

# Dealmakers Give Thanks for the Bountiful Harvest



By T. Patrick Hurley

The Duke would say, "You've got a lot to be thankful for, pilgrims." And he'd be right, of course. Even if you aren't a John Wayne fan, it's easy to understand how that saying applies to ACG members.

We all know that it's as brutal as it is bountiful out there. If the holiday feast really was originally a tribute to private property and individual initiative, it's particularly apt for dealmakers who toil to create and monetize value.

While the frenzy has abated and sell-side supply has clearly softened in middle-market M&A, a new plateau for normalized deal flow has been achieved as a result of the buy-side business development effort now baked into the system.

Under the large market headlines, there remains tremendously fertile investment opportunities for corporate and financial buyers as business owners continue to become enlightened and engaged in considering their alternatives.

Lenders are getting tougher, but are still very aggressive for top-quality companies that will pay a little more than they might have had to a few months ago. Most of the refinancing volume is done and corporates are flush with cash, so sponsor deals will continue to be a priority.

Take the big strategic and jumbo going-private deals out of the mix and the picture is steadier than record-breaking volume suggests. The economy has been good to business owners, and energy now seems less likely to suspend

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continued growth.

Sustained strength in the public market will set off a new round of buying activity, since organic growth just isn't enough to keep institutions and mutual funds happy. High-growth companies will increasingly opt to become part of larger enterprises than turn to an IPO.

Many entrepreneurs appreciate that a sophisticated partner can help maximize their company's appeal for a big corporate or a large sponsor. Today's survivors have adapted to the competitive environment.

Now is the time to sow new initiatives while continuing with the current deal harvest. The menu of priorities for investing in new technology and extending ACG's reach brought before the board last month were truly impressive.

ACG has had a heck of a run along with the

boom of the last few years. We've all seen the progress in our own chapter and anywhere you roam in the ACG network around the world.

We've gone through our version of SOX governance and transparency retooling. Peter Coffey skillfully led us through the most difficult stretch. Many others contributed, and the toughest critics are now part of the solution.

Our CEO, Dan Varroney, is firmly in control and has wisely brought Brad Hughes on as his inside partner. Please support them 100%; they've earned it!

We all have a great deal to be thankful for. ACG helps us to grow our businesses and be proud of what we do together. The Duke would surely approve.

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