

PE Firm Evaluates the Roll-Up Doors Market Case Study



Market evaluation to support potential roll-up doors acquisition strategy

Objective

Define and evaluate the roll-up doors and self-storage market to identify attractive market segments and potential acquisitions for a private equity client

Approach

BCE conducted open source and targeted primary research with industrial door manufacturers, channel partners, sales reps, and market experts to validate market segmentation into three primary segments with 13 sub-segments. We developed a segment attractiveness framework to score each sub-segment based on market growth, market dynamics, barriers to entry, margin and channel to market. After additional primary research, BCE refined the scoring tool and scored each segment's attractiveness.

Outcome

BCE recommended the client expand organically to enter four adjacent sub-segments and identified two acquisition targets to enter an additional two sub-segments.

Opportunity analysis

Segments 1 and 2 present the most attractive adjacent markets, but create channel challenges

Category	Scoring Methodology	Market 1	Market 2	Market 3	Market 4
Market growth	+20% >20% +75 0% to 10% +50 0% to 2% +25 <0%	50	75	50	100
Market dynamics	+100 highly regulated; stable and markets +75 Regulated; market tailwinds +50 Minimally regulated; market headwinds +25 Unregulated; cycle risk	100	75	50	25
Barriers to entry	Barriers: 1) Certifications, 2) R&D required 3) specialized channel 4) Unique operators 5) Local market +100 Four or more barriers exist +75 Three barriers exist +50 Two barriers exist +25 One or less barriers exist	100	75	75	50
Margin/Defensibility	+100 Margin accretive for Client; defensible margins +75 Margin accretive for Client +50 Margin neutral for Client +25 Margin dilutive for Client	100	75	75	50
Channel to market	+100 Strong channel synergies with Client +75 Weak channel synergies with Client +50 Adjacent channel access required +25 New channels needed	75	100	100	50
Total Scoring		85	80	70	55

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Product 2 Market

Players in Market 2 include Competitor 1, Competitor 2, Competitor 3, Competitor 4, Competitor 5, and Competitor 6

Market 1: Market includes products designed for general industrial use but not engineered for specific niche uses

- Products are broadly applicable in industrial settings
- Margins are typically lower than niche products but barriers to entry are lower, less R&D
- Industrial grade product operators are required
- Mix of direct sales and distributors
- Many Product 2 manufacturers also have residential door offerings

	Industrial Applications						Residential Applications					
Competitors	S					S						
	S	X	X	S		S	X	X		S	X	X
	S			S		S			S	X	X	
	X	S	X	S	S	X	X					
	X											
	X	S	S	X	X	X	X		X	X		
	X	X	X	X								
	X				S	X	X	X				

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