



Logistics Management

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Rotunda Capital Partners sells off Worldwide Express

Last week, Rotunda Capital Partners, a middle market private equity firm, announced it sold off global logistics services provider Worldwide Express to an investment group, which included a significant investment from Worldwide's management team.

Worldwide Express is one of the largest authorized resellers of UPS services. Rotunda initially invested in the Dallas-based company in 2009, not long after its main shipping partner DHL ceased domestic operations in the U.S. at which point it developed a deeper relationship with UPS on the reselling side. Worldwide also rolled out freight shipping services in early 2009 that was part of a partnership with a 55-carrier network.

During the four year-period it has been involved with Worldwide Express, Rotunda said Worldwide has seen major gains in its margins and boosted annual sales from \$192 million to more than \$550 million.

John Fruehwirth, managing partner at Rotunda Capital Partners, explained to LM that there were a few different factors driving the decision for this sale.

“Worldwide Express had performed very well since we invested in 2009 and it was time to monetize our investment on behalf of our investors,” he said. “Along with management, we re-invested some of our proceeds and are pleased to be invested as the Company continues to grow its revenue and profitability.”

In terms of how Rotunda has positioned Worldwide for continued growth, Fruehwirth said that when it first made the investment in 2009, Worldwide was largely focused on providing overnight express/light package delivery for small and medium size businesses through its authorized reseller program with UPS. Today, he said, Worldwide Express has expanded the product set to include light package, ground freight, a robust national LTL offering and it recently began providing full TL options for these same customers in addition to having some franchisees testing ocean freight options.

“In addition, we improved and augmented the proprietary TMS technology we offer,” he added. “The updated Speedship and SpeedFreight programs allow our customer a choice of which shipping option best meets their needs (modality, speed and cost) from among 55 partner carriers.

He also observed that Rotunda continued to invest in corporate training of the Franchisee's employees to enhance their product knowledge and provide better service to their customers.

“We are pleased and proud of the growth our system has achieved over the term of Rotunda's involvement and appreciate the strong and successful partnership that we have enjoyed with them,” said David Kiger, founder and chief executive officer at Worldwide Express, in a statement.