

For Some Executives, Success is Owning Their Own Company

After more than three decades in the waste management industry at companies like Waste Management (NYSE: WM) American Disposal, Allied Waste and Republic Services (NYSE: RSG), Randy Jensen had been a senior executive with a solid salary and bonus package but limited opportunity to create significant personal wealth, even though he had repeatedly created considerable value for his employers.

There's no argument that Randy was a successful executive, but he wanted more. Randy – who started his career on the back of a garbage truck at a small private hauling company in suburban Chicago – wanted to be a business owner. But where to start? He did not have the capital on his own to buy a platform-sized waste management business so how was he going to achieve his dream?

Here is how he did it.

Develop a Compelling Investment Thesis

After years of consolidation, Randy believed that the large public companies in the waste management industry would begin to divest non-core assets as corporate strategies shifted from gaining scale to improving profitability. Randy believed he could both identify interesting investment opportunities from these corporate divestitures and, based on his experience in the industry, create shareholder value post-transaction. But he needed an investment partner first that could provide capital and the right support to help him realize his goal.



Find the Right Investment Partner

Through a prior business relationship, Randy approached Post Capital Partners, a New York-based private equity firm focused on the lower middle market with a particular strategy in working with operating executives. Post Capital partnered with Randy to pursue his investment thesis. They created a dedicated marketing program around Randy and through Post Capital's extensive network of investment bankers, business brokers, accountants, and lawyers built a robust pipeline of opportunities. As a result of this sourcing effort, they were made aware of Waste Management's (NYSE: WM) plan to divest its operations in Puerto Rico, EC Waste.

Acquire and Grow a Company

After working closely with Post Capital to conduct due diligence and develop a strategic plan for the business, Randy and Post Capital acquired EC Waste in April 2014. The business was a non-core division for Waste Management, and Randy became the CEO of the business, providing it with strong leadership and a clear vision for growth. Randy also became an owner of EC Waste, and he invested directly in the company at close. He also had a generous equity-based incentive compensation plan structured by Post Capital that would provide him with even more ownership of the business.

In his new role as CEO, Randy focused on developing EC Waste's sales and customer service efforts, worked with Post Capital on add-on acquisitions and supported the installation of a new ERP and CRM platform, all with the goal of successfully revitalizing a corporate orphan.

Key Takeaways for Other Executives?

What can other executives learn from Randy's experience in partnering with Post Capital? A strong resume isn't necessarily enough: the executive needs a compelling investment thesis grounded in their own industry experience, the commitment to pursue a dedicated acquisition search and the management skills to grow the business. With those ingredients, an executive is well positioned to be both a successful business leader and owner.