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Portland’s Meriwether, Seattle’s Cascadia will help companies grow

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A new partnership between two established players in the financial services industry could help promising startups jump into the fast lane and more quickly win the attention of heavy-hitting venture capitalists and investment bankers.

Portland private equity firm and consultant The Meriwether Group Inc. and Seattle investment bank Cascadia Capital LLC recently agreed to work together to identify promising young companies and work with them to grow sales.

The pact adds an important rung to the ladder for the city’s blossoming startup scene.

While many companies attract angel investors, it’s difficult to cross what some call the “valley of death” between seed investment and the $10 million in annual sales necessary to attract more serious attention from life-sustaining venture capitalists and investment bankers.

The new deal means Meriwether Group and Cascadia Capital will focus on nurturing companies from Point A to Point B.

They plan to announce their first joint transaction in March.

“It’s very intriguing,” said Linda Weston, CEO of the Oregon Entrepreneurs Network. “Those are two really good groups. The more we can do to help companies grow the better.”

Terms of the agreement were not disclosed. The two companies will remain independent.

Similar to other investment banking and consulting arrangements, Meriwether and Cascadia Capital
will charge clients fees.

Meriwether Group, which primarily works with food and beverage and active lifestyle brands, will do a lot of the grunt work.

“I see myself as boots on the ground for Cascadia in Portland,” said Meriwether CEO David Howitt.

Howitt and his team of five employees typically work with promising companies that are two to three years away from the $10 million in sales threshold that Cascadia Capital favors.

Howitt, a former Adidas North America general counsel, founded Meriwether in 2004 after he and wife Heather Howitt sold Oregon Chai, a business they founded in their kitchen.

**The firm has two “silos.”**

The first is a small venture capital fund that invests in young companies. The fund is fully invested after putting between $200,000 and $1 million into seven companies. It has no immediate plans to raise a second fund.

The second part of the business is Meriwether Accelerators, a consulting arm that works with businesses to grow sales.

Meriwether has worked with several well known companies including Stumptown Coffee, Burgerville, Kettleman’s Bagels and Rejuvenation Inc.


“It opened doors to other people in the industry which was really before we started raising money” from investors, said CEO Tarran Pitschka, who called Howitt “very well connected” in the industry.

Cascadia Capital is equally as well respected by peers. The Seattle-based investment bank this week won the 10th Annual M&A Advisor Award in the Industrial Manufacturing/Distribution category.

“Cascadia represents the best of the M&A industry in 2011 and earned these honors by standing out in a group of very impressive finalists,” said Roger Aguinaldo, CEO of The M&A Advisor, in a news release.

The firm’s Oregon market leader is managing director Christian Schiller, who was recently named a 40 Under 40 award winner by the Puget Sound Business Journal.

Schiller spends roughly five days a month in Portland.

“It’s a big focus for us,” Schiller said. “We’re committed to Oregon for the long term.”

Schiller added that there is an “amazing number” of exciting young companies in the two industries
in which Meriwether Group specializes: natural and organic foods and consumer products.

He credited stalwarts like Nike Inc. and Columbia Sportswear for training much of the executive talent that’s now powering the city’s robust startup community.

“The percentage of (exciting) companies in Portland, for the size of Portland, is just amazing. Through this partnership, companies that on a boot-strapped basis have done well will hopefully be able to tap advice and access capital to grow even faster.”

Matthew Kish covers banking, finance, footwear/apparel and higher education.
It’s not always ‘selling out’

Staff Portland Business Journal

Portland is known for its innovative, creative and original thinkers.

You’d never know it by the way some Portlanders react when a local company is sold or partners with a deep-pocketed investor.

Every sale of — or big investment in — a local company is inevitably followed by chants of “sellout,” followed by guffaws and self-righteous protests on Facebook and other social media.

Remember the indignation after Stumptown Coffee accepted an investment from a private equity fund?

That sort of simplistic thinking is detrimental to the city’s world-class aspirations.

Portland is home to an enviable group of entrepreneurs. As their companies grow, they need access to capital. That means teaming up with investors, often those from outside of Portland.

Without question, the loss of a headquarters hurts. But the next Nike won’t magically appear in Portland. It’ll grow with the help of outside capital.

That’s why the public discourse needs to change.

Portland’s Meriwether Group already is leading the charge.

As reporter Matthew Kish details in his story on Page 1, the company has brokered investments in several iconic Portland companies in recent weeks, including Dave’s Killer Bread, the Bike Gallery and Laughing Planet.

Each deal was designed to preserve the company’s Portland roots and fuel an expansion effort, pumping critical cash into the coffers of some of the city’s brightest brands.

Meriwether Group CEO Dave Howitt said it’s possible to have the best of both worlds — cash for expansion and the preservation of a company’s DNA.

Hopefully more Portlanders will soon think like that.