

MMC ACQUIRES COMPUTECH TO DIVERSIFY PRODUCT OFFERINGS

By Tim Skarda, President
Allied Business Group, Inc.**CLIENT OBJECTIVE**

In 2010, the three owners of Computech Manufacturing Company, a manufacturer of custom automation systems and aerospace components, wanted to sell 100% of their company. Two of the owners were semi-retired and ready to leave the business entirely. The third owner, Charlie Barton, who served as president of the company and managed day-to-day operations, wanted to continue operating the company after the sale. In addition, the owners wanted to ensure ongoing job opportunities for Computech employees, while still maximizing their proceeds from the sale.

SOLUTION

Allied Business Group began its sale process by reviewing the client's objectives, determining the company's value and considering the exit options that would achieve the client's goals. We created a comprehensive offering memorandum and conducted an exhaustive, yet targeted search for strategic

buyers. By focusing on manufacturing companies in need of product/service diversification, Allied identified Melton Machine and Control Company (MMCC), a manufacturer of automated arc welding machines for the automotive industry.

Due to the recent decline in the automotive industry, MMCC was in need of industry and product diversification. Computech had established customers in the aerospace, pharmaceutical, and agricultural industries, and also manufactured many components that MMCC did not. As a result, Computech provided a unique strategic fit and was an excellent acquisition for MMCC.

RESULT

Allied Business Group completed the sale of 100% of Computech Manufacturing Company to Melton Machine and Control Company in May 2010. This acquisition provided MMCC with the diversification in product and service offering that it needed to succeed going forward. By merging, the combined companies were more capable of winning large projects for which Computech had the expertise, but not the manpower. In addition,



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MMCC was able to transfer much of its parts manufacturing from an outside parts manufacturer to Computech, thereby reducing costs, improving quality, and ensuring ongoing employment for the Computech staff. This transaction allowed our clients to achieve their goal of maximizing value from a 100% sale of the business while maintaining job opportunities for their employees as well as a leadership role for Barton.

COMPANY INFO

About Computech: Founded in 1987, Computech Manufacturing Company provided custom manufacturing, specializing in the design and manufacture of complex automation systems and equipment. Computech Manufacturing Company also produced precision parts for the aerospace industry, leveraging the company's TSQP and ISO 9000 certifications.

About Melton Machine & Control Company (MMCC): MMCC, located in Washington, Missouri, is a manufacturer of automated arc welding machines for the automotive industry.

About Allied Business Group: Allied Business Group is a boutique investment bank specializing in mergers and acquisitions, corporate finance and business valuations for privately held companies. Based in Overland Park, Kansas (a suburb of Kansas City) we provide our services to clients in a wide range of industries throughout the nation.

Because we believe that each client deserves our undivided attention, we accept only a handful of high quality engagements each year. We provide our clients with unparalleled service by fully understanding their objectives, developing a defined strategy, and executing with precision.

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