Inc. Founder Friendly Investors

First Investment	Assets Under Management	Employees	Add-on Acquisitions
8+ Years Ago	$2.7B+	42	220+

ACCESS HOLDINGS
Building Enduring Businesses

How One Firm Wants to Disrupt the Traditional Private Equity Model

Access Holdings is applying a new approach to private equity focused on digital innovation and entrepreneurial empathy.

Left to right: Steve Chang, Michael Rodgers, Kevin McAllister, and Omar Rahman, partners, Access Holdings

In the private equity world, most deals are handled by a bank or third party that manages and facilitates the sale of a company. Access Holdings, a Baltimore-based, middle-market, private equity firm, is upending this industry norm.

Kevin McAllister, founder and managing partner of Access, says that in a traditional auction process, timelines and interactions are tightly policed, and value is based primarily on today's headline price. This process ignores the value that can be created through a purposeful partnership. "Auction processes are limiting and don't enable potential buyers to fully engage with owner-operators to explore what they could build and grow together," he says.

Instead, Access takes a different route with a core philosophy: "We buy what we want to own versus what's for sale." McAllister says this way of thinking drives the firm's differentiated approach to investing.

We buy what we want to own versus what's for sale.

—Kevin McAllister, founder and managing partner, Access Holdings

LEVERAGING DATA, RESEARCH, AND TECHNOLOGY

To find partners without intermediaries, Access relies on extensive research, analysis, and digital tools. Technology lets the team rapidly gather and evaluate a tremendous amount of information about markets, businesses, and customers. The firm uses this information to identify and evaluate opportunities and potential partners in a variety of essential service industries such as student transportation, fire protection and security, and marina services.

Once Access identifies an industry of interest, (e.g., pest control), it uses its data, analytics, and visualization platform to profile and map all the industry's operators—13,000+ in the case of pest control—and create a robust database of relevant information. The firm then uses its digital demand-generation platform to contact and engage business owners, often leading to new conversations and eventual onsite visits. The resulting conversations are not sales pitches; they are two-way discussions about market and business opportunities that Access and the company could tackle together.

This is how Access engaged with Scott Elkins, the CEO of Zeus Fire and Security, now an Access portfolio company. Through a series of work sessions, Access shared its research and ideas, sought input and feedback from Elkins, and collaboratively developed a compelling vision and "destination plan" for the business. McAllister called it "a collaborative and consultative learning journey for all of us."

→ Michael Rodgers, partner, at Investor Summit in Baltimore, MD

BUILDING ENDURING PARTNERSHIPS

While it's easy to talk about partnerships, McAllister believes that the concept is proven in what the teams do.

"Partnership to me, and our team, is built upon mutual respect and empathy for the knowledge, experience, and contributions that both parties bring to the table. For us, it means 'Are we bringing capabilities that add value? Have we done our homework to be a good partner?' You have to be a student of the industry, not just show up," he says. Access believes empathy is critical in a successful partnership, requiring a willingness to listen, learn, and combine the best thinking to get to a shared and successful outcome. "To be a really good partner, you don't just ask for things, you stand alongside and bring perspectives and capabilities that are additive," says McAllister.

ACCELERATING VALUE CREATION

One important point of differentiation for the firm is the Access Acceleration Center (A2C). Access has dedicated two floors in its Baltimore office to advancing and sharing the firm's capabilities in research, digital lead generation, data analytics, and contemporary communications. Access's partners can benefit from the firm's resources, knowledge, technology, and experience as entrepreneurs as they work together to advance towards their shared vision. "We want to be an ally for entrepreneurs in today's rapidly evolving market," says McAllister.

Additionally, Access does more than just introduce digital capabilities; they work with their partners to embed these capabilities in the company and ensure it has the right people and skills to execute successfully. For example, all the firm's partner companies now have podcast studios, modeled after Access's studio in the A2C. This enables more timely and effective internal communication as a company grows and develops. With its Zeus Fire and Security business, Access also helped create videos that enabled the CEO to communicate his company's journey and values along with his personality as a leader.

"We want to foster a collaborative environment where our partners can tap into a wealth of resources, knowledge, and cutting-edge technology. By doing this we can help our partners generate value as they work on, rather than just in, the business." says McAllister.