

September 2006 | Pleasant Valley, MO

PALMER ELECTRIC COMPANY SELLS TO INDIVIDUAL INVESTOR

Client Objective

Like many business owners, Mark Palmer didn't set out to build a business. He founded Palmer Electric Company in Pleasant Valley, Missouri as a one-man operation in 1990, but as his client list continued to grow, he found himself hiring employees and ultimately running an electrical contracting company with several million dollars in annual revenue. After 16 years, he was ready to try something new, and his company was well-positioned for a sale. He hoped to sell the business quickly in order to capitalize on his success in a strong financial market. Palmer also wanted to ensure that a new owner would retain the current staff and maintain good relationships with the company's residential customer base. He was willing to stay on temporarily after the sale in order to ensure a smooth transition of ownership.

Solution

Allied Business Group began marketing Palmer Electric in February 2006 by highlighting the company's strengths. In addition to establishing an upward revenue trend, Palmer had built a strong infrastructure, documented many of the company's best practices, and even written a proprietary software program that helped him understand the costs associated with job bids.

Allied relies on multiple sources to identify buyers, including our online buyer registration process. Through this process we ask prospective buyers about their industry preference

(over)



▶ Terry Chapman, New Owner



has been acquired by
an individual investor

Allied acted as exclusive financial advisor to Palmer Electric Company in this transaction.

and net worth to assess whether they are interested in, or capable of, buying a particular company. Using this online tool, we identified several potential buyers for Palmer Electric, but quickly focused on Terry Chapman as the most suitable candidate.

A Kansas City native and graduate of the University of Missouri, Chapman worked for many years as a project engineer for MBK Real Estate in Irvine, California. In 2006, he was ready to return to the Midwest. Chapman had recently made a significant profit on the sale of his family's California home and he was looking for a business investment. Specifically, he sought a business opportunity that would allow him to utilize the construction and project management expertise he had acquired while building AMC theaters for MBK.

Result

Allied Business Group completed the sale of Palmer Electric Company to Terry Chapman in October 2006. The sale was completed quickly and Mark Palmer received full value for his company. To ensure a successful transition, Palmer agreed to spend six months helping Chapman learn the business. Chapman planned to retain all of Palmer Electric's employees and existing residential customers, while also expanding further into the commercial market.

About the Seller

PALMER ELECTRIC

Mark Palmer founded Palmer Electric in 1990 in Pleasant Valley, Missouri. The company serves the residential and commercial markets in northwest Missouri and the Kansas City metro area.

About the Buyer

TERRY CHAPMAN

A Kansas City native and graduate of the University of Missouri, Terry Chapman spent more than a decade working as a project engineer with MBK Real Estate in Irvine, California managing the construction of AMC movie theaters.

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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