

Sale of a Company

CLIENT: Computer Resource Group, Inc.

The Client: Computer Resources Group (CRG) started the San Francisco information technology (I.T.) temporary staffing market in 1973. Rick Green, founder and President of CRG, has in fact been called by some the “father of the I.T. staffing industry” since it did not exist in its current form when he started. Twenty three years later, CRG was firing on all cylinders. They were growing at 40% per year and were producing the highest gross margins and pretax profit of any large I.T. staffing company in the San Francisco Bay Area.

Sequoia’s Challenge: The two largest Bay Area I.T. staffing firms both sold within the previous 6 months. CRG was next in size and had better margins than these other firms did. It would have been relatively simple to put the firm into an auction process and sell it to the highest bidder. Rick Green and Sequoia Partners felt this would commoditize CRG and be problematic for its employees. An auction was simply against the Company’s culture of quality of service, excellence and strong ethical business practices. Rick wanted to choose the best acquirer for his company.

Result: The client’s initial target price was \$15MM. By the time Sequoia was done only two months later, CRG’s shareholders received more than \$24MM from an “ideal” acquirer which wanted to leave the organization essentially untouched as a stand-alone entity. CRG’s sale price eclipsed all existing industry comparable ratios. Interestingly though, both sides believe they got a good deal and are thrilled with their joint prospects for success.

“I know what quality service is all about. Sequoia Partners even blew me away with their hands on approach to CRG’s transaction.”

“There are lots of choices for representation. In fact, you need the most focused and professional representation you can get. Sequoia fulfilled every promise they made, and more. They were a pleasure to work with.”

Richard D. Green
President and CEO
Computer Resource Group, Inc.