

Sale of a Company

CLIENT: Western Pacific Data Systems

The Client: Western Pacific Data Systems (WPDS) of San Diego, CA sells and implements a robust, feature-rich integrated maintenance and supply system to commercial aircraft companies, government agencies and military organizations worldwide. The Company's 150 employees are the consummate content experts in automating and implementing aircraft repair and maintenance software solutions. Their software is a state of the art, client/server, fully open (cross database) product that combines these technical advantages with all of the functional robustness and expertise developed by WPDS over the last 17 years. The Company had revenues in 1997 of \$23MM and was quite profitable.

Sequoia's Challenge: The USAF retail logistics contract which was awarded to WPDS in 1997 opened the door to unsolicited product sales requests from organizations worldwide. WPDS was experiencing difficulty expanding fast enough to meet demand. In addition, the largest ERP vendors were developing maintenance, repair & overhaul (MRO) solutions. The Company's owners sought to become part of an organization with worldwide presence, in order to deliver sales, marketing and implementation services on a worldwide basis.

Result: Sequoia pursued potential acquirers in both the USA and Europe. The ERP vendors who were focused on this arena each had their plans in place for internal development. An effort was needed, therefore, to deliver a "beyond ERP" transaction. Bowthorpe, Plc is a London based holding company with worldwide operations. They own several aircraft related technology companies. They intend to fully integrate WPDS GOLD with the data flowing from the aircraft "black boxes" which they sell through their Penny & Giles Division. This combination will be a powerful force in the worldwide market for aircraft maintenance, quality assurance and repair. A purchase of WPDS GOLD was developed for \$63MM.

"By the end of this transaction, Sequoia knew as much about our business as our management team. This knowledge helped them to position us with the right companies, to field most of the tough questions - and to deliver a fine transaction".

*Neil Hadfield, Founder/Owner
Margaret Jackson, Founder/Owner*