

# Dow Jones DBR Small Cap

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## MOVER OF THE WEEK

### New Blue Wolf Partner Sharp Merges Turnaround, Engineering Know-How

By Eric Morath



With decades of experience in restructuring, Bob Sharp has spent plenty of time with attorneys and financial gurus. But the new operating partner at Blue Wolf Capital Partners still finds that his engineering know-how comes in handy.

Prior to joining the private equity firm this month, Sharp served as Chief Restructuring Officer for Gloucester Engineering Co., a 50-year-old Massachusetts machine maker that Blue Wolf acquired out of Chapter 11 bankruptcy in January.

Being familiar with both turnarounds and nuts and bolts has advantages.

“Having walked shop floors and done the actual jobs is not bad experience to have for this type of turnaround assignment,” Sharp said.

He added that when he talks with Gloucester’s staff and industrial customers, “being an engineer certainly helps a great deal.”

While Sharp continues to work with Gloucester employees, his new role at Blue Wolf requires him to assist the firm in vetting potential new investments. He’ll also be ready to step in and assist management at a Blue Wolf-acquired company.

Sharp said he enjoys the challenge of taking a hard look at companies that, while fundamentally strong, have run into a challenge.

“It’s terribly satisfying to work with a group of people, and give them some assistance and support capital, and together rebound successfully,” he said.

At Gloucester, Sharp helped turn around a company that was struggling under a heavy debt burden while simultaneously experiencing slow sales amid the economic downturn. Gloucester makes machines for customers who produce products such as plastic wraps, films and bags.

Despite its challenges, Sharp said both he and Blue Wolf saw a lot of positives in Gloucester, including an outstanding brand, a large customer base and a strong workforce.

As Chief Restructuring Officer, Sharp executed several strategic moves. He replaced the company’s management, mainly through promotions. He negotiated with workers to gain more flexibility in their roles. And the company even hired 26 workers during its restructuring.

Sharp also revived a stalled joint venture with a partner in India and restarted two key research and development programs.

“The key is adding value for customers,” Sharp said. “The most important way to do that is to be on the leading edge of technology.”

Plastic film and shrink wrap are actually more advanced products than they may seem. Gloucester machines make wraps for commercial uses that have special binding qualities and make a film for farm use that will allow water to flow in but not out.

When Sharp isn’t on the factory floor, he’s often at the helm of his boat. He and his wife enjoy cruising to the Bahamas from their Florida home, and he’s even made the trek to Florida from New England by boat.