

A True Advisor



Wade Hansen

EDITORS' NOTE Prior to founding *Cabrillo Advisors*, and its predecessor firm *MHT Partners* in Dallas, Texas, Wade Hansen was a founding principal at *Dell Ventures* in Austin, Texas. Hansen began his postgraduate career at *McKinsey & Co.* and, earlier, started his career as a licensed C.P.A. in *Ernst and Young's* Audit Department. He has an M.B.A. with distinction from Northwestern's Kellogg Graduate School of Business and graduated summa cum laude from San Diego State University with a bachelor's degree in Accounting.

COMPANY BRIEF *Cabrillo Advisors* (www.cabrilloadvisors.com) provides clients with high quality solutions for business valuation, mergers and acquisitions, and post-sale shareholder representation. Their experienced team serves the most dynamic public, venture, and private equity-backed companies across the nation.

What is the key focus for Cabrillo Advisors?

Cabrillo Advisors is the entity that I use as my platform for both valuation and M&A work. Cabrillo serves early stage venture backed companies on stock option valuations all the way through their IPOs, as well as larger privately held companies and public companies on more complex financial valuations and analysis.

As CEO/Founder, I spend most of my time working with channel partners, getting to know the partnership and helping to drive business to/from their firms. I'm also the one who "onboards" our new clients so I can understand their situation in the marketplace and how, in addition to providing the valuation they need today, Cabrillo can help them in a more global manner. I also serve as the primary negotiator for our M&A clients when deals get to the stage where we are into heavy back and forth on price and terms.

What was your vision behind creating Cabrillo Advisors?

My reason for expanding Cabrillo's service offering from M&A only into valuations was

An Interview with Wade Hansen, Managing Director, Cabrillo Advisors

to fulfill the need my corporate attorneys had in dealing with new regulations relating to cheap stock, as well as having a third party expert attest to the value boards relied on. We grew this business from 20 clients in 2008 to 350 in 2012, which puts us in the top-tier of firms serving the venture community. We are also building our brand nationally, serving key law firms and accounting firms in multiple markets and creating leveraged growth opportunities within each firm as we get to know each office's partnership. I envision us serving over 1,000 clients annually within the next few years, strengthening our ability to provide proprietary insights to our clients on venture deals and their related terms and valuations.

My current vision, however, extends well beyond the valuation market. I have been serving clients on matters of M&A since the early '90s and I have always had an eye toward addressing the underserved segments of the market. For companies under \$75M in enterprise value, it is hard to find top-tier advisory firms to help owners and boards with M&A. The true bulge bracket firms are not able to make the economics work well, and to the extent they do reach down to serve companies of this size, they do so with junior talent being trained on your deal. There are also local "single shingle" practitioners who are often not properly trained, licensed or seeing adequate deal flow to be able to remain relevant in the markets they attempt to serve.

There is a clear opportunity to focus Cabrillo Advisors on the \$75M and under deals, do excellent work for our clients nationally, and to leverage the extensive networks I have created of both strategic buyers and financial buyers who are also using us for their valuation work. We also intend to stay focused on this size deal and not migrate up-market, as it is rewarding to see owners reap the benefit of their hard work and sacrifices to get their company into position for such an exit.

Where will the growth primarily come from?

Growth in the valuation business will be primarily via geographic expansion and product extension. I see a fairly fragmented group of service providers in the gift, tax, and estate side of things, and I am beginning to address that opportunity this year.

For the M&A side of the business, growth will come from establishing our local offices in key markets, where an experienced M&A advisor can serve companies locally but still leverage the national platform and connections Cabrillo enjoys today.

What differentiates Cabrillo Advisors from other firms in the industry?

What helps us stand out is our phenomenal network of corporate buyers, venture and private equity firms, and successful privately held companies. Unlike the typical service provider, we have dedicated equal if not more resources to create opportunities for our partners, and it's not just calling to ask for leads. Our goal is to continue with this strategy as it solidifies our role as a true advisor to our clients and referral partners.

Is your focus primarily on the U.S. market or are there strong opportunities for growth internationally?

For now, the U.S. is the market we are serving in the valuation business, as we understand the accounting rules and regulations and have yet to run out of growth domestically. However, our M&A clientele is unusually international, which speaks to the network we have created.

How did your earlier experiences with McKinsey and Ernst & Young impact your career?

I learned what it meant to deliver top quality advisory service, how to build lasting client relationships, and how to operate with a high degree of integrity with all constituents. I have been blessed with lifetime mentors at both firms that have continued to help me refine my own business strategy and to take the next step toward creating a national reputation.

What it also did, however, was create an excitement to work with companies that typically fall below the radar for top tier firms like EY and McKinsey, but who often end up on the other side of a deal selling their products to or, eventually, their entire company to a large, well-represented "big company" where my expertise can help level the playing field.

What advice would you give to young people that are beginning their business careers today?

Be patient and don't expect overnight success; "overnight" success really takes 10 to 15 years. This is not what our new generation of entrepreneurs is taught to expect, but it's more realistic for most entrepreneurial endeavors. I also love the phrase: "Winners do what losers are not willing to." Find that thing you are passionate about and that really drives you to be excellent, and stay focused. You don't need to invent a new product, social network or disease cure; there are many opportunities to build great businesses just doing what others are doing, but doing it better. ●