Transforming Into a Culture of Growth

Industrial Innovation Partners (IIP) has a strong belief that exceptional growth in lower middle market companies is not driven by chance. A growth mindset combined with systematic professional support and capital from experienced, collaborative investors creates a “Culture of Growth” to drive transformational expansion.

Experienced investors and business builders for growing companies.

Industrial Innovation Partners (IIP) is a private equity firm with successful private equity deal professionals, operators, and entrepreneurs. IIP professionals have significant investing and business building experience in over 20 growth companies. IIP professionals have executed more than 25 transactions in excess of $1 billion in value.

Expertise in compelling sectors.

IIP professionals have substantial investing and business building domain expertise in dynamic industries. Select broad industries include industrial growth, oilfield services, technology, and health care.

Systematic processes for driving growth.

Companies with consistent, long-term growth do not execute arbitrarily. IIP Principals have developed a methodology called the Growth Acceleration Process (GAP). This process involves systematically building and/or upgrading the key functional components of a company as well as transforming the mindset of the company into a “Culture of Growth.”

Flexible, creative, and collaborative approach.

IIP prides itself on a collaborative style that utilizes both creativity and flexibility to create “win-win” situations among the various parties. This approach, combined with the firms additional cultural principles of intellectual honesty, integrity, transparency, and excellence, typically makes IIP a preferred partner.

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Experienced investors and business builders focused on growth companies.

Industrial Innovation Partners (IIP) is a private equity firm run by successful private equity deal professionals, operators, and entrepreneurs with a singular focus of acquiring and growing small to middle market companies across industrial growth, oilfield services, technology, and health care sectors.

Systematically driving company growth.

Our investment strategy is centered on creating a robust runway of exponential growth within our portfolio companies by collaboratively partnering with company management to drive organic and strategic add-on growth. In addition to providing capital, IIP will provide substantial support through their Growth Acceleration Process to build businesses that will create long-term value for all stakeholders.

Partner focused on "win-win" solutions for stakeholders.

As a collaborative partner, IIP commits to:

- Conducting due diligence in a highly transparent and non-disruptive manner
- Providing sellers with high certainty of close due to our holistic expertise
- Creating mutually beneficial capital structures for all stakeholders
- Working with management through the Growth Acceleration Process
- Preserving the legacy of prior ownership while unlocking the Culture of Growth

Patient capital along with “skin-in-game.”

IIP invests their own capital as well as on behalf of high net worth individuals including senior executives and successful entrepreneurs, family offices, and institutional investors that have committed capital for our investments. IIP investors include business leaders in their respective industries and in addition to capital, provide IIP with a broad network of relevant relationships and expertise.
Attracting the most talented partners.

IIP’s firm culture is one of our strong competitive advantages for the long-term. We believe this allows us to attract the best management talent, financial partners, and companies. We aspire to only partner with companies and people who share our values. IIP’s firm culture is premised on five main principles:

- **About Us**
  - Overview
  - Firm Values
  - Team

- **Transparency**
  - High communication style
  - Layout clear approaches

- **Intellectual Honesty**
  - No agendas other than creating value
  - Best ideas always utilized

- **Integrity**
  - Always do what we say
  - Our reputations are a priority

- **Collaboration**
  - Create “win-win” approaches
  - Value partnership orientation

- **Excellence**
  - Hold ourselves to highest standards
  - Strive to be “best-in-class”

**TRANSFORMING INTO A CULTURE OF GROWTH**
Experienced business builders and investors.

IIP professionals have an unique blend of lower middle market business building and investing skills. IIP professionals have significant investing and business building experience in over 20 growth companies. IIP professionals have executed more than 25 transactions in excess of $1 billion in value.

**Managing Principal/Founder**

**Nicholas Behl, Managing Principal** – Mr. Behl’s private equity investing, operating, and entrepreneurial experience spans over 20 years. At IIP, Mr. Behl manages the day-to-day operations, heads Transaction Execution and leads Investor Relations. Prior to IIP, Mr. Behl worked as a Principal at Intervale Capital, a $260 million lower middle market private equity firm focused on oilfield services. Mr. Behl previously worked as a Principal at Chicago Growth Partners, a multi-billion dollar lower middle market generalist private equity firm. Prior to this, Mr. Behl worked as an investment professional for both Morgenthaler Partners, a multi-billion dollar lower middle market private equity firm focused on manufacturing and industrial services, and Audax, a multi-billion dollar lower middle market generalist private equity firm. Prior to institutional private equity investing, Mr. Behl worked at McKinsey & Company in the New York and Cleveland offices. Mr. Behl began his career by co-founding a dermatological start-up in the hair restoration space. Mr. Behl received a B.S. in chemistry with Honors from the combined 6 year B.S./M.D. NEOMED program. Mr. Behl serves or has served as a board member or officer at Adler Hot Oil Service, Deerfield Dermatology Associates, Ulterra, Jonathan Engineered Solutions, Inisco, PPI, MPI, Skill Tool & Die, Precision Gear, Glass Equipment Development, Sampson, and Apasco.

