

Grow Michigan

By Griffin Wagner

In October of 2017 Pat O’Keefe was named CEO of Grow Michigan, LLC (Grow MI). We are excited to announce that the Michigan Strategic Fund has acknowledged Grow MI’s success in strengthening Michigan’s small business community and creating an environment conducive to job creation. It is on the heels of this success that Grow MI’s Board of Directors, its investors and the State of Michigan Strategic Fund have approved a two-year extension of the fund, through 2019.

Encouraged by future prospects of the fund, Pat O’Keefe recently shared his insights, “This innovative fund has been a win-win for all involved. We have been able to help numerous businesses statewide grow and thrive but there is much more work to be done. This extension will allow us to continue our vital work.”

Grow MI, capitalized by members of Michigan’s banking community and the Michigan Strategic Fund, provides attractively priced growth capital in the form of subordinated debt to Michigan’s “small business” community. This unique initiative and product offering extends the capabilities of senior debt providers by offering a highly efficient, cost effective and complimentary capital structure for growing Michigan small businesses in a broad range of industries.

Grow MI’s mission is simple – to accelerate growth and capital investment in some of Michigan’s most promising lower middle market businesses. To accomplish this mission, Grow MI’s management team operates like a business partner as much as a financier, with the willingness to provide value-added assistance to the unique challenges faced by lower middle market companies. Management is guided by Pat O’Keefe and an experienced Board of Directors that understands the unique

characteristics and complexities of running lower middle market businesses because of their extensive and diverse experience in similar situations. Their expertise and the uniqueness of the Grow MI product enables job creation and improves the business climate in Michigan.

Since 2013, Grow MI has invested \$51.1 million in transactions involving a total leveraged capital investment of \$253.2 million, impacting nearly 3,000 jobs. With 14 current portfolio loans and numerous promising transactions in the pipeline, Grow MI plans to accelerate the pace of investment.

We are enthusiastic about Grow MI’s position in the marketplace but even more enthused about the plethora of potential businesses that will benefit from its investment. “The need is there and the formula – almost unlike anything else in the country – has more than proven itself,” said Pat O’Keefe. “So many companies want to grow and achieve industry-leading sustainability in Michigan. All they need is a financial boost to support perhaps a 20-30% shortfall beyond traditional capital options. We’re here and all in.”

Grow MI targets lower middle market businesses with primary headquarters in Michigan that fall within the following criteria:

- Profitable businesses with strong management teams
- Established relationships with senior lenders • Revenue of \$3 million to \$50 million and positive Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)
- Typically, but not limited to, manufacturing, distribution, transportation, life sciences and enabling technologies



Griffin Wagner
CVA, Senior Associate, has experience in litigation support services and streamlining reporting processes for financial institutions, as well as turnarounds, valuation, and buyouts of commercial real estate properties and restaurant establishments. He also provides business development and underwriting services to Grow Michigan.