

Q&A Spotlight: Elizabeth Daniel, Senior Vice President at Stephens Investment Banking

Elizabeth Daniel, Senior Vice President at Stephens Investment Banking, was the lead banker on the sales of Woodson Incorporated and West Tree Service to the vegetation management services company GUNNISON, which is a portfolio company of Warren Equity Partners. In this Q&A, Daniel explains how she and the Stephens team contributed value to our clients.

Q: What were our clients, Woodson Incorporated and West Tree Service, seeking to accomplish?

When I first met with the owners of Woodson and West Tree, they each sought to maximize value while providing stability for their employees and continued excellence for their customers. They were both focused on finding the right partner to make this happen. Many other things also are critically important to owners. These include confidentiality, legacy, community, speed of transaction, risk mitigation, minimizing taxes, form of consideration, future upside, and continued roles within the organization.

Q: What was your strategy when you started working on these deals?

To learn as much as possible about each client's goals and objectives and the intricacies of each business in order to design an optimal process and provide exceptional advice from start to finish. When we started working with these companies, we were looking at a wide range of buyers for each. As we conducted rigorous due diligence and executed competitive processes for Woodson and West Tree to achieve their respective strategic goals, it became clear that Warren Equity Partners would be a good fit in both cases.

Q: Why did Warren Equity Partners stand out?

Warren is active in the U.S. infrastructure space, focusing on family or founder-owned lower middle market and middle market companies that do not already have institutional owners. Our Financial Sponsors Group established a relationship with Warren several years ago, and then — well before Woodson and West Tree came to market — we began speaking with Warren about its thesis in vegetation management. As a firm, we have considerable experience in that area from our years of focus on the broader utility services space including electric grid, telecommunications and other technologies. Warren also connected well with the business owners on a partnership level.

Q: How does Stephens cultivating deep relationships with potential buyers help add value for clients that are looking to sell?

Buyers scrutinize a large number of targets, and rely upon bankers they trust to present them with worthwhile potential acquisitions. Sellers, which often don't have the breadth of such relationships, rely on us to identify good potential partners, and build rapport with multiple key decision makers well in advance of launching a process. This greatly increases the probability of entering negotiations that are mutually beneficial and can result in successful transactions. We were honored to be able to advise Woodson and West Tree and enable their owners to achieve their objectives.

Q: What should companies in the lower middle market space know about M&A deals?

Lower middle market companies — meaning those with \$3 million to \$9 million in EBITDA — can require years of preparation with dedicated M&A bankers before going to market. Hiring an M&A banker doesn't mean you are going to sell tomorrow. At Stephens, we don't just execute deals. We help you get ready for them, too.

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