

MANAGED SERVICE PROVIDERS/MSSPS

Overview

A highly regarded Chicago-based private equity firm is seeking to invest in or acquire a managed services provider (MSP) or managed services security providers (MSSP).

Our PE client has completed an investment in a highly focused, fast growing MSP and plans to grow aggressively through additional acquisitions.

Their focus is on MSPs that operate in highly regulated private sector industries such as banking and healthcare or in the public sector, at the state, local, or federal level.

The seller may choose to continue to work at the company or exit and may also choose to retain equity in the company or sell all equity for cash.

Investment Criteria

Specific criteria for investment are as follows:

- Customer Profile
 - Focus on medium-sized SME customers
- Industry Profile
 - Regulated private sector or state, local, federal public sector
 - Healthcare
 - Banking, insurance and financial services expertise
 - Legal
 - Education (both K-12 and higher education)
 - State and local government
- Geography
 - Mid-Atlantic, Northeast and Midwest, Texas
 - Strong interest in DC/MD/VA, NY/NJ and Western PA/Ohio
- Technology Expertise
 - Azure and/or AWS expertise
 - Unified communications expertise (including hosted VOIP, Teams, Zoom, Other UCI)
 - Cybersecurity expertise
 - Connectwise expertise
 - Datalakes, ERP or industry specific applications expertise, such as eDocs
- Regulatory Frameworks
 - CMMC
 - HIPPA
 - CJIS
 - NEST
 - Microsoft GCCHI
 - UCAS
- Size
 - Greater than \$1.5m in ARR
 - Greater than 30 managed endpoints per customer

- Greater than 50% recurring revenue by total revenue

Transaction Structure

- Buyout or majority recapitalization, providing a partial liquidity event for existing ownership and/or to meet other current or future capital needs of the business
- Material ongoing economic participation by existing owners or management, if desired

Contact

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