Thus, as the local economy reaches a tipping

point that leads to increased private equity activity, we're seeing the momentum build, and parallel momentum taking place in our chapter.

The numbers bear this out. Over the course of the last 18 months, we have tripled our membership and have set a highly ambitious goal of growing another 50%. Our strategy is to build on the community's momentum, executing on the following tactics:

- Keeping our base of service providers that has now been augmented by the influx of a strong private equity community, we have placed a major focus on quality programming. And with two of our three membership bases accomplished, we will continue our commitment to quality programming and extend our reach into the corporate community as well.

- We're now populating our board with top dealmakers and other professionals recognized as being peak performers in their fields. Our board will be reflective of the caliber and retention level of our membership.

We're well on our way to becoming a highly exclusive and sought-after ACG chapter that will support and enhance the flow of high-quality deals in our community.

Penny Hulbert

Principal, Links Financial

President, ACG Tampa Bay



Penny Hulbert • Links Financial, LLC • 518 N Tampa Street, Suite 390 • Tampa, FL 33602
penny@links-financial.com • phone 813.341.1250 • cell 813.340.1444 • fax 813.225.1790