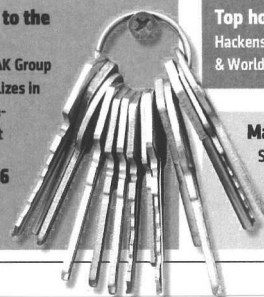


Keys to the deal
The DAK Group specializes in middle-market M&As. **Page 6**



Top hospital
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Made in the U.S.A.
Saddle Brook-based floor covering manufacturer Nourison embraces concept. **Page 4**

The DAK Group specializes in middle-market M&As

Rochelle Park-based investment bank gets firms back on track

BY MEG FRY

Michael Spingeld — former chief executive officer and president of **Craftmaster Hardware** in Northvale — wanted to grow his third-generation, security supplies distribution company.

So he decided to sell it.

"It was part of a long-term strategic plan my business partner, **Tony Cani**, and I had," Spingeld said.

"We were getting older and our children weren't going this direction. The best thing to do was divest most of the company as part of our estate and personal life planning."

Believing that an acquisition would provide Craftmaster with the capital and resources it needed to further expand, Spingeld reached out to **The DAK Group** in Rochelle Park, an investment bank specializing in strategic middle-market mergers and acquisitions.

"Michael wanted to preserve Craftmaster's business culture and its current employees; he wanted to run a confidential process; and he wanted guidance on how to not only maximize the value of the company, but to also see it grow and prosper," said **Michael Richmond**, The DAK Group's managing director.

"That's something The DAK Group is very familiar with doing, given our history of 30 years in business."

The DAK Group would leverage Craftmaster's hidden strengths when approaching buyers.

"Michael and Tony had built this very nice niche business in a unique market," Richmond said. "They had depth in the correctional, medical, education and government facility markets; their knowledge would bring value to potential buyers; and Michael Spingeld had built solid relationships and a good name in his 30 years there."

Richmond also acknowledged that every business has its challenges.

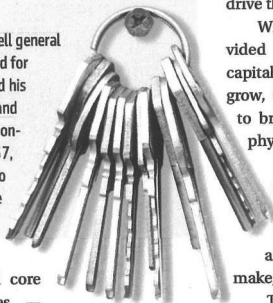
"We'd have to convince a buyer that Craftmaster's key supplier



Craftmaster's Michael Spingeld, left, and Michael Richmond, managing director of The DAK Group. —AARON HOUSTON

Keys to success

Jules Austin founded **Craftmaster** in 1951 to sell general hardware and screws. When he recognized a need for inexpensive bit keys a few years later, Austin and his brother **Phil** shifted the business to key blanks and eventually a full line of locksmith supplies. His son-in-law, **Herbert Spingeld**, joined the firm in 1957, with his son **Michael** coming on board in 1982 to become president in 1986 and officially relocate Craftmaster from Manhattan to New Jersey.



relationships ran deep enough to continue through to a new set of owners, and we'd also have to convince them that Craftmaster held a continued place in the marketplace that would weather technological and distribution segment changes," Richmond said.

The acquisition, in short, would require a company that would appreciate such assets and build upon them.

Richmond's firm found that in **CRP**, a Boston-based private equity firm. The operation had experience with value-added distribution companies, it was prepared to quickly bring in right-fit managers and it had offices right across the street from Craftmaster.

"Throughout CRP's 30-year history, we've been focused on

good core values — Craftmaster had that in spades," said **Andrew Silverman**, partner at CRP. "They had strong customer relationships and access to proprietary products in the industry."

"It was a company with good roots with lots of opportunity to grow the company faster and further."

Silverman also took heart in the fact that Spingeld and Cani had no interest in simply handing over the keys and walking out the door.

"The biggest part of this investment were the guys who continue to show up every day from 9 to 5," Silverman said. "I realized we had good partners to help us

drive the company's growth."

While the acquisition provided Craftmaster with the capital and resources needed to grow, CRP also saw it as a way to break into the \$100 billion physical security market.

"CRP wants to grow organically using Spingeld and Cani's industry knowledge to see if there are other acquisitions to make," Richmond said.

The two will be spending some time with Craftmaster's new CEO, **Tim Grogan**, a New Jersey native.

"We knew there would be good continuity there in terms of management philosophy," Silverman said. "He's a fresh set of eyes and has experience in both distribution and leading organizations through change."

Spingeld is happy not to be spending as much time on day-to-day operations as he used to. Instead, he and Cani will act as consultants to Craftmaster on big-picture strategies to help grow the company faster than ever before.

"With an infusion of capital and a more energetic manage-

The biz in brief

COMPANY: The DAK Group

FOUNDED: 1984

HEADQUARTERS: Roselle Park

EMPLOYEES: 20

FINANCIALS: Undisclosed; multi million-dollar business.

ONE MORE THING: "Overall, the merger and acquisitions market is strengthening. The big ticket, mega-deal market is clearly booming. The middle market is very much a seller's market in that there are more buyers than sellers today. It's an attractive time for companies such as Craftmaster to consider and seek out transactions or strategic initiatives," Michael Richmond said.

ment team, Tony and I should be able to help them streamline operations, expand into additional vertical markets and identify future acquisitions," Spingeld said.

"The DAK Group did a great job in finding the right partner for us. CRP understands our vendor and customer relationship philosophies and the quality of our internal team.

"They have every intention of building upon those strengths."

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