**Executive Operating Partners**

Executive Operating Partners are executives who have typically worked closely with IIP Principals. The hallmark of Executive Operating Partners are exceptional integrity, collaborative approach, and real world functional expertise. Areas of functional expertise include sales, information technology, finance, growth strategy, and operations.

**Executive Domain Partners**

Executive Domain Partners are typically domain experts with distinctive industry knowledge in relevant IIP sectors. Relevant IIP domains include industrial growth, oilfield services, technology, and health care.

**TRANSFORMING INTO A CULTURE OF GROWTH**
Investment Strategy Overview.

IIP's investment strategy is centered on creating a robust runway of exponential growth within our portfolio companies by collaboratively partnering with company management to drive organic and strategic add-on growth. We focus on four broad sectors of domain expertise which include industrial growth, oilfield services, health care, and technology and seek platform investments in companies that exhibit a majority of these characteristics.

**Investment Strategy**

- **Overview**
  - Acquisition Criteria
  - Sector Focus
  - Growth Acceleration Process (GAP)

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- Technological Differentiation
- Profitable/High ROI Business Model
- Market Leadership
- Reoccurring and/or Diversified Revenue Stream
- High Potential Management
- Scalable Model
- Defensible Market Position
- Low Technology or Obsolesce Risk
- Diversified and/or Stable Customer Base
- Fragmented Market

A key characteristic for a platform investment is the ability for IIP to add substantial business building value (i.e. see significant runway of growth with IIP's support.)

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Acquisition Criteria

IIP has a broad set of criteria for investment. Simply put, IIP is looking for companies with strong growth potential and a desire for collaborative partnering. Below is a list of some basic criteria.

### Investment Strategy

- **Overview**
- **Acquisition Criteria**
- **Sector Focus**
- **Growth Acceleration Process**
- **(GAP)**

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### Size

- EBITDA between $1M to $20M (i.e. must be profitable)
- Typical transaction values between $5M to $100M, but have the ability to execute larger transactions

### Transaction Type

- Typically control investments but flexible
- Privately held companies or corporate spin-offs

### Geographic Reach

- Headquartered in U.S. or Canada

### Structure

- Conservative leverage (i.e. obtain majority of returns based on EBITDA growth)
- Rollover encouraged (i.e. owners get second bite of apple)
- Focused on creative “win-win” deal structures (e.g. earnouts, seller notes)

### Sectors

- Health Care
- Industrial Growth
- Oilfield Services
- Technology

**TRANSFORMING INTO A CULTURE OF GROWTH**
Sector Focus

IIP’s sector domain expertise relates to four industry segments which include industrial growth, oilfield services, technology, and health care. Below are representative sub sectors of interest.

Investment Strategy
- Overview
- Acquisition Criteria

• Sector Focus
  Growth Acceleration Process (GAP)

Health Care
- Dermatology Practices
- Dermatological Services & Products
- Health Care Technology & Infrastructure Services
- Medical Devices

Industrial Growth
- Analytical Instruments
- Electrical Equipment
- Fluid Control
- Industrial Components & Equipment
- Manufacturing Services
- Process Instrumentation
- Safety Equipment
- Synthetic Materials
- Testing Services & Equipment

Oilfield Services
- Completion equip. & services
- Directional drilling services
- Drill bits
- Drilling & completion fluids
- Downhole drilling tools
- Pressure pumping services
- Production testing
- Wireline logging

Technology
- Internet
- Software
- Software-as-a-Service (‘SaaS’)
- Technology-enabled business services
- Technology-enabled information services
- Technology-enabled manufacturing
- Technology-enabled oilfield services

TRANSFORMING INTO A CULTURE OF GROWTH
Growth Acceleration Process (GAP)

Companies with consistent, long-term growth do not execute arbitrarily. IIP Principals have developed a methodology called the Growth Acceleration Process. This process involves systematically building and/or upgrading the key functional components of a company as well as transforming the mindset of the company into a culture of growth.

