

Back to Books: John Edwards Works with New Direction Partners to Re-Enter the Book Printing Business with the Acquisition of NGS

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John Edwards was looking to get back into the book printing business, in which he has served in a number of roles over the years. He thought he knew pretty much everyone in the business, and was surprised when one of the three opportunities New Direction Partners' Peter Schaefer brought to him was a company he had not heard of before – National Graphic Solutions (NGS).



He did a search on the company, and realized that a respected colleague from his past, Phil Kemppainen, was the President of the company. At that point, he engaged with New Direction Partners' Jim Russell. The two visited the plant, and Edwards notes, "I saw that this was a really good company, and we had to figure out how to make this work."

NGS is a web offset book printer that specializes in children's books we all know, as well as educational and other long-run materials, mostly in full color. The company was exploring options since the upcoming generation of the owners was not interested in taking over the business.

"I knew Jim in my past life," Edwards explains, "and at one point we were on the board of the Printing Industries of Michigan together."

Edwards also reached out to another old friend, Adam DeMaestri of Silicon Valley based BR Printers, a digital book printing operation with production locations in California, Colorado and Kentucky. As is common in the book printing business these days, customers are looking for both long- and short-run/versioned printing of books. For book printers who are either

solely digital or solely offset, that can mean walking away from business that doesn't make sense for their platforms.

Another visit to NGS locked down the interest of the pair in jointly acquiring the business. Today, Edwards is President of BR Printing East and Managing Director of NGS, fulfilling his wish to get back into his passion, the book printing business.

All of this was transpiring right in the middle of the pandemic. "Jim was really good at understanding where the buyer and seller were coming from," Edwards explains. "He helped put together the LOI, ran some trial balloons with the seller, and ended up helping us structure a fair and balanced deal. He was a good facilitator, matching up the personalities of the buyer and the seller. He also helped us work through the valuation. Sales were down as a result of the pandemic, but you have to look at it from the perspective that the pandemic will end and make adjustments as needed. But the long-term viability of the products NGS produces is good. I don't see that children's books will ever go away."

Edwards' advice to his peers that might be looking to buy or sell in what is still a somewhat difficult time: "If you are selling, be realistic about what the company is worth. And if you are buying, in my opinion, it has to complement what you already have. You have to be mindful and patient about the right opportunity. And a lot of those opportunities are multi-generational family businesses where there is no succession plan."

He also noted that in some cases, the real estate is worth more than the printing business, as cities have spread out into what was mostly rural areas where many printing companies chose to locate.

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Edwards concludes, “I’ve been in the book business my whole career and I thought I knew everyone, but I didn’t know NGS. Working with professionals like New Direction Partners can help you find opportunities you might otherwise miss. Also, getting a deal put together is a journey, and that’s where Jim really did a good job. I remember at one point when I wasn’t particularly happy, he said, ‘Don’t make your problems their problems.’ He was right, and I appreciated him telling me that.”

New Direction Partners is an investment banking and financial advisory services formed by Peter Schaefer, Paul Reilly, Jim Russell and Tom Williams to serve the printing and related industries. Services include merger advisory services through the representation of selling shareholders as well as buy side representation, valuation services, financing and refinancing efforts, turnaround and restructuring services, and temporary/interim management consulting. To learn more about New Direction Partners, visit New Direction Partners’ website at www.newdirectionpartners.com.