



ACQUISITION CASE STUDY

Insight Technology Solutions has over two decades of experience providing business management, engineering, logistics and IT support to the United States Federal Government. Historically, Insight competed in the small business government contracting space. Due to its growth, Insight was soon looking at sizing out of the majority of its small business set-aside work. Renovus Capital Partners, a Small Business Investment Company (SBIC), acquired Insight, allowing the business to continue to perform on much of their set-aside work while positioning the business to excel in the full and open space.



Challenge

- Performing on small business set-aside work means that after an acquisition, the five-year revenue average of both the buyer and seller are combined to determine eligibility of performing small business set-aside work
- Historically, the company did not have significant experience going after full and open work, posing a potential challenge when the company sizes out of small business set-asides



Solution

- With an SBIC as the buyer, Insight will not prematurely size out of all small business set-aside work due to revenue averages, as the SBIC is exempt from affiliation rules, meaning they do not have to aggregate the revenue of all SBIC portfolio companies
- Renovus has a track record of helping portfolio companies win full and open work and contracting vehicles, enabling pathways for small businesses to scale and increase value



Outcome

- After the acquisition, Insight is able to continue to perform on much of their small business set-aside work, but also leverage Renovus' experience in the government contracting space to focus on a full and open pipeline
- As a new portfolio company, Insight will be managed as a separate platform by Renovus but it will have the opportunity to leverage best practices and insights, built off of a portfolio of 20+ companies, as the management team further professionalizes and scales the business

Deal At-A-Glance

Business Type

Federal government contractor providing business, infrastructure and engineering support services to agencies

Product Type

Business acquisition, Asset-based line of credit

Live Oak Bank's team of government contract financing experts understands the challenges you face as a small business owner. We are focused on helping federal government contractors like you grow your business through contract mobilization, buying an existing firm to gain past performance and providing working capital to operate your business.

To learn more or to contact a member of our team, visit liveoakbank.com/government-contracting-loans