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New player B12 launches private equity fund

FOUNDERS PLAN TO BE MANAGEMENT-FRIENDLY

By James Dornbrook – Staff Writer

As the capital market continues to grow in Kansas City, more players want to get in the game.

The newest, B12 Capital Partners LLC, is launching its first private equity fund.

It already has raised \$12 million for B12 Equity Fund I LP, with a target of \$20 million by the end of November. The fund will have a 10-year life span and focus primarily on manufacturing and distribution companies with revenue of \$5 million to \$50 million. The average investment will be \$1 million to \$3 million.

Most of the fund's investors were selected because they have business ownership experience and operating skills, said Greg Gaeddert, a fund co-founder. This means investors can offer expertise to the fund's investment companies.

Gaeddert said B12, which stands for Big 12, is a management-friendly fund: "We understand where they are coming from because we've been there."

Gaeddert worked for 17 years at Commerce Bancshares Inc., including seven as manager of its Kansas City private equity branch.

His co-founder, Mike Wedel, spent 17 years with Premier Pneumatics Inc. of Salina, Kan., in various sales and marketing roles.

"Our background helps us work with management to determine the best course for the company," Wedel said. "We provide expertise, capital, distribution channels and other resources."

Gaeddert said companies appear to be reacting nicely to the business model because he already has a solid deal pipeline going. He said he expects to complete two deals before the year ends.

"Kansas City is not deep in private equity but has an adequate amount," Gaeddert said. "There is certainly enough business to go around." . . .

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Pat Trysla, managing partner of Frontier Partners, said the business community should view the creation of these funds as a positive because they provide more choices for growth capital.

"It's an unprecedented time for the number and the amount of capital that is being deployed by Kansas City-based capital providers," he said.

Capital providers prefer to put their money to work locally whenever possible, Trysla said, and local companies often want the personal service that comes from doing business with local capital providers.

"Hopefully, that spins into even more success stories of local investors working with local companies, creating growth and boosting the whole city," Trysla said.

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