Investing in the fun factor
CAPITAL VALUE ADVISORS FINDS GROWTH WHILE UNSTUFFING STUFFED SHIRTS

The investment bankers at Capital Value Advisors in Denver are very particular when it comes to their clients. They take the prospect to dinner before committing to anything— even if a big deal is on the table. They want to know how the client thinks and the details of the client’s business model.

The bottom line is, they'd better have fun.

"The No. 1 criteria for us is, will they be fun to work with?" said Chris Younger, co-founder of CVA. "When you have a great team, you want to make sure you have great clients to work with. The worst thing is when you have a talented team member who is working with someone who is not a lot of fun." That’s an intentional shift from what they call the “stuffed shirts” of investment banking. And it seems to be working. In the last three years, the firm has closed 28 deals worth a half-billion dollars in transactions. The average deal size was about $20 million to $25 million. This year, they are looking at the deal sizes to be in the $40 million to $45 million range.

Younger and David Tolson launched their investment banking firm 12 years ago. They had this idea that New York-based mega-investment bankers weren’t resonating with middle-market companies, those with revenues of $10 million to $400 million.

“We thought we could do better,” Younger said. “One of our beliefs—when you think about traditional investment banking, they tend to be stuffy. As in, I’m an expert in craft beer. We look at it a little differently.” Younger and Tolson spent two years coming up with their business process before they took their first client.

“We don’t define success as, ‘Hey, we sold our business and got them a lot of money.’ We define it as, ‘Did we make it an impact in their lives?’” Tolson said.

They built up the firm to 11 employees and have an office in Cherry Creek. Of course, their investment banking firm features a bar in the foyer.

“If you are not enjoying what you are doing day to day, life is miserable—so what’s the point?” Tolson said. “We’ve been very focused on that culture and it’s served us incredibly well.” Both come from operational backgrounds, not finance. They see their strengths as being able to tell the story of the client who is selling to the client who is buying.

They have a kindred spirit with entrepreneurs and they are not focused on one industry—they work with clients in consumer products, technology, manufacturing and business services.

"Think about what an entrepreneur does, the risk and what they’ve sacrificed, the ups and the downs, and the perseverance that it takes," Younger said. "Part of this is a fundamental respect for what they do."

If you have a successful company and they are thinking about selling, they have probably talked to more than one investment banker, said Nate Oatman, head of CVA’s business development.

"Honesty, our style is that we have gotten to know the owner and what they are trying to achieve," he said. "It comes down to telling the clients' stories."

"I think our thesis has borne out," Younger said. "The things we've done really well, we have been about employee selection. Culture is a big, big deal for us. And we’ve been really particular about client selection."

> BRIEFLY NOTED

MI CASA HONORED FOR BUSINESS CENTER

The Women's Business Center at Mi Casa Resource Center was named the 2017 Women's Business Center for Excellence by the U.S. Small Business Administration. The center was chosen out of 220 contests across the country. The award comes ahead of National Small Business Week, which will be celebrated in Washington D.C. April 30.

Mi Casa Resource Center, a nonprofit business development center, has hosted Colorado’s only women’s business center since its inception in 1989. It’s one of only two organizations in the state that offers fully bilingual business development services.

In 2016, according to SBA year-end data, Mi Casa Women’s Business Center was No. 1 out of the 220 centers nationwide in total capital infusion and No. 2 in number of clients counseled and as total new business starts. "All of our entrepreneurs are to be admired for their persistence, creativity and hard work," said Monique Lovato, CEO and executive director of Mi Casa Resource Center. "Most come through our doors with just a dream or an idea to serve the marketplace and many are immigrants and refugees who share the characteristics of risk takers everywhere."

> SHE SAID IT

A SWEET GOODBYE TO SALTY TOM CLARK

"Tom, we cannot thank you enough for being a teammate for every single person in this region. What we want to do today is to wish you — our favorite guitar strummin', chocolate lovin', trinket collectin', F-bomb droppin', song writin', attendance takin', grandbaby braggin', economic developin', story tellin', collaboratin' godfather of regionalism — the very best in retirement and we love you deeply."

KELLY BROUGH, president and CEO of the Denver Metro Chamber of Commerce, at the March membership meeting of the Metro Denver Economic Development Corp., which held the theme "The Greatest Hits" and paid tribute to retiring Tom Clark, who headed the organization for 14 years.

For more about Clark online, go to bizjournals.com/p34avj