

# Michael S. Goodman

## Marathon Man

*Michael S. Goodman is a founding partner and managing director of SSG Capital Advisors. With more than 15 years of experience in the special situations industry, he has completed more than 100 client engagements involving restructuring, private placements, and sale transactions on behalf of companies facing operational and financial challenges and/or bankruptcy proceedings.*

*Past clients include publicly traded and privately held middle market and lower middle market companies across almost every industry sector. Goodman is an expert source and frequently speaks on topics ranging from the state of the capital markets to alternatives available to companies in transition. He has written for a number of publications, including the Dow Jones Daily Bankruptcy Review, Philadelphia Business Journal, ABL Advisor, and Financier Worldwide. He serves on the TMA Philadelphia Chapter's Board of Directors as vice president of programming.*

**Q** How did you gravitate into turnaround and restructuring work? Most people seem to land there by accident.

**GOODMAN** That was the case for me. When I started in the field in the 1990s, it was very much a small community. I started my career in New York and ultimately wanted to move back to Philadelphia, which is my hometown. There was a family office in Philadelphia that had a financial services arm, so the junior employees there could work in special situations investment banking and mainstream investment banking, as well as private equity.

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At the time, what probably most drew me to that institution was the opportunity to work in private equity. When it came time to dedicate myself, I realized that I liked the greater velocity of deal flow in investment banking, as compared to private equity. I'd like to rewrite history and say that I also realized that lower middle market and middle market special situations investment banking was an underserved niche and that there was a great growth opportunity there, but I definitely didn't have the foresight to see that at the time. I just really liked the group of professionals who were in the special situations group.

So, I joined them, and here I am 15 years later, still working with the same group from back then, and we haven't driven each other crazy yet.

**Q** Things have changed a lot over the past 15 years, haven't they?

**GOODMAN** Dramatically. Aside from some down-and-dirty asset-based lenders, there was a very limited universe operating in the restructuring space at the time. Our special situations group, when we were part of the larger entity, was always a bit of the ugly duckling of the group. My sense is that even in law firms, the bankruptcy departments back in the '80s and '90s were the ugly ducklings of the law firms.

Even as recently as the late 1990s and early 2000s, there were very few—I could probably count them on one hand—private equity funds that focused on distressed transactions in the lower end of the market. But once the economy turned sideways in the early 2000s, suddenly a tremendous amount of brain power went into the restructuring field, from private equity to lending to investment banking to consulting, and it's now a huge market. For example, there are literally hundreds of private equity firms now that have an appetite for distressed transactions.

**Q** So it's a lot more competitive these days?

**GOODMAN** Very much so.

**Q** Over the years, what have been some of your favorite or most gratifying transactions?

**GOODMAN** Many of our transactions are high-wire acts. You need to move

quickly. The outcome, if we fail, is a liquidation of the business and the loss of many jobs, so there's a lot of pressure. I can't say it's usually enjoyable when you're in the middle of it, but if you get a going concern transaction completed under those circumstances, it is very gratifying.

We worked with a company in the Pennsylvania area called Boscov's, which is a large general merchandise retail chain. It was in the midst of the Great Recession, when it was very difficult to source third-party capital to keep retailers from liquidating. The family ownership contributed equity, and we were able to source capital around their equity, including contributions in the form of second lien loans from the state of Pennsylvania and certain municipalities where they had stores.

We were able to roll over the senior debt and actually bring in new participants into the senior debt facility—at a time when almost nobody was lending—and to get a deal done. I believe at the time Boscov's was the second-largest employer in the state of Pennsylvania, so completing that transaction was very gratifying in such a difficult market.

Another interesting deal, which was a unique financing rather than a turnaround, involved raising capital for a company called OTG Management. They were one of the first companies to put higher quality restaurants in airports. We raised a facility for them to build out the food and restaurant program at the JetBlue terminal at JFK Airport.

That deal was interesting because one, it was a good growth story, as opposed to a lot of our more distressed transactions. But it was also a business that really resonated with me in the sense that I had often spent time in airports desperately trying to find a restaurant that was not disgusting. We sit here today and happily walk into a sushi restaurant in an airport. If you remember 10 years ago, they would never even consider serving food like that in an airport. So, it was nice to be able to support the growth of a business that really was valuable to us investment bankers on a day-to-day basis as we travel.

