



## KENT OIL & PROPANE

*Finding a successful business in its third generation of family ownership is rare, but Kent Oil & Propane in Nashville, Michigan was one such operation.*

The company was started in 1936 by Walter and Mildred Kent, the grandparents of Jeff Hynes' wife, Kristine. Jeff joined the business in 1988 and by 1995 he had become President and co-owner with his brother-in-law, John. Following John's unexpected death, in 2010, Jeff became sole owner of the business, which serves propane and light oils customers in six counties in Central Michigan. Kent Oil & Propane also owned a Pacific Pride location.

Despite having nearly 20 competitors in the area, Kent Oil & Propane continued to flourish over the years based on a cohesive team that is active in the community and provides exceptional service to its customers. The company's customer base has continued to grow and today Kent serves approximately 3,500 customers.

### THE DECISION TO SELL

Choosing to sell a third-generation family-owned business was not a decision that Jeff took lightly. But since his two daughters and their husbands were all happy in their careers and not prepared to join the family business, Jeff felt he had two choices: sell it or run it "from a distance." After talking with his family, he chose to sell the company.

In September of 2018, Jeff took a call from Propane Resources, who had several companies interested in buying Kent Oil & Propane. That initial call got the ball rolling and Jeff started "doing his homework" on the various companies. He quickly rejected six or seven, narrowing the slate to just three.

David Stroupe was the first EDP person Jeff spoke with and Jeff says that he and Dave "just clicked." Jeff shared with Dave five key things that he wanted to accomplish as part of the acquisition process:

- Assurance that his employees would be treated well;
- Continued active involvement in the local community;
- Ongoing support of Jeff's leadership role with the



*Jeff Hynes, Kent Oil & Propane in Nashville, Michigan*

Michigan Propane Gas Association;

- Adam Brumm to be named General Manager and allowed to run the business without being micro-managed; and
- A commitment to maintaining the company's legacy by keeping the Kent Oil & Propane name.

### A DEAL IN THE WORKS

Jeff and Dave talked through all of these issues and - on behalf of EDP - Dave agreed to each of Jeff's stipulations, so a deal was in the works. Jeff says he attributes the success of the transaction to the relationship that he and Dave had developed.

"It was the relationship that made the difference," Jeff said. "I had narrowed it down to three companies that all had pretty much the same offer and I spent considerable time learning about all three. It was only a few weeks into the process when EDP worked its way to becoming the one that stood out. EDP was just a good fit."

The positive relationship continued throughout the due diligence process. Jeff said he was stressed in advance about the process, but

it turned out there was no reason to be. "The due diligence process with EDP was extremely fair, extremely quick and very well organized. That was the biggest pleasant surprise I had with the process."

### **A SUCCESSFUL TRANSACTION**

The acquisition was finalized in July of 2019 and EDP CEO Tom Knauff arrived the night the transaction closed for a celebratory dinner with Jeff's whole family and other members of EDP's leadership team. Jeff had expected Tom to fly out the next morning but instead Tom joined him at the office and spent the entire day visiting with Jeff, meeting with employees and even talking with a few customers.

**"After narrowing it down to three companies, all with pretty much the same offer, I spent considerable time learning about all three. In fact, I called four former owners who sold to EDP and they all had nice things to say. I kept hearing about the support they received from EDP after the sale. That was a big thing for me."**

Fast forward one year: Kent Oil & Propane had a good year – despite a warm winter, they set tanks and stayed busy – and nearly every employee that was with Kent at the time of the acquisition is still with them. The only exception is one longtime employee who just retired in June of 2020 after 26 years with the company. After Jeff and his wife attended the retirement luncheon, they remarked to each other about how happy the employees are with their situation.

Jeff summed up the entire acquisition process by saying "I didn't go into this thinking I was going to make any friends, but as a result of this process, I would consider people in this organization, including Tom, to be friends of mine. In this world – especially given recent events – you really learn to appreciate the good people in the world, and EDP has a lot of really good people in it."

