Class VI

HARDWARE, SOFTWARE, & SERVICE: ZIVARO'S STORY

How a tech firm powering the military secured its legacy.

From 1998, Zivaro Inc. had a mission: to serve those charged with serving others. This meant offering secure IT services to customers across the government and private sector, including the Department of Defense.

After 25 years in business, the cofounders Greg Byles and Glenn Smith started weighing plans for their future. That's when they turned to Class VI for guidance.

The next phase begins

Zivaro's leadership decided to explore a sale. They wanted to build value before an eventual acquisition but didn't know where to begin. Was the business ready for investor review? Would it make sense to sell the whole company or specific units?

Class VI Pathfinder's advisory services team went to work analyzing Zivaro's financial and operational health, while the Class VI Partners investment bank solicited anonymized feedback from real buyers. Together, they identified risk factors to reduce and introduced Greg and Glenn to the Class VI Family Office for discussions about their financial goals and visions for post-deal lifestyles.

Zivaro's team worked through Class VI's recommendations to mitigate risk and streamline operations. By 2024, the company was experiencing rapid growth.

"Our experience with Class VI prior to the sale was invaluable, providing us with insights into the clarity and effort required for effective documentation and a successful transaction."

-Glenn Smith, President

The market beckons

Thanks to their dedicated preparation, the Zivaro partners were ready to jump when a routine market check revealed a keen hunger for a business like theirs.

The company started the deal process in earnest during the spring of 2024, and the Class VI team set out to achieve a transaction that would meet or exceed the owners' retirement targets.

Zivaro's advance preparation paid off yet again by compressing the deal timeline. The company was able to get to market quickly and speed through every step of the process because the leaders had already shaved down the firm's risk profile and collected loads of documentation for due diligence.

A thorough competitive process with hundreds of potential buyers eventually led Zivaro to sign an exclusivity agreement with tech consultancy Trace3 in November. After negotiations and a relatively quick due diligence period, Class VI secured Zivaro a final valuation that was much higher than Trace3's initial indication of interest.

"From the outset, Class VI set clear expectations, identified areas where we could improve, expertly navigated a competitive M&A process, and negotiated key terms on our behalf. Their strategic guidance and deep expertise facilitated a swift and successful transaction."

-Greg Byles, CEO

Continuing the work

Class VI realized tremendous value for Zivaro's owners while ensuring their legacy. The company's outstanding infrastructure, expertise, and client relationships rolled into the new entity Trace3 Government, so key federal agencies still enjoy access to the same high-quality software engineering and security services.

The partnership with Class VI also endures because some of Zivaro's leadership team signed on as Family Office clients for wealth management services. For our part, we were honored to give a portion of our deal fees to Big Brothers Big Sisters of Colorado, a charity close to Greg's heart.

This was the culmination of a classic entrepreneur success story. From initial preparation through transaction management and ongoing financial advising, Class VI was thrilled to serve Zivaro's people as they serve others.

Disclosures

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