

November 2008 | Lawrence, KS

MESLER ROOFING ACQUIRED BY INDIVIDUAL INVESTOR

Client Objective

After founding and running a successful roofing business in Lawrence, Kansas for 26 years, Scott Mesler was tired of the long hours and heavy responsibility that come with owning a small business. His company, Mesler Roofing, had become more than he could manage himself, and he wasn't interested in developing a deeper management team to share the responsibilities. Instead, he hoped to sell the business to a buyer capable of growing the business to the next level. However, Mesler was also concerned for his employees and vendors. He sought a buyer who would not only expand and further develop the business, but who would also maintain its existing relationships.

Solution

Scott Mesler decided to sell the company in 2003 and contacted Allied Business Group. The company struggled throughout 2003 and 2004 due to a decline in demand for high-end roofing projects. Though Mesler was anxious to sell his business, we advised that he delay his plans and use the slow market as an opportunity to make his business more attractive to buyers by cross-training key employees and documenting their collective knowledge.

Over the next several years, business began to improve and annual sales reached \$2 million for the first time in company history. In 2007, we revisited Mesler's sale objectives

(over)



▶ Gregg Davidson ▶ Scott Mesler



has been acquired by
an individual investor

Allied acted as exclusive financial advisor to
Mesler Roofing in this transaction.

and launched a search for prospective buyers using subscription-based online resources. Through this process, we identified several prospective buyers, including Gregg Davidson, a Dallas businessman who was ready to leave his corporate job and begin running his own business. Though Davidson didn't have a background in roofing, his career as a sales and marketing executive at PepsiCo gave him the skills and experience necessary to run and grow a service business of this size. Additionally, Mesler had built a team of experienced managers who could assist Davidson by handling many of the daily management responsibilities.

Result

Working with Allied Business Group, Scott Mesler sold Mesler Roofing to Gregg Davidson in April 2008. Both Mesler and Davidson placed great importance on providing quality workmanship and dependable service, and establishing long-term customer relationships. Both also recognized the importance of hiring well-trained employees and maintaining local ownership/operations.

Davidson relocated to Lawrence, Kansas and Mesler stayed with the company for 90 days to familiarize Davidson with the company's operations. Because Davidson had no prior roofing experience, Mesler familiarized him with the company's basic infrastructure and the types of jobs it performed. Davidson also retained all key employees, including the company's well-trained managers who could continue to help him learn the business after Mesler's transition period ended. As a result, Mesler Roofing was able to continue operating smoothly and to maintain its reputation and established customer base in northeast Kansas. With Allied's help, Davidson has since expanded Mesler Roofing through the acquisition of Wempe Construction and now offers siding and window installation in addition to roofing services.

About the Seller

MESLER ROOFING

Founded in 1982, Mesler Roofing provides comprehensive roofing services, as well as siding and window installation, for existing and new homes, businesses, and apartment complexes in Lawrence and Topeka, Kansas and the Kansas City metro area.

About the Buyer

GREGG DAVIDSON

Davidson is a former sales and marketing executive of PepsiCo in Dallas, Texas.

About Allied Business Group

Allied Business Group is a boutique investment bank providing mergers and acquisitions advisory, valuation advisory, and forensic accounting services to privately held companies throughout the U.S. Our diverse team of professionals provides solutions to the complex challenges and opportunities faced by business owners.

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