



December 12, 2007

## American Management Services to Make Buys, CEO Says

American Management Services, the private Florida-based small business support firm, will make multiple buys in the near term, said CEO George Cloutier.

The company is currently considering several potential acquisition candidates and will start negotiations in 2008, Cloutier said. American Management Services aims to buy a company offering insurance services that can be tailored toward small businesses, he said, adding that the target could have up to USD 25m in revenues, similar in size to AMS. The company is not currently working with a banker for M&A, but AMS will soon make a decision on which banker it will use, said Cloutier.

He pointed out that AMS has no debt, and has lines of credit that extend "moderately into eight digits," that have remained unused, adding that he anticipates AMS can make M&A moves just with its existing funds and credit.

AMS aims to triple its size in growth over the next five years, then either IPO or sell, he said, adding that it is more likely at this point AMS will IPO. The company offers management and organizational services exclusively for small businesses.

AMS, which moved recently from Massachusetts to Florida, has revenues of about USD 25m and 150 employees. The company is mostly owned by Cloutier, but Harvard University holds an 8% stake and options have been distributed to about 25 company employees, he said.

Cloutier, 61, said he would like to continue running the company after its IPO, but added he has no child who might succeed him after his retirement. "The best kind of family business is the kind with one family member," he said. He attended both undergraduate and business school at Harvard University, where his thesis addressed ways to improve management of smaller businesses.