



Bundesverband Deutscher
Kapitalbeteiligungsgesellschaften

Case Studies

Help with SCHÜTZ business succession: Schütz Dental Group - private equity helps family business on growth path

In spring 2005, the established company Schütz Dental from Rosbach in Hessen was faced with a fundamental change. Owner Horst Schütz decided to withdraw from active service in the company after 42 years. He had developed Schütz Dental Group into a leading global manufacturer of dental products with dentistry, materials, laser and implantology departments. But when Horst Schütz decided to leave it became clear that no-one in his family would take over the business. And selling to the competition was out of the question for the 64-year-old entrepreneur. "We wanted to show our customers and business partners that our business policies were not about to change. We would have been unable to promise that if we had sold to a competitor."

Horst Schütz and his long-standing management team Wolf Zientz and Dr. Thomas Niem therefore came up with an alternative that was ideal for the company: A management buy-out (MBO), in other words the sale of company shares to the existing management. "We quickly realised that an MBO was better than any of the other options. We, the managers, finally became "real" company owners and are now able to implement our own ideas and the company will continue to exist in its usual form," reports Wolf Zientz. As the two managers were unable to raise sufficient finance on their own, they enrolled the help of an experienced partner, BayernLB Private Equity. This private equity firm invests in SMEs and is a subsidiary of Bayerische Landesbank. It has been an established name in the sector for more than 40 years. The company is a strong partner offering more than "just" tailored investment solutions. It has a strong sense for markets and developments and in this way maintains and secures companies' room to manoeuvre.

Apart from the managers and Bayern LB Private Equity, Horst Schütz also kept a share in the company and therefore remained one of the owners. It was of great concern to the founder of the company to still be involved in important decisions and this is the main reason he decided for private equity and against a sale to competitors.

In the following years, the investors supported the development of Schütz Dental with their know-how and long-standing experience in the investment market and provided capital for further growth. Today, approximately 150 people work for the company in Rosbach, near Frankfurt/Main, which generates around EUR 25 million.

In recent years, Schütz Dental has closely followed the technological changes in the dental sector and focused on developing and marketing innovative and modern products and systems (such as CAD/CAM, zircon, implant navigation, nano composites) in the so-called high-end sector. Today, Schütz Dental is one of the leading technological partners of the future "digital high tech surgery" (laboratories and dentists) and is going through a positive image change as a result.

Bayern LB still holds its shares in the company.