



Program Objective: Enhance the economic wellbeing of first rural Kansas, then the US

Problem Statement: Small, medium sized businesses are shuttering due to lack of owner’s successor. Result is loss of services, tax base for community; loss of equity for owner

The Solution: The RedTire program acts as matchmaker between qualified KS Regents school graduates/alumni who have the expertise, ambition to run those businesses and the rural business owners desiring an exit.

RedTire Operation: The RedTire program:

1. Screens businesses to identify purchase opportunities and alumni, graduating university student candidates as replacement owners.
2. Matches qualified replacement managers and business opportunities
3. Provides financial projections and valuation for the selling business
4. Helps both parties negotiate purchase and transition of ownership terms
5. Monitors and help managers successfully run acquired company

Costs: There is no cost for program participants, program expenses are covered via a grant from the Economic Development Administration, US Department of Commerce and the KU School of Business. Participant sellers must be willing to ‘redefine their retirement’ to mentor the incoming new management owner team for a negotiated period of time.

Performance to Date:

RedTire Transactions	# of Businesses	Gross Revenues (M)	# Employees/ Jobs Saved
Positive Responses from Marketing Efforts	325		
Program Participants	204	\$248M	
Currently Assisting	138	\$178M	
Completed Transactions (as of 10/19)	66	\$67M	567

Current Portfolio (types of businesses participating in the program, as of 6/19)):

Type of Business	# of Businesses	Gross Revenues (M)	Adj. EBITDA/ Profits (M)	Valuation (M)*	# Employees/ Jobs Saved
Agricultural Businesses	23	\$14.1	\$1.07	\$3.17	19
Dentistry Practices	35	\$22.3	\$7.78	\$14.77	199
Financial Institutions	2	\$2.9	\$1.36	\$11.08	18
Manufacturing Businesses	10	\$40.5	\$7.90	\$28.80	249
Optometry Practices	4	\$2.9	\$0.82	\$2.07	35
Other Medical Practices	1	\$.4	\$0.11	\$0.22	3
Pharmacy Practices	8	\$13.6	\$2.39	\$4.22	61
Veterinary Practices	50	\$39.5	\$9.98	\$23.54	398
Sundry / Misc. Businesses	13	\$12.0	\$2.8	\$4.69	84
TOTAL BEING ASSISTED	126	\$148.2M	\$34.4M	\$92.6M	± 1066 jobs

* Valuation Estimate: excludes cash, receivables, inventory, liabilities and facilities.

- Concentration of program participants and successfully completed transactions in dentistry, pharmacy and veterinary practices is due to partnerships established with following organizations, from whom RedTire sources program participants via direct mail, social media outreach efforts.

- RedTire Program participating organizations:



- Program participation is open to all small, medium sized profitable businesses providing an essential service to their communities and experienced business managers who have the skills, entrepreneurial attitude and desire to manage their own businesses.
- For information and/or to participate in the RedTire program, please visit: <http://www.redtire.org>

