

How ‘Philosophical Alignment’ Led to a Textbook Deal

By Peter Schaefer



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This transaction was proof that as long as the human factor of an acquisition is what it should be, the business aspect will take care of itself.

If there's such a thing as a textbook M&A transaction – one in which every step of the process is tantamount to a best practice for selling a company to a new owner – we'd nominate the sale we recently helped to close on behalf of our client, Enterprise Marking Products (EMP) of Fishers, IN.

On December 1, 2025, EMP became a member of the Inovar Packaging Group family, a network of label and packaging producers that has grown by acquisition to comprise 13 locations nationwide. When we brought EMP to market in March of that year, buyer interest in the company was almost overwhelming. But it soon became clear that Inovar's offer would be the one EMP would accept – and not only because, or even mainly because, the financial terms of the deal were attractive.

Carol and Chris Fread founded EMP in 1989. Its specialties are pressure-sensitive and non-adhesive labels for industrial and container applications including drums, pails, intermediate bulk containers (IBCs), food and beverage, and consumer durable goods.

Farewell to ‘Arms Race’

When they came to us, Chris Fread had decided that after 36 years of ownership, he was ready to stand down from the “arms race” of continuous capital investment.

With candid self-insight, he faced up to the fact that his reluctance to take on more debt to finance technology acquisitions might hold the company back. This would have conflicted with his strongly held belief that growth is what keeps companies healthy, and he didn't want to stand in the way of further growth for EMP.

That corresponds exactly with the thinking of Jeff Brezek, CEO of Inovar, who oversees the network from its headquarters in Dallas, TX.

“We're a growth-focused organization,” he says, “and therefore our acquisition strategy also centers on growth. We are not interested in a consolidation play. Rather, we're looking for companies that have growth-enabling differentiation in the marketplace and that want to continue upon that trajectory of growth by being a part of a larger platform.”

Once New Direction Partners began marketing EMP, the Freads soon received a veritable flood of interest from all types of buyers – including independent strategics, strategics with a financial parent, and PE firms that like labels but haven't yet made an investment in the space. Chris Fread attributes the company's drawing power to two things: the soundness of its finances; and the wave of consolidation taking place in the flexographic label converting market that EMP is part of.

The consolidation trend came as something of a surprise to the sellers, but it was a pleasant one. “It turns out that there are a lot of firms out there that are interested in buying companies exactly like ours,” Fread says. “It's just that our timing was very good.”

All the Right Ingredients

The timing was propitious for Inovar as well. According to Brezek, EMP “checked a lot of the strategic boxes” that Inovar uses to evaluate acquisition opportunities.

In this case, the criteria included a strong management team; a set of core values and culture that align well with Inovar's; a heavy focus on customer service; and a strategic geographic location. Brezek notes that acquiring EMP also brings additional end-market exposure that will help Inovar to broaden its reach into new markets.

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Fread reveals that one of the things that made Inovar's offer rise to the top was the buyer's willingness to let him interview the owners of several other companies that Inovar had previously acquired.

"I really wanted to hear it from the other side of the table," he says. "The guys that we spoke with were just so bullish on Inovar" and its track record of increasing and sometimes doubling their businesses in size within a few years of acquisition.

These were exactly the kinds of hands into which Fread wanted to place his company. "Their focus on expansion, technology, and human resources are all perfectly aligned with what we've built at EMP," he declares, "and they'll be able to do it at a much larger scale than I could."

Regard for the Workforce

The Freads report that the sale to Inovar touched all the bases they wanted to be sure of covering in the sale of EMP to a new owner: a fair market price as the foundation of their future finances; the buyer's commitment to helping the company grow and thrive; and job transitions for all of EMP's employees in an environment where they would be respected and appreciated.

The Freads will exit ownership secure in the knowledge that all of their staff are now employees of Inovar, continuing to work from their home plant in Fishers.

As Inovar employees, says Fread, they have come under the wing of "an operations team that believed in the same kind of things that we've believed in all of these years. We just got the sense that these guys were real professionals who would carry on much of the same culture that we created."

Asked to say why Inovar's offer was the one that EMP ultimately chose, Brezek cites a "philosophical alignment" between buyer and seller that was clear from the start of the process.

He explains that the Freads saw his company as the best fit "because of the way we focus on culture and taking care of our people, delivering exceptional service for our customers, being good stewards for our investors, and always doing business with the highest level of integrity." This perception came about through their meetings with Inovar's entire executive team as both parties worked toward their final decisions.

Philosophical Fit First

Brezek emphasizes that validating the philosophical fit should always come first. "A lot of how we approach M&A is to make sure there's alignment before we get into transaction economics," he says, adding that as long as the human factor of the deal is what it should be, the business aspect "will eventually take care of itself."

Brezek says that integrating EMP into Inovar expands the latter's geographic reach; gives it another service-focused manufacturing facility; adds new end-market exposure; and brings fresh talent into the organization.

Now that the transaction is in his rearview mirror, Fread acknowledges that selling "can be a little intimidating when I'm talking to five or six people that have bought a lot of label companies and I've never even sold a label company before."

Brezek agrees that the transaction process "is often foreign to sellers of businesses because they don't do it all the time." New Direction Partners' role as advisor to the seller was to clarify expectations and keep the sequence of events on track as the deal proceeded to a mutually rewarding conclusion.

The Freads' advice to other prospective sellers of companies like theirs is straightforward: get some representation, and set the plan in motion without delay.

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"If you're close to wanting to get out, now's the time to do it because the market really responds to a well-run flexographic company," Fread says. "Buckle your seatbelt. It's quite a ride. This process is hard, and you want to be at the top of your game."

Selling and 'Legacy'

The question Brezek urges sellers to ask themselves is, "What do you want for your legacy in that business? Who you partner with has a huge impact on what the company will be in the long term. And that gets right back to philosophical alignment, which is just as important if not more important than the economics of the transaction."

This was the keynote of Inovar's acquisition of EMP. Fread, says Brezek, "was very clear that he wanted a good home for his people, and I think we will provide just that for his folks. We're very happy and excited. Happy that we got it completed, and very excited to have the EMP folks part of the Inovar family."

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