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FinPro's gateway to expansion starts in Midwest

By Joe Mantone

FinPro Inc. has expanded to the Midwest and might not stop there.

Michael Iannaccone joined [FinPro Capital Advisors Inc.](#) in October and is leading the build out of the company's Midwestern investment banking business. FinPro, which focuses on community banks, is based in Gladstone, N.J., but Iannaccone works out of Chicago.

"It's our first remote geographic location," said Donald Musso, FinPro's founder, president and CEO.

FinPro has two managing directors, David Mangian and Allen Clark, in the Midwest, but they are part of the company's regulatory advisory practice. In Chicago, Musso plans a bigger investment banking build, intending to hire other investment bankers and support staff to work with Iannaccone and to add professionals who can offer consulting services.

"We expect to have a pretty good-sized office out there in a couple of years," Musso said. "And then we may duplicate something like that down in the Southeast."

If FinPro pursues a Southeast build, Musso said he could consider any number of locations to add an office, but two possible areas he noted were Tampa, Fla., or Atlanta. FinPro has been gaining business in the Southeast, but he believes having an office in the region is the best way to grow the practice in that part of the country. Musso said his company has a strong presence in the Mid-Atlantic and New England and has been executing some bank and thrift deals in the Midwest.

For instance, FinPro has advised on four M&A transactions with targets in the Midwest from Jan. 1, 2014, through Dec. 20, 2015, according to SNL data. Musso said the company has a number of clients in the Midwest, and he believes having the Chicago office will allow FinPro to better serve them.

"Instead of having to fly all the time, it makes more sense to have boots on the ground out there," he said.

For the Midwest expansion, Iannaccone was Musso's hand-picked choice. Musso reached out to Iannaccone and asked him to join FinPro.

"He's a really smart guy," he said. "Not only does it give us a sales presence out in the Midwest, it gives us real bench depth."

Throughout his career, Iannaccone has worked with several firms including [Keefe Bruyette & Woods Inc.](#) and [Howe Barnes Investments Inc.](#) Most recently, he ran his own business, MDI Investments Inc., which will continue to offer consulting services to companies looking to take out bank loans. Iannaccone said there is a tradeoff in working for a larger company as opposed to running a business.

"The benefits of having your own shop is to have autonomy in your own schedule and your decisions," he said.

The negatives of running a business include having limited funds and dealing with administrative aspects such as working with accountants to ensure the company's books are in order, Iannaccone said.

"A lot of people don't realize how much of your time that takes up," he said about the administrative aspects of

running a company. "That takes up at least 40% of your time."

Along with having administrative support, FinPro will also give Iannaccone access to other client service resources, such as asset liability and enterprise risk management models. Iannaccone believes he can help build out the Midwest practice by recruiting others like him: experienced community bank i-bankers who would enjoy being part of a bigger platform.

If the geographic expansion works out, Musso could turn his attention to an IPO for FinPro. He said the success of Stonehall Innovations, a FinPro-backed venture [investing](#) in startups and entrepreneurs, could determine if FinPro goes public.

"If it takes off, then I might not [pursue an IPO]," he said. "If we just stay big in consulting and investment banking, then I might."

Musso understands that going public would bring the company into "a whole new arena," and he would not make that sort of decision hastily. Still, he is not ruling anything out.

"We're looking at everything all the time," he said.