

Baldwin Technology Expands with Quadtech Acquisition

Executive Summary – Quadtech, Inc.

20900 Swenson Drive, Suite 900, Waukesha, WI 53186

In December 2017 Baldwin Technology Company acquired Quadtech, Inc., a global leader in the design and manufacture of control systems that help commercial, newspaper, packaging and publication gravure printers improve their performance and productivity.

Challenge

1. Quadtech occupied space in a facility owned by its parent company Quad/Graphics and would be required to vacate this space by the Summer of 2018.
2. Baldwin did not currently have any owned or leased facilities in the Milwaukee area that could accommodate the Quadtech team and operation.
3. The leadership team needed to find a new facility to accommodate 66 team members and integrate two separate cultures into one.
4. There was a limited budget that needed to be achieved through favorable lease terms and savings through effective project management.

Strategy

Site Selection:

- Colliers International was engaged to manage the site selection and lease negotiation process in November 2017.

Project Management:

- BW Property Group and Orion Growth were engaged in November 2017 to manage the pre-construction work (test fits, scope of work, budget) and project manage the build out of the space in coordination with one another.



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Results

Site Selection (Total Estimated Savings = \$137,399):

- *Colliers began the site selection process in November 2017 and a lease was signed in March 2018. The team occupied the space July 2, 2018. Cost savings were achieved through the following negotiated deal terms:*
 - *\$10.39 Avg Net Rent (reduction of \$0.72 PSF from initial offer).*
 - *4 months of rent abatement w/ a value of \$49,496 (no free rent offered in initial deal).*
 - *Turn-Key deal with Landlord funding all costs associated with the scope of work initially estimated at \$352,163 (\$23.24 PSF) (initial offer subject to a \$22.00 PSF cap).*
- *All brokerage fees were covered by the Landlord.*
- *Difference in total cost of the deal between the initial offer and the final deal (b/w July 2018 and June 2025) equals \$118,580.*

Project Management (Total Estimated Savings = \$49,542):

- *Together this project team significantly reduced the amount of time that senior leaders of the business were required to focus on the real estate move allowing them to pay attention more critical tasks associated with the successful integration of these two businesses.*
- *Cost savings were achieved through new concepts in space design, creation of a detailed scope of work, change order management, and establishment of an effective communication plan that kept all parties on track and on task. A few examples of savings created by this process are as follows:*
 - *Replaced existing 32W T8 fluorescent lights with 15W LED tubes creates savings of \$34,000 over the 8-year term.*
 - *Rejected change order claiming Tenant was required to install water fountain in common area because of code, cost avoidance of \$3,242.*
 - *Challenged the business on their original ask of four (4) network drops requires for each engineering cubicle. As a result, we reduced the network drop scope from four (4) to two (2) thereby eliminating a total of 90 network drops to realize a savings of \$12,300.*

"I thoroughly enjoyed the experience working with Teddy, Chris and Sandy! After the sale our team had a lot to focus on. We were integrating our business along with two other companies into one company that would become part of a new culture within Baldwin and the Barry-Wehmiller family. The search, design and fitting of a new facility was much more effective with the assistance of the BW Property Group. I also truly believe the end result turned out to be much more beautiful in the hands of professionals. The open concept, the lighting, the cube design with collaborative areas all came to life with the suggestions by your team. Thanks for making the experience relatively easy for us!"

~ Karl Fritchen,
President
Baldwin Vision Systems