

Medicus IT and P1: Success Stemmed from Preparation



When serial entrepreneur Nelson Gomes decided in 1997 to start his own healthcare MSP after years in the business supporting hospitals' and physicians' IT systems, it was the challenge of building something from nothing that motivated him. The new company would take on the healthcare providers' technology systems to free those providing care to focus on their patients – not their technical infrastructure. He envisioned a start-up that would be called P1 Group (P1) to underscore the company's commitment to its clients, and he began looking for people "smarter than I am" to help. "I wanted to attract great people to P1 and give them a chance to shine," he said.

As the years passed, P1 experienced tremendous success and sustained consistent 30% to 40% year-over-year growth.

Gomes regularly crossed paths with Medicus IT Founder and CEO Chris Jann while attending peer group meetings. Through his conversations with Jann, Gomes said he understood where Medicus was headed. The two men's familiarity led to Jann approaching Gomes in 2019 about his interest in being acquired. "I didn't need to sell P1 but I knew I had to build my own platform from scratch or hook my wagon to someone larger that already had a platform," Gomes said. He explained that he was approached by two potential buyers – Medicus IT and a non-healthcare MSP.

After developing a list of pros and cons of affiliating with each of the interested organizations, "I felt Medicus IT was a better fit," he said.



"Our cultures were aligned and that is vital to the success of an acquisition. I knew Chris (Jann) and the organization, plus I had seen them make prior acquisitions that worked out well for both sides."

—Chris Jann, Medicus IT Founder and CEO



Acquisition-Experienced Partner Lends Guidance

"I brought in Cogent Growth Partners to advise us in those conversations which turned into negotiations and an acquisition," Gomes said. "I was confident in Cogent's ability to help us because I had seen how they worked with another healthcare MSP that Medicus IT had bought recently. Cogent was an integral advisor to me and they handled all the paperwork, including a number of documents I didn't even know I'd need."

Gomes credits Cogent's ability to explain each step of the acquisition process and its related documentation in a way that minimized stress. This capability was critical, Gomes said, because he was still running P1 as the merger took shape. "I was happy to let Cogent do the 'heavy lifting' and the whole process went a lot smoother than if I had been on my own," he said.

"I had never seen a deal so well organized and well structured," said Chris Jann, Founder and CEO, Medicus IT. "Everything was in order and that gave me confidence we would get the transaction done." The conversation that began in May 2019 between two peers ended in October of that same year when Medicus IT's acquisition of P1 was complete.

How to Prepare for an Acquisition

Based on his own experience, Gomes recommends that other MSP founders and executives focus on two tasks prior to initiating talks with a potential acquirer:

1. Prepare your organization – financially and organizationally – for an acquisition. He pointed out that the P1 staff knew well in advance that a transaction was coming.
2. Define your professional role post-transaction and prepare yourself mentally for that role. Knowing that you have value to offer post-transaction, prefer to leave immediately or depart after a year-long integration effort is critical.

"It was never my goal to leave after the acquisition," Gomes said. "Being able to connect people from the market and the industry with Medicus IT is extremely satisfying to me."

Gomes had his company's financial house in order, the staff was lean and he had done the all-important mental work to prepare him to work for someone other than himself. Following the completion of the transaction, Gomes helped integrate the P1

team into the Medicus IT organization. As evidence of his support for the new union, he invested some of his payout into Medicus IT. Today, Gomes continues in his post-integration role as Medicus IT's Senior Vice President of Business Development.

About Medicus IT

Medicus IT (MIT) is proud to be one of the largest managed services providers in the nation. With a vertical focus in healthcare informatics, MIT sets itself apart from other providers. MIT is an award-winning company with total commitment to doing the right thing at every step by developing a team of expert technicians dedicated to making IT support simple, ultimately giving practices confidence in their compliance. MIT is privately held and headquartered in Alpharetta, Georgia with locations in Arizona, Florida and New Jersey. For more information, visit www.medicusit.com

About P1 Group

P1 Group (P1) is a healthcare-specific managed services provider established in 1997. The company provides complete IT support, security solutions and cloud services to its clients. P1 supports organizations from startups to Fortune 500 companies and delivers exceptional, customized services to its clients. For more information, visit www.medicusit.com

About Cogent Growth Partners

Cogent Growth Partners, LLC, the industry-leading M&A advisor for Managed IT Services providers with more than 140 closed transactions, taps into the growth opportunities found in America's IT businesses. Cogent accelerates the M&A process with a set of proprietary tools and processes that enable buyers and sellers to stay focused on running their respective businesses. Anyone who wants to know why Cogent is different, need look no further than the back of our business card: "Providing Transaction Therapy™ for IT Business Owners Since 2010." For more information, visit www.cogentmergers.com

