

BY JUDY MAGNESS

# POLYMER POWERS THROUGH M&A

Plastics – both natural and synthetic – are truly used everywhere in day-to-day work and home life. The business of polymer is the world of plastic and that’s the world into which Bill Ridenour, founder and president of Polymer TransAction Advisors, Inc. (PTA), ventured.

PTA was formed in 1999 by a team of seasoned mergers/acquisition and executives with more than 100 cumulative years of business, financial and investment banking experience at the senior executive level in all aspects of the polymer industry.

Ridenour explained it like this, “We provide services and work with clients who are engaged in the manufacturing services of plastics, rubber and composites. This may include anything from the product chain of natural gas liquid, which is used as a feedstock to make plastic resin, or it can be a finished plastic part made by an injection molder, or blow molder or rotational molder; and it can be anything in between – whatever product or service.” Ridenour continued, “We broadly define the polymer industry. And the reason why we selected this industry was because there are 10,000 participants in the

polymer industry in North America, and that gives us a potential vast pool of clientele.”

PTA deals with companies working with resin, additives, compounds and concentrates, who are distributing all types of plastic material through the world for defense, pharmaceutical, medical and other industries.

According to Ridenour, plastic was initially created by Alexander Parkes, who publicly demonstrated his man-made material, Parkesine, at the 1862 Great International Exhibition in London. Parkesine was an organic material derived from cellulose that, once heated, could be molded, retaining its shape when cooled. John Welsley Hyatt invented celluloid in 1868 to substitute for the ivory in billiard balls, but those celluloid billiard balls tended to explode. It was the first purely synthetic plastic, created from cellulose and alcoholized camphor. By the 1900’s, film for the new movie industry became a hot new market for celluloid and the rest is history, with new plastic materials constantly being invented to the present day.

Today, Ridenour said technology has become more and more sophisticated. “For example – different applications have been used in the medical industry, and the pharma-



# PLASTIC & RUBBER INDUSTRY

ceutical industry has caps and closures,” stated Ridenour, going on to detail about how technology and change has affected business. “Very expensive engineering is used in the manufacturing of plastic resin in automobiles and planes – and it’s being replaced by lower-priced resin that can perform the same function. There is a lot of replacement going on instead of growth. And the replacement is due to the development of more replacement products.”

The economic system that PTA journeys through includes capital accumulation, competitive markets and a price system. While the industry is slowing down, current trends suggest that it is an indication that participants in the industry are likely to contribute as consolidators while their businesses mature.

PTA’s corporate development efforts have a global presence in the polymer industry. They have access to buyers and sellers through U.S. offices in Cleveland, Houston and Princeton, New Jersey; five European M&A offices in Europe; offices in Sao Paulo, Brazil and in Sydney, Australia.

“We have a team of specialists that we put together on a project, so we’re not a big generic team of deal makers. We may have a market research specialist, or a technol-

ogy specialist, or occasionally a manufacturing specialist,” said Ridenour. “We all have well-defined roles in a project. The people that work with us have been with me for 10 to 15 years. So it’s a pretty well-oiled, experienced machine.”

Armed with a confidential database of more than 1500 companies, PTA has developed a strong professional rapport with senior executives and business owners around the world. They also provide their clients with quality business buyers, strategic partnering and business sellers internationally.

The company has a team of merger and acquisition specialists who provide service to the “sell side” of transactions and has a highly successful track record completing the “buy side” transactions and executing acquisition searches.

Ridenour has gotten close to closing many deals – and would experience sellers or buyers getting cold feet and pulling out at the last minute. “We had a lot of situations where we led the horse to water but we (couldn’t) make him drink,” he said. ■

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