

# Bold Moves

Audax co-CEO Geoff Rehnert follows his gut in building a full-service boutique devoted to middle-market buyouts. Now the Bain Capital veteran shoots from the hip about his guiding rules **BY DANIELLE FUGAZY**

Even before Geoff Rehnert became a private-equity ace, he knew how to spot — and hold onto — a good deal. In 1984, as a newly minted Stanford Law grad working at the venerable Bain & Co.'s West Coast office, Rehnert was presented with a deal of a lifetime: T. Coleman Andrews — tapped by Bill Bain along with Mitt Romney to spearhead Bain Capital — flew to California to ask him to join the consultancy's new private-equity venture in Boston.

"I didn't even bother to ask what the compensation or salary was," Rehnert recalls. "I didn't want to try to negotiate a deal and somehow give him the chance to reconsider the offer."

New to the high-stakes game of private-equity investing, Rehnert and Bain Capital's other founders spent two years scouring for the right control LBO. But Rehnert's innate deal sense helped him sniff out the fledgling firm's first one ever: the buyout of medical-vehicle manufacturer Calumet Coach. In 1988, just two years after the acquisition, Bain flipped it for a whopping 35 times its initial investment. With that deal, Rehnert not only helped put Bain Capital on the map but helped make Calumet's management team overnight millionaires.

This intuition, which had led Rehnert to abandon the safe havens of consulting and law for uncharted LBO territory, is the compass that still guides him today in his hunt for private-equity deals at Audax Group,\* the firm (named after the Latin word for *bold*) that he cofounded with fellow Bain Capital alumnus Marc Wolpov in 1999.

The Boston-based firm — which has more than \$3.7 billion in equity and debt invested in some 30 companies — recently closed on its third private-equity fund with \$1 billion, turning away additional investors. "We now focus on getting better at what we do and what we know," Rehnert says. "Our fund is the right size for the investments we want to make."

Reflecting on all the lessons he's learned along the way, Rehnert offers his top three rules for success.



Audax's Geoff Rehnert has mastered the art of turning long-term relationships into handsome profits.

## SCORECARD Geoff Rehnert

**Age** 50  
**City** Boston  
**Firm** Audax Group  
**Position** Co-CEO  
**Education** J.D. from Stanford Law School, A.B. from Duke University  
**Career Arc** Started as an analyst at Morgan Guaranty Trust (now JPMorgan Chase) for two years. Worked at Bain Consulting while in law school; remained there after graduating. In 1984, was asked to join Bain Capital. In 1999, launched Audax Group.  
**Really Big Deal** In 1986, Rehnert led Bain's buyout of Calumet Coach, flipping it for 35 times the firm's money two years later.

\* FOOTNOTE  
Over the past eight years, Audax has positioned itself as the go-to alternative-asset manager for the middle market. The firm recently launched a CDO fund targeted at about \$100 million. "It's a natural extension of our business," Rehnert says. "Everything we do revolves around control LBOs in the middle market."

## 1 DO WHAT YOU SAY — WHEN YOU SAY YOU WILL.

"There are two kinds of people in this world: those who do what they say when they say they will, and those who don't," Rehnert says. "I want to deal only with those who do what they say. It all boils down to trust, and it's not just about getting the deal done."

## 2 LOOK FOR THE WIN-WIN IN EVERY SITUATION.

The "everyone's a winner" concept is not widely embraced on Wall Street, but to Rehnert that's shortsighted: "A lot of people believe you have to take every nickel off the table to be successful. If you find the right solution to meet everyone's needs, it will lead to a stronger relationship, which will leave you better off in the long term."

## 3 MEASURE WHAT MATTERS, AND MAINTAIN ACCOUNTABILITY.

If you want people to succeed, hold them accountable and measure their success. When Audax buys a company, it puts together a 100-day plan. Every week the firm reviews each individual's progress to ensure he's upholding his end of the bargain. Says Rehnert, "It makes our companies and relationships better and leads to a better business." ▣

Reprinted with permission from Dealmaker, November/December 2007.  
© DOUBLEDOWN MEDIA. All Rights Reserved.

