

Wire Harness Business & Strategy

Let's Get Acquainted...

As a first-time columnist for *Wire & Cable Technology International* magazine, I hope my bi-monthly observations—and perhaps shared experiences—will be useful to you. For this edition, let's get acquainted.

In the late '70s, I left the comfort and security of a managerial position with **Texas Instruments** to acquire a small (under US\$1 million annual revenue) manufacturer of electrical wire harness assemblies in rural Iowa. One of a few dozen wire harness suppliers serving the agricultural and construction equipment markets, the company competed with outfits many times larger and financially stronger as a minor supplier to the likes of **Caterpillar**, **John Deere** and **Case**.

I immediately found myself struggling in the deep end because my tenacious desire to own my own company had overshadowed an entrepreneurial fundamental: due diligence. The company was in trouble far beyond what I had perceived from the outside looking in.

Fortunately, I quickly recognized that my top priority was overcoming the big-company management practices I had relied on at Texas Instruments and getting in the trenches to deal with day-to-day cash flow survival. But unfortunately, nothing I had learned in the corporate world or in my formal education had prepared me for this survival test.

Twenty years later, however, my company had emerged as one of the few surviving wire harness suppliers serving our market, with a dominant share of construction equipment wire harness

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purchases. As these sophisticated, world-class construction and agricultural equipment companies had ratcheted up their performance standards, rank-ordering supplier performance and eliminating the lower performers, we had managed to make the grade.

At the same time, although much of our growth was internal, I had been able to acquire and integrate a number of harness companies serving our market.

With a robust company to sell, I exited the business some years ago and then, after a brief retirement, re-entered the business world doing what I like the most: putting deals together. So for the past decade, I've been CEO of **Blue Valley Capital**, providing merger and acquisition services for the wire and cable industry, mostly selling companies for founders.

I hope some of my experiences over the years as a hands-on entrepreneur, dealing first with survival and then growth, and as a buyer and seller of numerous wire and cable companies, will enable me to share life lessons and insights that will be of value to you. So enough about me.

Future columns will discuss how the wire harness industry has changed over the past several decades, what sorts of sound management practices result in exceptional performance and tales of the deal world—in particular, buying and selling wire and cable companies.

Till next time...

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