From its 1999 founding in a barn in the heart of Kentucky horse country, Material Handling Systems (MHS) embodied a deep commitment to excellence in everything it did. That drive helped make the company a leading provider of automation solutions to the top courier and e-commerce companies in the world—and one of the state’s fastest-growing companies.

But the team knew it needed the right strategic and financial partner to help it expand and capture new opportunities. Years before MHS began meeting with potential investors, Thomas H. Lee (THL) Partners, LP, a Boston, Massachusetts-based private equity firm, had begun exploring acquisitions in e-commerce infrastructure, confident that the trend towards online commerce demands improved logistics systems.

“We look at it as selling shovels to gold miners,” says Jim Carlisle, a managing director at THL. The investors recognized MHS as a leader and proactively reached out to the company’s founders.

NAVIGATING A SHARED HELM
Investing in a founder-owned company has some challenges that other transactions don’t have. Remaining true to the founders’ vision and culture can be important for maintaining continuity. MHS’s co-founders had grown this company to a successful $300 million enterprise. To ensure the right fit between THL and its partners, the private equity firm developed a growth plan that was aligned with management and designed to accelerate growth.

ACCELERATING GROWTH
Now named MHS Global, the company has tripled in size and expanded its potential market by seven-fold through geographic and product expansions. New divisions include International, providing technology and services from their European headquarters, and Lifecycle Services, which provides ongoing maintenance services, including predictive analytics to drive consistent performance.

MHS has strategically acquired five companies, including four founder-owned firms, and integrated them into its existing operations. A combination of senior leadership from acquired companies, new complementary executives, and a focus on developing internal talent gives MHS an exceptionally deep bench of logistics and materials handling expertise.

“We are investing for a very exciting future,” McReynolds says. “We had high expectations going in, but THL has over-delivered on their promises to us.”

Carlisle credits the success to the private equity firm’s founder-friendly ethic. “THL’s framework and culture make us a good fit for founder-owners who already have a culture of partnership and recognize that they can do more as part of the broader platform than they might have been able to do by themselves,” he says.