

# Unforeseen benefits

## Private equity firms provide a growing business with more than just money

When Bentley Laboratories was seeking growth capital back in 2016, our first thought was not private equity. We're a formulator and outsourced manufacturer of products for the beauty and OTC pharmaceutical industries, and we wanted to make some key add-on acquisitions to fill in product gaps, add capabilities and utilize excess production capacity.



**BRIAN FITZPATRICK**

President and CEO

Bentley Laboratories

Brian serves as a certified manufacturer for major brands and a variety of niche brand marketers. Bentley Laboratories has been a portfolio company of The Riverside Co., a global private equity firm based in Cleveland. Learn about Riverside at [www.riversidecompany.com](http://www.riversidecompany.com).

[www.bentleylabs.com](http://www.bentleylabs.com)  
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We knew that Bentley was doing great and was poised for even more success, so we had no interest in handing over control to a new majority owner — we were confident about our vision and our prospects. After careful consideration, we made the decision to go with private equity and we were glad to find the funding we needed with The Riverside Co. This move has us brought some unexpected benefits to our business. What started out as trading a minority stake in our business in exchange for capital that we'd use to fund an acquisition program has become so much more than just funding.

### More than just capital

First and foremost, a good private equity partner can deliver more than just capital. With regard to our add-on acquisitions, Riverside has helped us source and evaluate several possible acquisition opportunities, and also been a helpful strategic sounding board. We discuss broad goals, processes and tactics with their experienced investors and operating partners as we work to accelerate growth and profitability. The high-level advice and the ability to tap an international business network has given Bentley meaningful insights in our near and long-term thinking.

We've even used their vetted professionals and service firms to evaluate our pricing strategy.

Our partnership has helped us mature further as a company. Before this experience, I thought finding a minority investor would be mostly about meeting capital needs. We did our homework before selecting Riverside as our partner. As an owner-operator who spent years building and self-funding his business growth, choosing the right financial partner to share in the ownership of the business was a critical decision. We wanted a firm that shared our vision and was experienced with minority deals and focused on the middle market. Now I truly appreciate how the right minority partner can bring more than just money.

### Private equity is not one size fits all

Remember that there is no one-size-fits-all private equity firm, so consider your company and circumstances.

Here are some key considerations:

- Choose a firm with deep experience in your industry and a track record of success.
- Find a firm that delivers a vast network of business contacts and best-practice consultants to your company.
- Get references and talk to others who have worked with those firms — make sure your choice actually does what it says it will in those first meetings.
- Most of all, find a firm you're comfortable with — cultural fit matters.

Even if you run a complex and challenging business like ours, a good minority investor will deliver a lot of value. Making a careful choice will make a big difference in the success of your business, and that's what any minority stake is all about. ●