Through this intensive process, IIP professionals along with key management are reinforcing the transformation into a culture of growth. Example initiatives include:

**Typical lower middle market company**
- Sacred cows
- Managers prioritized primarily on experience
- Ambiguous performance metrics and incentives
- "Fear to take risk" environment
- Sleepy pace
- Management "do as I say and not as I do"

**Culture of Growth**
- No sacred cows (agenda is to build value)
- Managers prioritized on performance
- Detailed performance metrics and incentives
- Safe and cultivating environment to take risk
- Urgency to build value
- Management leads by example

**TRANSFORMING INTO A CULTURE OF GROWTH**
Owners

IIP Professionals and Investors include ex-business owners and we have worked with hundreds of business owners in exploring sales of their businesses. We understand the need for confidentiality, discretion, responsiveness, and flexibility. IIP takes pride in being sensitive to all the considerations of sellers and not just financial objectives. We are keen to getting to know business owners before they are ready to complete a transaction.

For Sellers

- Owners
- Intermediaries

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As a thoughtful buyer, IIP commits to:

- Conducting due diligence in a highly transparent and non-disruptive manner
- Providing sellers with high certainty of close due to our transaction & operational expertise
- Creating "win-win" capital structures and incentives for buyers, sellers, and key employees
- Collaborating with management through the Growth Acceleration Process to provide substantial complementary company building support.
- Preserving the legacy of prior ownership while unlocking the Culture of Growth

TRANSFORMING INTO A CULTURE OF GROWTH
Intermediaries

IIP appreciates its relationships with our network of investment bankers, accountants, attorneys, business brokers, executives, and other intermediaries. IIP takes a long-term orientation to these relationships. In that spirit, we pay robust success fees for referrals on deals, executives, and/or other value-add referrals. Also, we use intermediaries for buy-side engagements in sectors of interest.

For Sellers

If you are an investment banker, broker, attorney, executive, accountant, or other intermediary with an idea for a potential opportunity or have an existing opportunity, please contact us at:

Inquiry@IIIPequity.com
Tel: (224) 374-1502
Fax: (847) 272-9786

IIP recognizes your time and consideration is valuable. Furthermore, IIP recognizes that certain situations require tight time frames for response. In that spirit, IIP Professionals are committed to responding quickly and thoughtfully to your inquiries.

TRANSFORMING INTO A CULTURE OF GROWTH
Portfolio

IIP professionals have an unique blend of lower middle market business building and investing skills. IIP professionals have significant investing and business building experience with more than 25 transactions executed in excess of $1 billion in value.

Portfolio

* By Sector

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Current Portfolio

Оilfield Services

Adler Hot Oil Service, LLC  
www.adlerhotoil.com  
Leading oilfield services provider of heating services for blue chip operators.

Health Care

Deerfield Dermatology Associates  
www.deerfielddermatology.com  
Leading niche Midwest provider of MOHs, Dermatological, and Cosmetic services.

Select Prior Experience

The following is a sample of representative investments where IIP Professionals played a role in sponsoring and/or running the company.

Industrial Growth

Glass Equipment Development (GED)  
www.godusa.com  
Leading systems provider to U.S. residential window market.

Insco  
www.inscogroup.com  
Leading distributor of flow control and filtration products.

Jonathan Engineered Solutions  
www.jonathanengr.com  
High margin niche manufacturer of customized slides.
MPI
www.mpi-int.com
Leading U.S. fine blanker of transmission components.

Northeast Rubber
www.mscgroup.com/niantic-seal
Distributor of performance seals.

Precision Gear
www.precisiongear.net
Niche precision gearing manufacturer of aerospace components.

Precision Parts International (PPI)
Precision manufacturer of transmission components across breadth of industries.

Sampson
Manufacturer of residential window capital equipment.

Skill Tool & Die
High end Stamper of precision components.

Oilfield Services

Merla
www.merla.com
Manufacturer of specialty valves.

Team Oil
www.teammoiltools.com
Manufacturer of completion tools.

Tejas
www.tejasre.com
World class provider of oilfield testing services.

Ulterra
www.ulterra.com
Leading designer and manufacturer of drill bits.

United Diamond
www.ulterra.com
Leading designer and manufacturer of steel bodied drill bits.

Health Care

D-Lab
Dermatological company in hair restoration space.

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Investor Login

Please enter your user information to access the Investor Area.

Username: 
Password: 

Login

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Contact Us
To submit an investment opportunity or to learn more about Industrial Innovation Partners, please contact:

**Inquiry@IIPageuity.com**
Tel: (224) 374-1502
Fax: (847) 272-9765

**Nicholas Behl**
Tel: (224) 374-1502
Nick@IIPageuity.com

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**Industrial Innovation Partners Offices**

**Chicago Area – Headquarters**
400 Skokie Blvd, Suite 375
Northbrook, IL 60062

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TRANSFORMING INTO A CULTURE OF GROWTH

Chicago Location: 400 Skokie Blvd, Suite 375 Northbrook, IL 60062