

## M&A panel: It's a seller's market for home textiles acquisitions

MMG Advisors expects to see more consolidation on the supplier side



[Jennifer Marks](#)//Editor in Chief•October 18, 2021



The fragmented nature of the home furnishings industry will drive additional consolidation on the wholesale side of the business, according to Andy Postal, managing partner of [MMG Advisors](#) - which represents buy-side and sell-side clients in the apparel, footwear, accessories, home textiles, watch and jewelry sectors.

Postal lead a panel discussion, "M&A Activity Heats Up in Home Textiles & Furnishings," as part of HTT's New York Home Textiles Week [digital programming](#) on Oct. 5. The conversation included insights from industry executives Barry Leonard and David Greenstein along with HTT editor-at-large Warren Shoulberg.

"There's so much cheap money out there that's available for acquisitions," said [Leonard](#), who has helmed several major home textiles companies and is the founder of advisory firm Neo Enterprises. He noted that the industry includes many small family-owned business that may lack the capital to fund growth.

**Greenstein**, who has bought and sold several home textiles companies, said that legacy suppliers offer strong relationships built over time with their key retail accounts, which makes them attractive targets. “Being small I think you actually have an advantage right now if you’re looking to be acquired,” he said.

However, acquirers should also consider newer brands that have forged links directly with consumers. “Watch out for the young upstarts. Watch out for the people who find ways of connecting with small audiences,” he advised.

**Other key takeaways from the session:**

- **Sellers should look at what differentiates their business and who among the bigger players would be interested in that piece of differentiation.**
- **Buyers should look for companies that offer get them into accounts they don’t have or add new product categories, technologies, capabilities and/or licensed brands to their portfolio.**
- **Buyers need to know that in most cases a license transfer has to be agreed to be the licensor and make sure that is nailed down before closing the transaction.**
- **It is critical in an acquisition to assure the continuation of existing management, at least in the near term. Integration could go badly awry without it.**
- **Companies looking at digital commerce space should understand the economics for successful DTC brands, which spend anywhere from 30% to 50% on marketing and social media to drive the top line.**

**Registration to view this and other HTT market week presentations is free. It also includes access to HTT’s exclusive virtual marketplace and is available at: <https://www.hometextilesweek.com/fall-2021-agenda/>.**