**Q** Who has inspired you professionally or personally as your career has progressed?

**GOODMAN** A lot of our deals are difficult to get done. There's impaired

financial performance coupled with the fact, especially in bankruptcy, that there are many, many stakeholders who emerge in the process. To keep a business alive while negotiating a transaction with multiple parties is a challenge, and it's always inspiring to see members of the management teams fight to get a deal done that might result in the loss of their jobs. But they're still fighting hard day to day, managing customers, vendors, and employees and working with all of us professionals to try to will the business to a deal. It is inspiring to see people work hard for moral reasons—to keep the business alive and to keep the employees employed—as opposed to any specific benefit that may come to them at the end of the transaction.

**Q** What role has TMA played in your career along the way?

**GOODMAN** Our firm has always been extremely active in TMA. I think early on we realized that you really only get benefits from TMA membership to the extent that you contribute. A couple of my colleagues are former and current presidents of chapters. I'm the vice president of programming for the Philadelphia Chapter. It's a lot of extra work, but in the end we realized that it's worth doing because it really allows you to develop meaningful relationships with other restructuring people in the community. So our firm and I, individually, have worked hard to grow TMA, but it's been a great benefit to us.

**Q** What advice would you give someone who was thinking about getting into your industry these days?

**GOODMAN** I think a few things. One, it's really never too early in your career to try to start to develop relationships with your peers. We typically try to return every call and take as many meetings and meet as many people as we can, even if there doesn't appear to be any direct immediate benefit from doing so. That helps build your network and certainly becomes beneficial as you advance in your organization and have more responsibilities for sourcing business.

We're proud at our firm of the fact that we've taken a lot of calls from people who have been out of work and were looking to network and source another opportunity, and we've helped a number of those people get jobs in the restructuring community. Extending

favors like that, even though it may not be in your immediate best interests—it's never too early to develop that mentality and help out people when you can.

**Q** This has always been pretty much a relationship business, and despite all the other changes in the industry, that's still seems to be as important today as it's ever been.

**GOODMAN** I agree completely. A second piece of advice would be to always keep in mind that our deals can be roller coasters. I can leave the office one day having pushed a transaction forward and feel like I'm doing a good job. I can leave the office the next day after getting a dozen rejections or seeing a deal fall apart, and think, "Why in the world am I working in this industry?" The reality is that you have to ride this roller coaster and keep an even keel and never get too high or too low.

**Q** Let's talk a little bit about your passions outside the office. How did you end up getting into endurance sports?

**GOODMAN** My job keeps me busy, so I don't have too much extra time outside

the office. I spend most of it either with my family or running, biking, and swimming. I've been a runner for the past 15 years or so. Like a lot of people who got into triathlons, when I was a lot younger I saw the Ironman in Hawaii on TV one Saturday afternoon, and it developed a mystique in my mind. I had always thought about going into triathlon ever since I saw that.

About three years ago, I decided that if I'm ever going to achieve this goal, I'd better learn to swim efficiently and buy a bike. The sport really took hold of me, and it's now something that I'm very active in. I do about a half-dozen running races a year and about a half-dozen triathlons a year and train usually six or seven days a week.

**Q** Do you travel around to competitions or are they mostly around your area?

**GOODMAN** Triathlon is one of the fastest growing sports in the world, so there are a ton of races that are within driving distance. I think when I'm older and have more time, I'd like to go to some of the more exotic locales that host races. But because I have a family and

young kids, I try to stay local. Fortunately, there are plenty of options just in the Philadelphia area.

**Q** What would people who know you only professionally be most surprised to learn about you?

**GOODMAN** The one thing that people are often surprised about it is that I do look, fortunately, a little younger than my age, and I probably act a little more immature than my age. So when people learn that there's a "4" in front of my age and that I have three kids, the oldest of whom is 12, they're often surprised.

**Q** What items are on your personal bucket list?

**GOODMAN** When you have young kids and you're in this field, you tend to be more focused on getting through each day rather than longer term goals. However, the one thing that I've wanted to do since I watched my first triathlon is to compete at the Ironman distance (2.4-mile swim, 112-mile biking, 26.2-mile run). I entered my first Ironman in Lake Placid, NY, which will take place in July. It would also be nice to see the Eagles win a Super Bowl while I'm alive. ■

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