



## FINDING BALANCE: HOW A CAPITAL PARTNER CAN INCREASE FLEXIBILITY AND OPPORTUNITY

### CASE STUDY

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**Dave Carson**, Chem Group

Dave Carson has had a long history as a successful entrepreneur. Growing up, he cut his teeth in his father's chemical business, learning on the job and realizing early on that he wanted to be his own boss. Eventually, he broke away from the family business to found his own chemical firm. That 1970s start-up has grown into CHEM Group, a multi-million-dollar, industry-leading specialty chemicals company.

Like any business, it has seen highs and lows over the years, and in that time, he learned that success means taking risks. He also understood early on that the best investment is always in people: no matter what the situation, bringing on smart, skilled talent ensured the company always made it through lean times. It's a formula that kept the company successful for over 40 years.

### Realizing the benefits of a partnership

After struggling through the recession of 2008-2009, Dave realized that bringing on a private equity partner could help him weather future storms as well as support his vision of what CHEM Group could become. He wasn't thinking retirement: he was laser-focused on growth. Over several years, he listened to multiple pitches and did a lot of research to find a PE firm that would be the right partner.

He initially met Owner Resource Group ("ORG") in 2011 and spent the next couple of years getting to know the team and what makes them different.

Early on, Dave was impressed with their focus on understanding his complex industry and business model. "They understood I'm not making widgets, that the business has its ups and downs, and that I needed a partner that's willing to take risks," he says.

Dave wanted a partner that recognized his desire to stay involved in the business, and embraced working with owners that weren't ready to sell out. He was also attracted to the firm because they were flexible, open to investing during tough times, thinking outside the box, and finding ways to get lean when needed, without disrupting core competencies.

## A positive relationship for both parties

For ORG, the potential partnership with CHEM Group had many benefits. They were a brand leader in their space, had a strong, dedicated owner/leader in Dave and were well-diversified.

“It was an exciting opportunity for ORG,” says Melissa Sprinkle, Principal. “There was a mutual interest in terms of what CHEM Group and ORG were looking to accomplish, and we knew ORG had the experience and resources to make those goals a reality.”

Most of all, CHEM Group and ORG were on the same page about two things: a strategic growth plan and putting a strong successor for Dave in place. They agreed on a three-step strategy for growth involving acquisitions, entry into new markets, and the capital support needed to enter those markets.

## A partnership that gets results

Today, ORG CHEM Group is driven by a strong, collaborative relationship that has only grown richer and more beneficial in the last seven years. Since the original transaction, significant capital investments have expanded the Company’s capacity and capabilities. The planned succession has been thoughtfully addressed as well: ORG helped with executive hiring, bringing on Tom Waldman as president. He is a strong, capable leader who Dave is confident will take the company to the next level.

“ORG has enabled the company to do things I couldn’t have done on my own,” says Dave. “I’m very entrepreneurial, and have always had a ‘I can do it all myself’ kind of attitude. But they’ve taught me there are still things left to learn.”

Like most companies, ORG CHEM Group has had to pivot during COVID—and Dave is pleased to have ORG’s support and resources to ensure the company will not just survive the downturn, but come out ahead.

ORG has been there to guide decisions, offering reality checks where needed, and adding their expertise for sustainability and growth through these tough times. And that support has inspired some new ideas for the business.

“The team recently identified some news sales opportunities that are very exciting,” says Melissa. “They’re getting creative in the types of services we are able to offer customers and getting our foot in the door with some new companies. They’re staying relevant, finding new ways to bring value, and really meeting the unexpected challenges of COVID.”

Dave’s confidence in ORG and in ORG CHEM Group’s new president have allowed him to get out of the day-to-day running of the business and focus on the things he’s most passionate about: strategy and big-picture thinking. “The pipeline of business is as strong as I’ve ever seen it,” he says. “Tom and ORG have helped the company get to where I want it to be, and I’m excited about the next 18-24 months.”

## What’s next?

The collaborative partnership will continue into 2021 and beyond, as ORG CHEM Group navigates COVID, shifting energy markets and other challenges together. Dave, at a healthy and active 65, has no intention of retiring anytime soon, but he appreciates having more balance and the ability to focus on the things he’s most excited about in the business.

“I have a very strong passion for the company,” he says. “The day I go out will be a tough day for me.” But when he does leave, he will do so with peace of mind, knowing he has put the company he’s built from the ground up in the right hands.

**[Read more about how ORG has allowed Dave to step back without stepping down.](#)**

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## Are you considering an investment partner?

**ORG works closely with owners and management teams to grow their businesses in ways they couldn’t achieve alone. If you’re considering an investment partnership to help fund disciplined growth and/or transition towards sale or retirement, contact ORG today at 512.505.4180 or [inquiries@orgroup.com](mailto:inquiries@orgroup.com)**