It was a fairly quiet year for acquisitions. AsteelFlash, a former CIRCUITS ASSEMBLY EMS Company of the Year, and Creation Technologies, this year's winner made their near-obligatory deals, but for the most part, the top two EMS tiers were quiet, while Viasystems' purchase of DDi and Cadence's acquisition of Sigrity, respectively, were the largest two fab and design deals. Then in early November, the earth was shaken by two huge announcements.

In early November, just days after Cookson announced it would split in two and spin out Alpha Metals and Enthone as a separate company, Dover said it too would divest its electronics assembly and test businesses. And just like that, we are primed to lose two of the longstanding electronics supply-chain brand owners.

For Cookson customers, the first question must be, what will this mean for Alpha and Enthone? My take is not much. Here's why:

1. The company will remain public, and the shareholders are the same. (Under the proposal, Cookson shareholders get one share in each of the two new companies.) Had this been an MBO or private equity deal, I would expect slash and burn. But the transition as planned should bring much-desired stability to the new organization.

2. The upper management isn't changing. Had Cookson Performance Materials group CEO Steve Corbett left, I might think differently. But Corbett, who joined Cookson in 1990 and has run Enthone since 2002 and both companies since 2004, is highly responsible for the existing management and operational structure. He knows what he is doing, knows the markets and understands the brands.

3. The debt is manageable. Alent (the new name of the former Cookson Performance Materials) will "get" about one-third of Cookson's £451 million ($727 million) worth of debt. Given the new company's sales of £418 million ($675 million) and profitability, it should be able to swallow that meatball.

4. The brands are intact. The Alpha and Enthone brands are well-recognized and respected worldwide. Indeed, after spending some time trying to beef up the somewhat unwieldy Cookson Performance Materials name, the company reversed gears and has been working over the past year to rebuild those individual brand names. Perhaps this was in anticipation of the demerger, but either way, the strategy was well-timed.

In fact, the only casualty I see in all this is the 300-year-old Cookson name. One wonders whether it was seen as a negative by either of the spinoff companies.

And so goes Cookson. From its founding by Isaac Cookson in 1704 as a collection of metal and glass businesses to its aggregation and subsequent divestment of a herd of electronics equipment and materials companies in the 1980s and 1990s, Cookson has always been in a transition of some sort. This latest move appears to be its final one.

As we went to press, the future of the Dover businesses was much less clear. Dover hasn't said whether it will sell the businesses piecemeal, as it did with Universal Instruments and Vitronics-Soltec in 2006. The brands on the block – DEK, OK International and Everett Charles Technologies among them – probably brought in at least $1 billion in annual revenue prior to 2012's drop-off, and have traditionally been higher margin performers as well. Not many equipment companies have pockets deep enough to absorb the price Dover will ask. Yet that's what employees of those businesses must be hoping for right now, as the scorched earth tactics of the private equity companies have been excruciating for everyone involved.

We don't think this was a quick decision brought about by this year's slump. Sources tell us Dover has been discussing the possible divestiture of these businesses for nearly a year. The guess here is that Dover's management is tired of the endless boom-bust cycles of the electronics industry. It's hard for an equipment company to meet Dover's goal of 10% revenue growth and 15% operating margins year in, year out. We also believe Dover has a buyer on the hook, as some might recall that when Dover announced the impending divestiture of Universal, the deal went through a month later. Who that buyer is (ITW? Nordson?), and at what price, are now the questions.

Urgent 'bulletin.' In November, we launched Board Talk, the bulletin board for the PCB industry. The new board – theprintedcircuitboard.com – has categories for PCB design, fabrication, assembly, market data, trade shows and press releases. Members are invited to create their own topics (threads) for discussing anything industry related that they have on their mind.

We also are happy to announce an agreement with the IPC Designers Council to offer Board Talk as a communications center for news, announcements and meetings, plus information on the Designers Certification program. Please check it out.

Happy holidays and best new year wishes to all.

Mike Buetow
mbuetow@upmediagroup.com
@mikebuetow