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What's to come: Is 2015 the year of the acquisition?

Last year, I was very bullish on St. Louis for 2014, which we will review and challenged us to do more, expand more. We will see that many took up the gauntlet and are expanding their companies, often trough acquisition. I feel that today we are better prepared for growth than ever before. I'm not talking about the macro economic issues. I'm talking about being better prepared based on our collective community, assets like a talented workforce, plentiful capital for growth, leadership at the corporate, small business and government levels, to make growth happen.

We can be victims of the economy — let it happen to us — or we can take matters into our own hands. If St. Louis is going to succeed and be the city we talk a lot about becoming, we have to grow, grow, grow in many ways — population, employment, prepared work force, financial base, etc.

Let's start by taking an inventory of our resources. Last year we said we have an abundance of resources in the following areas. These resources continue to grow: education; a very large, experienced and talented workforce; and availability of private capital.

Education

With more than 30 four-year colleges and universities enrolling more than 125,000 students annually, the St. Louis area produces more than 25,000 graduates with bachelor's, post-bachelor's or professional degrees each year.

Talented workforce

St. Louis has a large, experienced workforce to support and attract companies in the following industries: financial, health care, biotech, agribusiness and technology. We are known all over the country for our very large, talented and experienced financial service workforce that have employed and trained thousands of our people. That's very attractive if you are considering moving a financial services back office into our region. We have similar successes in the health care sector, and we are building a critical mass of trained employees in the biotech, agribusiness and tech sectors also.

Capital

I have often heard the complaint over the years that there is little capital or loans available to acquire, expand or grow companies. That may have been true in the past, but I'm seeing more and more evidence that our banks are fully recovered from the great recession and are aggressively looking to make acquisition and growth loans with attractive terms. We have many venture capital and private equity firms looking to invest in companies and they would love to do it right here.

So we've made the case that we have a lot going for us. Are there signs of growth?

A number of local employers have added jobs in the last year — more than 4,000. And this doesn't address the thousands of smaller companies that are growing today.

What can we do to out-pace the trends? We have two growth options, we can grow organically, or we can grow through acquisition. Organically means that we continue to grow or shrink depending on the economic forces and or specific industry trends. Acquisition means we grow through acquiring global competitors or strategic acquisitions that allow your company to be even more profitable and stronger.

We are in the middle of a major push for acquisitions. We have a long history of our fortune 1,000 companies consistently making acquisitions and the impact they have had on our local economy.

So if growth through acquisitions is the answer, why aren't more of our middle market companies doing that? The answer is that many of them are, you will see some of their names up here. Even some non-profits are getting into the act.

Our private equity groups are buying on a regular basis. There are example of individuals using acquisitions to make more money for themselves, their companies, their investors while adding jobs, increasing the tax base and pumping more capital into our local economy.

So this sounds like a pretty good idea. We've shown that we need growth, we've shown that others are successfully doing it, we've shown that all of the resources are available.

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