

# PE Firm Evaluates the Roll-Up Doors Market Case Study



Market evaluation to support potential roll-up doors acquisition strategy

## Background and Objectives

A private equity firm with an active investment in an industrial doors platform company asked BCE to conduct a rapid evaluation of the roll-up doors and self-storage market to inform a potential add-on acquisition. The client sought support to define and segment the roll-up doors and self-storage market to identify attractive market segments and potential acquisitions within each segment. The client requested that BCE complete this rapid analysis within one week.

## Approach

BCE began the engagement by conducting a review of open source material to identify market segments. BCE complemented open source research with targeted primary research with industry participants, including industrial door manufacturers, channel partners, sales reps, and market experts. Once BCE established an initial view of primary market segmentation, we conducted additional primary research to confirm three primary segments with 13 market subsegments.

Next, BCE researched each sub-segment with a focus on four categories: market growth, market dynamics, barriers to entry, margin, and channel to market. We developed a framework with to score the attractiveness of each segment based upon these four criteria with adjustable weighting based upon client preference.

Then, BCE conducted additional primary research to refine scoring for each market segment to populate the scoring tool. Through collaboration with the client, BCE scored each segment's attractiveness.

## Recommendations

BCE's research and analysis informed a market evaluation tool that scored three market segments and 13 sub-segments. BCE also developed strategic recommendation for the client to enter adjacent markets. BCE's final recommendations included four market sub-segments for organic expansion and two for inorganic expansion. For the markets where BCE recommending inorganic expansion, we identified two attractive add-on acquisitions for the client to pursue.

**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	+100: >20% +75: 8% to 20% +50: 6% to 8% +25: <6%	50	75	50	100
Market dynamics	+100: Highly regulated; stable end markets +75: Regulated; market tailwinds +50: Minimally regulated; market headwinds +25: Unregulated; cycle risks	100	75	50	25
Barriers to entry	Barriers: 1) Certifications 2) RFD 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
<b>Total Scoring</b>		<b>85</b>	<b>80</b>	<b>70</b>	<b>55</b>

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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	X				X					
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X	X	X
	X	X	X	X	X	X	X	X	X	X

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