

CELEBRATING 25 YEARS COVERING SUBURBAN CHICAGO

Daily Herald BUSINESS LEDGER

Eric Lundstrom
exemplifies the
spirit of our 20
honorees

OUR 2018 ENTREPRENEURIAL EXCELLENCE AWARDS

THIS MONTH

Banking and finance

Manufacturing

Coffee break with John M. Holmes
of AAR in Wood Dale



Eric Lundstrom - President & Founder
Focus Capital Advisors
2018 Entrepreneurial Excellence Awards
Honoree for Lifetime Achievement

Minding mergers

Buying? selling?
Lundstrom says goal
is to benefit everyone

BY KIM MIKUS

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Eric Lundstrom, founder of Focus Capital Advisors Inc. in Downers Grove, describes himself as focused.

He started his boutique mergers & acquisition firm in 2000, but has been in the industry for years before that when he developed a strong interest in the challenging work.

He is finding now that private investors are all talking about how difficult it is to find good companies to acquire. He also says business owners seem to be more inclined to keep their business rather than sell and retire.

Lundstrom was one of 20 suburban business owners recognized for their entrepreneurial spirit and success at the 19th annual Entrepreneurial Excellence Awards, hosted by the Daily Herald Business Ledger. He earned the recognition in the lifetime achievement category.

We asked Lundstrom, president of the company, a few questions.

Q: Tell us about your company.

A: Focus Capital Advisors Inc. is a boutique mergers & acquisition firm, comprised of a talented team of dealmakers that are proud to have closed over 200 transactions during their respective careers. Our skilled professionals provide clients with powerful strategies for optimizing the value of their business when the time has come to sell.

This is accomplished through extremely detailed research, active networking and solid industry experience combined with creative tax strategies and the ability to solve problems to get the deal done.

Many of our clients have built very good companies with solid products or services, good technologies and hardworking people but need help converting all of that value into cash. The FCA team has the experience and systems to make that happen.

Q: How did you get into this industry?

A: I assisted a client in an acquisition in Birmingham, Alabama in 1981. Loved the challenging work and the positive impact the acquisition has for both the buyer and the seller. At that point I decided to

specialize in mergers & acquisitions and helping clients achieve their financial goals.

Q: What's the biggest trend in M&A right now?

A: Private equity recapitalizations. The private equity firm buys a majority interest in a business, giving the seller liquidity, and allows the seller/owner to continue to run the business in partnership with the private equity firm.

This allows to the seller to diversify his or her assets as well as the opportunity to share in the continued growth in value of the business.

Q: How long does it take to sell a business these days?

A: At a minimum its 6 months and more likely 9 months to a year. Due diligence has become extremely thorough and time consuming.

Q: What sets you apart from your competitors?

A: The combination of tax knowledge, financial acumen and deal making skills allows us to get the deal structured properly so it works for all parties. This makes each transaction much more likely to be completed.

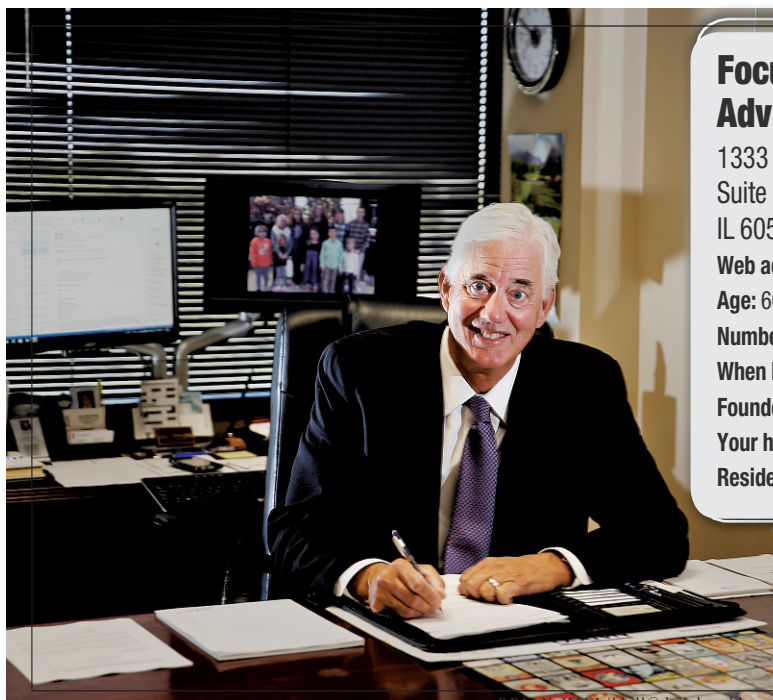
Q: If you had to give one tip to someone just starting in the industry, what would it be?

A: Be patient and make sure you really understand how the balance sheet and income statement work and what drives the numbers reported in the system.

The numbers do not tell the complete story but the bank will not finance the transaction without good understanding of the cash flows.

Q: What do you like to do in your free time?

A: Water ski, snow ski and golf as well as anything the grandkids want to do. I am lucky enough to have water-skied with several of my grandchildren this summer so that hobby has been passed on.



Focus Capital Advisors Inc.

1333 Butterfield Road,
Suite 490, Downers Grove,
IL 60515

Web address: fcateam.com

Age: 66

Number of employees: 4

When business started: 2000

Founder: Eric Lundstrom

Your hometown: Wheaton

Residence now: Aurora

Eric R. Lundstrom,
CPA, president
of Focus Capital
Advisors Inc.

Q: What is one word to describe you.

A: Focused.

Q: What are people in the industry talking about?

A: The private investors are all talking about how difficult it is to find good companies to acquire. Many of our business owner clients are talking about the bottom line impact of the various tariffs being put in place by the government.

And buyers and sellers are wondering if or when will the current high transaction valuations start to decline.

Q: Tell me a little bit about your family. Your wife owns a business too?

A: My wife Jeanine is in the eyeglass business with three retail eyewear locations. She was raised by an entrepreneur and she married to one so she had no choice but to run her own business. My two sons are both in the eyeglass business on the wholesale side and along with my daughter they have given us ten terrific grandchildren.

Q: What is one fact about the business that most may not know.

A: It can be a long time between paychecks. Investment banking for middle market businesses pays a nice commission but only when the deal closes. So you need patience and the ability to stay focused on the task to see the project through.

Q: What is one question I forgot to ask?

A: Why is the M&A market so hot? Business owners seem to be more inclined to keep their business rather than sell and retire. The business takes more vacations and uses technology more than ever to keep tabs on the business and since the economy is performing well the pressure to sell is coming much later in life. Fewer good businesses for sale means the purchase price must go higher to attract new sellers to the market. Supply and demand at its finest.