



Investor's Hub: **Bill VanDeWeghe of RA Capital Advisors**

By Andrea Siedsma



Name: Bill VanDeWeghe

Title: Director, RA Capital Advisors

Age: 45

The Deal: Guides defense and aerospace companies through growth and exit strategies. Bill VanDeWeghe – yeah, he's the guy who ran for Congress a few years ago. But instead of trying to effect change in the nation's capital, VanDeWeghe ended up becoming a champion for an industry that is crucial to San Diego's economy and national security – aerospace and defense.

While his bid for a seat in Congress was unsuccessful, VanDeWeghe, a former lawyer-turned investment banker, is heading another campaign, so-to-speak – making sure San Diego defense contractors achieve success and stability. VanDeWeghe is leading RA Capital Advisors' Aerospace and Defense practice. RA Capital is a private investment bank that focuses on mergers and acquisitions, private financings, shareholder matters, restructurings and crisis situations for middle market to Fortune 500 companies. Founded in 1988, RA Capital has closed over \$60 billion in deals, and has served as a financial advisor on some of the more significant and complex transactions in American corporate history.

One of those high profile transactions was the \$2.6 billion sale of San Diego-based Titan Corp. to defense heavyweight L3 Communications. The acquisition was ranked by Washington Technology magazine as the "Government Systems Integrator Deal of the Year" in 2005. That deal in particular intrigued VanDeWeghe, who had great admiration for both Titan and its founder Gene Ray. "There are few investment banking firms that focus on and have real expertise in the defense industry," says VanDeWeghe, who joined RA Capital in early 2006. "I saw the opportunity to build on the firm's strong transactional platform. We have the experience and sophistication needed to enhance our clients' growth and ensure that they have favorable strategic positioning to complement and create even more value via M&A and financing transactions."

VanDeWeghe, whose passion for the defense industry was incubated during his days in the U.S. Army, says these companies need to keenly focus on their business goals and how to achieve them. Assisting defense contractors on more than financing is a must, he says. "In this industry it's very challenging because the companies face hurdles that are different from your regular retailer or service provider," he says. "You have to find the right government programs, the right contacts, the right partners, and you have to find ways to best showcase your products and services. Their technology has to get in the right hands to make sure it's value can be recognized and adopted. That's extremely difficult to do with the government."

In an industry where there have been frequent mergers and acquisitions, these growing companies need to know that they are making all the right decisions about their future, VanDeWeghe says. "You're dealing with large amounts of money and people's life work," he says about the M&A process. "These people have spent years of blood, sweat and tears building these companies. You want to make sure you put them in the right situation and that you achieve the right value for them. Smaller companies (less than \$1 billion in sales) appreciate our ability to supplement their in-house capabilities. Larger firms with greater resources benefit from the intensive M&A and financing service model that we use, which is based on our transactional and other experience in this sector."

A lot of intense analysis and research goes into making the best decision for these defense companies. Drawing on the experience of industry veterans Joel Reed and Kathy Scott, VanDeWeghe says he and the rest of the RA Capital team help clients determine what their strengths are, how they are going to market those abilities, and what their exit strategy is going to be.

VanDeWeghe says in dealing with the aerospace and defense industry there also has to be a deep understanding of the challenges government service providers and manufacturers face relating to contract disputes, product liability issues, partnership conflicts, and overall business operations. "In the aerospace and defense industry, the companies have to deal with two levels of challenges," he says. "On top of Workers' Compensation, HR issues, taxes and facility costs, they also have to deal with government bureaucracies and agencies that are tough to figure out and that can sometimes be challenging to communicate with."

Another challenge is educating the general public on what exactly aerospace and defense companies do and their significance not only to the community and economy, but also to the well being of this country. "We have major employers and drivers of the economy involved in defense," VanDeWeghe says. "They may keep a lower profile, and people don't usually hear about all the things that are going on with some of our government contractors because it doesn't visibly affect their day-to-day life. But their work has an impact on defense, homeland security and intelligence efforts. San Diego is at the center of what's going on in this industry."

VanDeWeghe says one way the aerospace and defense industry can gain more exposure is by taking advantage of programs offered by organizations like CONNECT. "There is so much innovation in this industry. We need to be showing new technologies to more investors," he says. "We need to make the investment community more aware of the opportunities in defense."

One way to do that VanDeWeghe says, is by connecting local defense organizations like the National Defense Industrial Association (NDIA) and Armed Forces Communications & Electronics Association (AFCEA), with other tech organizations such as CONNECT. "We need to ensure that small companies get more involved with CONNECT and learn about what it has to offer," he says. "When a small defense company has a great technology, it needs help figuring out what to do with it; there are some untapped resources at CONNECT that can help. We have defense companies with some incredible innovations that need to do a better job participating in programs and attracting attention. I want to help facilitate that process."

VanDeWeghe, a Princeton University grad who earned his law degree from the Marshall-Wythe School of Law at the College of William and Mary, learned the ins and outs of business during his 15 years as a lawyer at Klinedinst PC. The New Jersey native says his law career helped prepare him for becoming an investment banker and advisor. "Being a lawyer was a great way to get to know a lot of businesses and learn about the challenges they face, whether it's HR problems, IP issues or partnership disputes," he says. "You get a feel for everyday problems. It was an excellent way to look inside companies and understand the challenges of growing and operating them."

VanDeWeghe really fell in love with the defense industry while running for Congress in 2001-2002. "The more people I met in the defense industry the more interested I became in what they were doing," he says. "You meet people who really care about the difference they're making with their products and services to help make the military and intelligence agencies operate more safely and effectively. Defense just doesn't mean war fighting; it's homeland security, border security and transportation security. ... Human intelligence has to be supported by satellites and other communications systems. Sensors have to be in place to assist the intelligence gathering. This is an extremely innovative industry that I have seen make enormous strides over the past few years."

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