



Excellere Partners/Lorelli & Co.

The connection made through the Intralinks DealNexus™ global deal sourcing network led to a new relationship and a fast-closing M&A deal.



Meet the Dealmakers

Advisor:

Lorelli & Co., Inc.
Chapel Hill, North Carolina

Target:

Water treatment division of:
Mt. Hood Solutions,
a Swisher Hygiene, Inc.
company (NASDAQ: SWSH),
Portland, Oregon

Buyer:

U.S. Water Services
St. Michael, Minnesota

A portfolio company of private equity firm: Excellere Partners, Denver, Colorado

Situation

Making an M&A deal happen quickly depends on finding the right potential suitor, at the right time, with the right deal. That requires a great network of contacts, insight into what that network is looking for at any given time, and effective tools to quickly engage it.

Charlie Lorelli of Lorelli & Co. specializes in M&A advisory for the chemical industry. While he has built up a great Rolodex of contacts over the past 25 years, he always looks to expand his network. The chemical industry is relatively small, and Lorelli wants to maximize his chances to learn about new opportunities and new players.

Patrick O’Keefe, principal at the private equity firm Excellere Partners, had a similar problem. Excellere works with entrepreneurial companies that need additional strategic resources, as well as capital, in order to achieve their vision and grow their business. Across the industry, private equity (PE) firms close, on average, only one out of every 80 potential deals. “Excellere sought an efficient means to enhance deal flow,” commented O’Keefe, “but we wanted to ensure we were receiving deals that fit our strategy.”

Though both firms did business in the chemical industry, neither Lorelli nor Excellere had ever heard of the other.



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“Intralinks DealNexus acts as a multiplier in expanding our network and bringing us high quality deals. Connecting with Lorelli through Intralinks DealNexus led to a deal that was a perfect fit for our buy-and-build strategy for U.S. Water Services. It was a match well-made.”

— Patrick O’Keefe
Principal
Excellere Partners

Solution

Both Excellere and Lorelli joined Intralinks DealNexus, the largest, most vibrant, global deal sourcing platform available.

For Excellere, O’Keefe found Intralinks DealNexus useful because it expanded his network and deal flow pipeline without requiring much extra effort. If his profile accurately reflected his interests, this would lead to a steady flow of potential deals.

On his part, Charlie Lorelli tried Intralinks DealNexus as an experiment. A client engaged Lorelli & Co. to help sell its chemical business, so Lorelli created a sale mandate, known as a blind deal profile in Intralinks DealNexus parlance. The Intralinks DealNexus intelligent suitor-matching algorithm returned dozens of potential matches — strategic and financial – which were acquisitive in the chemical industry, many of which were previously unknown to Lorelli.

Excellere Partners was one of the firms Lorelli discovered in that initial search through Intralinks DealNexus. Lorelli pitched Excellere on the deal he was working, and Excellere responded to the pitch, but initially nothing came of the discussion. However, Lorelli was intrigued by Excellere and spent some time researching the business. Shortly afterwards, when Swisher Hygiene told him they were seeking a buyer for its Mt. Hood Water Solutions Treatment Division, Lorelli remembered that Excellere was aggressively investing in the water treatment chemical business, so he contacted Excellere again.

This time, Excellere was indeed very interested, as one of its portfolio companies, U.S. Water Services, was looking to expand into that region. A connection begun through the Intralinks DealNexus community was going to bear fruit.



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“There are many different ways to make connections with people in the industry, and Intralinks DealNexus is one of the tools in the toolbox. Intralinks DealNexus made the connection that made the deal, and, without it, the deal wouldn’t have happened.”

— **Charlie Lorelli**
Founder and President
Lorelli & Co.

Benefits

The transaction closed within 45 days of signing the letter of intent, where such a deal might normally take twice as long.

O’Keefe credited the quality of the buyer-seller match for the speed of closing. “It was clear that the acquisition made strategic sense for U.S. Water Services,” explained O’Keefe, “and discussions quickly became more about how to integrate the business.” Lorelli suggested that Excellere’s sophistication as a deal maker also kept things moving quickly. “With sophisticated parties, it cuts a lot of the time constraints that might surface in other transactions.”

Both Lorelli and Excellere realize that the deal would not have happened without Intralinks DealNexus, which made both firms aware of each other. It was a match well-made, and they plan to continue talking with one another.

Lorelli considers his experiment with Intralinks DealNexus to be a total success. Even if he hadn’t succeeded in bringing Swisher Hygiene and U.S. Water Services together, he still would have ended up with dozens of new potential partners that he had not known were active in the chemical industry. To him, that is far more valuable than the single sell side Deal Profile he placed in Intralinks DealNexus.