

My Company Has Been Bought By A Private Equity Firm: Do I Stay Or Do I Go?



You can send your workplace questions to Stephen at: StephenSays@bellow.press

Questions selected to be answered, will appear in this column. Please use the Subject: Stephen Says for all emails. Stephen Viscusi is a bestselling author, television personality, and CEO of The Viscusi Group, global executive recruiters located in New York. Follow Stephen on Twitter [@stephenviscusi](https://twitter.com/stephenviscusi), Like [Stephen on Facebook](#), and follow him on [LinkedIn](#).

Dear Stephen,

I work for a medium-size contract furniture manufacturer that produces well-designed products which are part of making an office complete. Some furniture but mostly ancillary products like whiteboards and keyboard arms — things like that. The same family has owned the company for more than 50 years. We have a limited sales force — there are four regional sales managers like myself that cover the country, and we use mostly independent reps to sell the product through furniture dealers.

My job is to hire, train and manage the independent reps, and I do have one or two direct reps that complement the independent reps and work with the A&D communities in major markets like New York and San Francisco.

So, back to my question. A big private equity firm recently bought our company

and within six months they've made a lot of changes to executive management. A new CEO from outside of the industry, a lot more accountability. I'm troubled by all of this in part because I'm now dealing with a lot of people who do not know our industry.

So far, I feel my job is safe, and they've kept the bones of the original company, but I'm just not sure I feel comfortable with the direction we're going in. I'm used to a predictable routine in a family business that values quality of life, not just the bottom line to increase the value of the company so the new investors can flip us and make profit. Do I stay or do I go?

Conflicted About P.E.

Dear C.A.P.E.,

Private equity companies are the biggest saviors in our small little contract furniture industry. More and more private equity companies are recognizing the value of buying manufacturing companies — mostly where the product is made in America, where the brand is strong and the product is distributed by loyal dealers. In some cases, these furniture manufacturers also have OEM market share. This is happening in the contract furniture industry and the home furnishings area with residential furniture. When a private equity company acquires a small- to medium-size company, I suddenly get a plethora of calls and resumes from business and personal friends who work at some of these companies or just candidates thinking they should make a quick change because they are in fear for their job.

Salespeople and executives who work for these companies fail to recognize if a private equity company invests in their company or purchases it outright, it's a compliment to the brand and the company where they've been working. Yes — these investment bankers are primarily from outside of our industry. Big deal! We're talking about office furniture, not brain surgery.

It's important that our industry attracts a generation of new leaders with fresh perspectives on how to run a profitable business. Some of these private equity management hires can do just that. A little reality check for every letter I get from someone complaining about their company being acquired by private equity or about having a new boss from outside the industry: Get over it. It beats your company going

bankrupt! Which is a very real alternative.

Let's face it, many of these smaller manufacturers are family businesses with little to no succession planning. Many have third- or fourth-generation family members with no interest in what their grandparents or great-grandparents created. It's better for you and your co-workers that they sell out to smart men and women who want to make the company grow and become more successful. I rarely see wholesale change in the field sales area.

If your company wasn't bought by private equity, chances are you would be bought by one of the major manufacturers who are also on the acquisition trail, and you would have the same complaints. Why? Because people like to complain more than they like to adjust to change and get back to work. Field sales managers and people like yourself should be concentrating on your customers and should be more willing to adjust to the new changes (and new resources) your company may have.

Last but not least, here is a final fact that may make you feel better about your job and job security. As far as your company or most of the manufacturing companies in our industry I have seen acquired over the past five years, very few of these companies are being flipped or rapidly sold off. Interesting, since part of the goal of buying these companies is to grow the company's revenue and profits, and sell them again. So far, I have rarely seen that.

I have a feeling your job is secure for a long, long time.

Signed,

Stephen