

HOLLAND & KNIGHT'S INNOVATIVE MATCHMAKING PLATFORM PAIRS INVESTORS WITH PRE-VETTED ACQUISITION OPPORTUNITIES

Deal sourcing has become increasingly complex for private equity firms and sellers alike. According to a late 2016 survey by data research firm Preqin, 36% of buyer respondents said it's become more difficult to find attractive investment opportunities. Sellers, in turn, often struggle to find the right investment partner to help them achieve their business goals.

Holland & Knight, a global law firm with 28 offices worldwide, has launched an innovative new platform to fast-track private equity deals and acquisitions, pairing eager buyers and lenders with attractive proprietary opportunities. HK Deal Flow, a deal match-making platform spearheaded by former deal lawyer and business development director Keith Ferry, offers pre-vetted opportunities for buyers and sellers across industries.

"We created Deal Flow because we know how difficult it is to deal-source despite it being a critical component of our clients' business development efforts," says Ferry. The main goal of HK Deal Flow is to source deal leads and opportunities from our deep network of intermediaries, brokers, bankers and attorneys and trying to match them strategically with family offices, private equity firms and other lending institutions."

According to Ferry, HK Deal Flow was designed as a value-add for current and prospective clients, offering an additional layer of expertise that's appreciated by both the buy-side and the deal-side. Jordan Taylor, a Holland & Knight attorney focusing on mergers and acquisitions and private equity deals, says the idea for the platform came about during an initial pitch presentation with a potential client.

"When we developed HK Deal Flow, we were pitching for work with a private equity fund, and within that pitch we sourced 17 deal leads from lawyers within our firm. Half of those deal leads were proprietary in nature, and we were hired because the client recognized we would be an effective and efficient partner for their business," says Taylor. "However, it takes a lot of work to source these deal leads, and it's not something a lawyer always has a lot of time to do. We realized that we could get a leg up by formalizing the process."

The firm enlisted Ferry, whose private equity law firm experience - coupled with his experience leading business development efforts for a major digital

media company - made him a unique strategic partner for the firm's clients. "Our goal is to add value to our client base and prospective base," says Ferry, "and if we have a deep network that we can leverage to supplement their deal-making efforts, then we think that it's worth investing in and rolling out to our clients."

HK Deal Flow's ideal participants are private equity funds, family offices, lenders, investors and companies looking to sell or raise debt or equity capital. Currently, HK Deal Flow is sourcing deals predominantly from internal sources, which boasts a vast network of 1,300 attorneys in 28 offices nationwide. "There are lots of practice groups seeing these proprietary deal opportunities we're bringing into the program," says Ferry.

Additionally, deals are sourced through intermediaries like investment bankers, dealbrokers, and accounting and insurance firms Holland & Knight works with on a day-to-day basis. The platform is entirely free to participants, and Holland & Knight does not charge transactions or finder's fees.

A typical HK Deal Flow engagement offers both buyers and sellers the opportunity to pre-vet potential deals, without taking on the time-consuming leg work. So how exactly does it work? The process is quite informal at the outset - once a client demonstrates interest, Holland & Knight takes care of the rest. Taylor recalls a recent example of HK Deal Flow's seamless integration with their client's business goals.

"A friend at an accounting firm we work with was working with a client that wanted to start a sales process," explains Taylor. "They hadn't hired an investment banker yet, so I brought them into the program and Keith started doing some introductions to our clients and contacts. The sale side client appreciated it because they got an early look at prospective buyers, our clients and contacts loved it because they got a look at a proprietary transaction." Taylor is careful to note that Holland & Knight encourages HK Deal Flow participants to think of the platform as a matchmaker, rather than a full-service deal operator. "In these situations, we still encourage sale side clients to go through a normal process, hire an investment banker to professionalize and drive the process forward," he says. "In the meantime, we're adding value on both sides of the equation."

This innovative approach to dealmaking is bolstered by Holland & Knight's unique expertise in the private equity sector, explains Taylor. "We have a robust mergers & acquisitions practice, where we often represent private equity funds on both the buy and sell side, inquisitive companies, and entrepreneurs going through liquidity events," says Taylor.

The HK Deal Flow program offers opportunities across market sectors, based on Holland & Knight's ample and diverse transactional experience. "Our M&A group, we're really just a bunch of deal junkies, we're industry agnostic and we do deals across all different sectors. In particular, we do a lot of deals in oil and gas, government and consumer products, and we're extremely active in healthcare."

Ilenna Stein, a healthcare attorney focusing primarily on the regulatory aspects of transactions, goes on to explain that the platform is well-suited to the healthcare industry, where deals are particularly active. "We are seeing acquisitions all across the industry, and HK Deal Flow adds to the value we bring to the table," says Stein, adding that the firm's "unique experience allows us to structure deals that comply with myriad healthcare regulations."

With HK Deal Flow, Stein and other healthcare attorneys are streamlining

their service capability within the mergers & acquisitions space. "We're well-positioned to advise clients on a particular issue that might be relevant to a specific sub-sector within the industry, and we always work to ensure operations can transition seamlessly," she says. "Most importantly we value helping our clients achieve their business goals."

To get involved in the program, Ferry suggests contacting him directly via the firm's website, and he'll ask some critical questions related to the deal. "Usually, we'll set up an introductory call or meeting to get to know the fund or company and find out what they're trying to do," he says. "If you're on the fund side or buyer/investor side, what opportunities are you looking for? Where can we keep our eyes out? And if you're on the company side, what type of transaction are you interested in? Are you looking to replace an existing commercial bank or lender? Sell your business or raise capital? We have strategic matches for every transaction or opportunity."

Getting started with HK Deal Flow is designed to be as simple as the platform aims to make finding the right deal partner, and ultimately amounts to an indispensable resource for transactional brokers. Says Ferry: "It's really simply about reaching out, getting plugged into the program, and we'll start flowing deals your way."

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The Deal

TheDeal.com (ISSN 1547-7584) is published by The Deal.

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