



CASE STUDY

The “Right” Next Owner

FTI Capital Advisors, LLC (member FINRA/SIPC) shows how a customized approach and thoughtfulness about the right buyer can be critical factors in closing an M&A deal in a challenging market environment.

FORD MODELS

THE SITUATION: An Iconic Company Facing Transition

Ford Models, Inc. (the “Company” or “Ford”) is a premier brand name in the elite fashion modeling industry, having grown organically over its 75-year history since its founding in the living room of Eileen and Jerry Ford. The Fords began modestly in 1946, building their modeling client list slowly and methodically, allowing teenage models who originated far from New York City to stay in their home. In the ensuing years, Ford attracted a diverse and prestigious roster of models and celebrities. The Company continued to grow with the support of several outside institutional investors.

Reaching the end of its investment time horizon in late 2019, Ford Models’ majority investor was looking to pursue a strategic transaction that would monetize its holdings while enhancing the Company’s capital structure and setting it on a path toward its next level of growth with a new owner. The Company engaged FTI Capital Advisors (“FTICA”) to advise on the transaction, just before the COVID crisis led to widespread economic shutdowns. The deal team quickly assessed that this was not going to be an easy process, as the slowdown of M&A activity and a crunch in capital markets were causing unprecedented complications. Skillful execution and a seasoned deal team would be paramount to delivering a successful deal for this iconic Company.

KEYS TO SUCCESS

A Tailored Approach

Our team of banking experts identified early on that a “cookie-cutter” auction process was not the right approach, as the realistic buyer universe was too limited for such a unique asset, and the situation was too complex to send out information materials to a broad audience of potential investors. Our FTICA team drew on the global relationships of FTI Consulting and crafted a highly tailored investment thesis, selecting a small group of strategic and financial parties in the US and International modeling and agency industries with whom to engage in discussions, ensuring all reasonable buyers were approached to achieve the best possible outcome for the client.

A Unique Angle for a Unique Business

Our FTICA team also knew that the “right” buyer would need to have a differentiated perspective on the business and its growth prospects. Enter Ford Brasil, a fully independent company, which used the Ford brand name and knew the Ford business and management well. CEO Decio Restelli Ribeiro knew that, given its longstanding relationship between the two companies, this was a unique opportunity to combine the businesses and leverage their industry expertise and relationships under the common brand name. The combined entity would also be an exceptional growth platform to expand the business beyond the United States and Europe to Asia given significant Ford Brasil relationships across the region.

A Synergistic Combination

As the discussions progressed, it became clear that a transaction with Ford Brasil would create significant value and growth potential, bringing together two legendary talent management businesses to create a united, global enterprise under the Ford Models flagship. The new Ford Models would benefit from streamlined business operations under one controlling management team led by Ford Brasil’s CEO.

Mr. Ribeiro brought decades of experience and leadership and a plethora of relationships, which would allow the business to grow while ensuring the Company also stayed true to its roots. Mr. Ribeiro communicated a clear vision and future path to creating synergies between the two businesses by expanding the global reach of Ford Models.

The Right Outcome

Ford Brasil completed the transaction in May 2020. “Our collective expertise and experience will enable us to better serve our clients and strengthen Ford Models’ position in the global talent management industry,” Mr. Riberio said. “The COVID-19 pandemic has created a paradigm shift in the acceleration of digital transformation. Under a global unified talent management platform, with many strategic initiatives underway, I am confident our future is bright.”

Ford Models, Inc. begins a new chapter with a stronger strategic position and a new partner, realizing the objectives originally set out by the selling stakeholders. Reflecting on the outcome, Glenn Tobias, CEO of FTI Capital Advisors said, “We were very pleased to support Ford Models’ goal of securing the future growth and success of its business. The Ford transaction is another example of FTICA’s ability to creatively guide clients through complex transactions and achieve optimal results.”

GLENN TOBIAS

Senior Managing Director
+1 646.453.1217
glenn.tobias@fticonsulting.com

ASHER COHEN

Managing Director
+1 310.728.1378
asher.cohen@fticonsulting.com

JAMES MCLAIN

Managing Director
+1 646.485.0548
james.mclain@fticonsulting.com

DHEERAJ GARG

Associate
+1 646.453.1224
dheeraj.garg@fticonsulting.com

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