



CRAIN'S CLEVELAND BUSINESS

Shearer's new owners think big

Wind Point: Chip maker will grow, acquire

By GINGER CHRIST

For the first time in more than 35 years, come October one of the namesake members of Shearer's Foods will not be at the helm of the company. But the snack food manufacturer's history of growth isn't coming to an end with its sale to Wind Point Partners.

The Chicago-based private equity firm that's buying Shearer's Foods has one goal in mind: growing the business. Wind Point plans to do that by expanding Shearer's into new geographic markets and through acquisitions and product development, said Mark Burgett, managing director at Wind Point.

"First and foremost will be organic growth," he said. "But we will opportunistically look at acquisitions."

Mr. Burgett said Shearer's headquarters will stay in Brewster, where the company in 2010 opened a \$66.5 million plant. Shearer's employs 1,850 workers nationwide.

"We do anticipate meaningful investment within our existing footprint," he said. "It will likely be within the four walls of our existing manufacturing structure."

Wind Point's possible acquisition targets are companies with a product or manufacturing capability Shearer's doesn't have, and companies in areas where Shearer's doesn't have manufacturing plants. Two areas Mr. Burgett said were ripe for expansion are the Southwest and the Southeast.

Wind Point also will focus on building market share for Shearer's kettle chips, a product line that has seen a lot of growth, and on research and development for other new products, Mr. Burgett said.

Wind Point's acquisition strategy involves growing a business and then selling it once it has reached a predetermined value.

"There's no set timetable for a sale, but I would say we will eventually sell the business," Mr. Burgett said. "What we're focused on right now is our value acquisition plan." **Bye bye, Bob**

Wind Point's strategy makes sense to Chris Snider, founder and president of Aspire Management Inc., a business consulting firm in Brunswick that specializes in exit planning.

"One thing for sure is they're looking for the company to grow. They're not buying it just to keep it the same size," Mr. Snider said. "At the end of the day, this should be a positive thing for Shearer's Foods."

Mr. Snider, who also is founder and president of the Northeast Ohio chapter of the Exit Planning Institute, said the biggest change for Shearer's likely will be the leadership transition and how that will affect the culture of the business.

With Wind Point's acquisition, Bob Shearer, the CEO of Shearer's Foods since 1974, no longer will serve as the top executive at the company. He will remain a shareholder in the business and will serve as a consultant for an unspecified period of time. C.J. Fraleigh, who most recently served as CEO of Sara Lee, is being brought in as a partner with Wind Point and will become chairman and CEO at Shearer's.

"Whether it's a strategic buyer or a private equity firm, the biggest thing is there's a lot more structure put in place. It's a lot less personal than when it's a family business," Mr. Snider said. "It's much more regimented."

While Mr. Shearer is stepping down, the rest of Shearer's existing management team will remain after the sale is finalized, Mr. Burgett said.

"The company has a very strong and positive culture and that's largely due to Bob Shearer and due to the people there at Brewster," he said.

Shearer's officials declined to comment on the sale.

Wind Point owns four other food-related businesses — Hearthside Food Solutions, Nonni's, Rupari Foods and Ryt-way Industries. Shearer's will be operated separately.