

## M&A TESTIMONIAL

# A Succession Path Sharpens A Competitive Edge

By: John Krantz

Founded in 1989, McLaughlin-Brunson was a successful specialty broker focused on the architecture and engineering space. In 2004 the founders were eyeing retirement. I and two others who became partners at around that time teamed up to buy ownership of the firm.

Since its founding, the firm had built its success on a consultative approach. We were more like business partners than salespeople; even helping with things somewhat peripheral to insurance, from contract issues to acquisition conversations. We had over 60 percent share of architecture and engineering firms in North Texas, but over time we were noticing market changes.

Clients wanted more than consultation. They had business needs – different levels of legal services, platforms to streamline benefits management - that we couldn't meet. Some bigger shops we competed with lacked our specialty focus but had these tools and resources and were essentially giving them away as loss leaders to win business.

Our core competency distinguished us in the market, but its competitive edge was being dulled. Keeping pace with market change, providing new services and capabilities, represented a significant capital investment.

At about the same time, my partners and I, being of similar ages, began to realize that we were not well positioned for an internal succession. Having gone through it ourselves, we knew we needed the right people with good access to capital to make the exit, and maintain ongoing business success. There were just too many elements in play and not enough time. We needed a buyout partner.



**John Krantz**  
Managing Director  
Risk Strategies

### About John:

John came to Risk Strategies through the 2016 acquisition of Dallas-based McLaughlin-Brunson Insurance Agency, a specialty brokerage focused on Architectural, Engineering and Design firms.

Initially worried about attracting a buyer, we quickly found that there was strong interest from a number of major brokerages. Which was great because we didn't just want an exit, we wanted a real succession for the business and our people. The level of interest we garnered gave us real leverage to be sure we were making the right choice. Risk Strategies turned out to be that choice for a couple key reasons.

First, Risk Strategies was clearly going to be a great place for our people to work and grow. Some firms we spoke with were only focused on the partners. They seemed to treat everyone else as commodities or afterthoughts. That was a non-starter for us. Risk Strategies was interested in the whole business, starting with the people.

Also, having run our business very successfully for a number of years, we didn't want to get lost and marginalized in some byzantine reporting structure. In Risk Strategies we found a real appreciation for entrepreneurial attitude and culture. They draw partners and people into the mix, seize on good ideas and build on them. They ensure firms they bring in are a good fit, which has helped preserve this culture and approach.

Finally, Risk Strategies' specialty-at-scale approach gave us the range of resources we needed to be more than competitive. When we came aboard with Risk Strategies, we gained more "stuff" than I ever had to sell against - from actuarial scientists and analytic services to HR technology, captives, Cyber, and more. And the people behind those resources were deeply experienced and easily accessible. We were also thrilled to find this resourcing was a two-way street. Other offices would tap us for our expertise, helping our people find wider opportunities, and a higher profile within the organization.

At the end of our process, there were companies that offered us more money, and some that offered substantially less, but going with Risk Strategies got us a great deal all around - the succession path we needed and the means for our people to succeed in our specialty.



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