

New Direction Partners Helps HONBLUE Find a Unique Buyer



HONBLUE, founded 58 years ago and now in its second generation of Heim family ownership, has long been known as a reliable and innovative supplier of printing and related products. The company began as a blueprint shop and evolved into the largest commercial printing operation in Hawaii. HONBLUE has two 25,000 square foot buildings and handles every facet of printing from copies to ballot printing, and more.



Heim Family

“The two brothers that were running the company, along with myself, are all in our mid-sixties,” said Harvey Rackmil, the company’s CFO. “There was no third generation to run the business, so we needed to think about other options.”

It made sense to try to find a buyer that could fit our culture, and take care of our employees and customers as we have always done.” The company’s original name was Honolulu Blueprinting and Supply. As it evolved into commercial printing, it conducted some focus groups about changing the name. “Everyone was already calling us HONBLUE,” Rackmil explained. “So, we rebranded and were able to retain brand recognition and integrate all of our operations under the HONBLUE name.”

As an early entrant into the digital printing arena, HONBLUE has always considered it their responsibility to bring technology to Hawaii, making big investments in equipment. Although HONBLUE still has a Heidelberg offset press, it has increased its capacity in digital, including vehicle wraps and more.

Rackmil first encountered New Direction Partners at a printing trade group webinar meeting, where they were presenting on succession planning. We had been discussing as an executive team that a potential buyer would most probably be a mainland buyer within our industry, so it made sense have a company representing us that knows the printing and packaging industries. Perhaps a company with multiple locations looking for a presence in Hawaii could be a buyer.

Tom Williams, Partner at New Direction Partners, first brought HONBLUE a potential buyer out of California, but the owner didn’t have the employee bandwidth to drop anyone into the HONBLUE operation. So, it was back to the drawing board.

“Meanwhile, two gentlemen in Seattle, entrepreneurs who had been in the tech business wanted to go into business together and were looking to purchase a commercial printing business. They were working a deal with New Direction Partners that fell through, and Tom suggested HONBLUE,” Rackmil noted. “It just so happened that one of them was coming to Hawaii for a wedding the next week, and the conversations began.”

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The partners conducted due diligence over the next few months, and the deal was consummated, with the previous owners retaining a minority interest. Rackmil has remained with the company as CFO, a role he had held for 22 years. “It was important to us that whoever acquired us fit our culture. Hawaii is a bit of a different business environment to work in,” Rackmil continued. “From our side, we felt that these gentlemen would fit right in and keep the culture very close to what it is now. They are very smart from a technology and business perspective and just watching them come in and look at what we do and suggest some better ways to do it – frankly, that’s something that everyone is excited about.” “It turned out to be a totally different kind of buyer than HONBLUE was thinking about, but they brought a lot of business expertise from their years working at larger companies. We are all excited about the future of HONBLUE under the new ownership. We thank Tom Williams and New Direction Partners for making this introduction that led to the ultimate ownership transition.

“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.