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Event Summary: **Midlands - Insider Dealmakers Lunch Series** **Buy & Build**

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Last week, my colleague Simon Thomas and I attended the Midlands *Insider Dealmakers Lunch Series* which focused on Buy & Build strategies. It was great to hear from investors, corporate acquirers, advisors and operators who are actively executing these strategies across the UK and Europe.

Buy & Build continues to be a dominant driver of mid-market growth. What was particularly interesting in this discussion was how much the model continues to evolve. While access to capital remains important, the conversation has clearly shifted. Increasingly, the differentiator between successful platforms and those that struggle is not simply the deal itself, but the strength of underlying strategy, leadership capability and operational discipline that supports it.

Below are ten key themes that emerged from the discussion, along with some broader reflections on the main takeaways from the event.

1/ **Buy & Build only works with real strategic clarity**

One of the clearest messages was that acquisitive growth should never be opportunistic for its own sake. The strongest platforms are deliberate and disciplined in how they approach acquisitions. They know what type of business fits their strategy, what capability or geography it adds, and what specific value they expect to create post-acquisition. The key question that repeatedly came up was simple but powerful - Why this business?'. Not just because it is available, but because it strengthens route to market, adds capability, increases geographic density, deepens sector exposure or unlocks operational leverage.

One of the corporate buyers described how M&A is treated internally as a core growth lever alongside organic expansion, rather than an occasional activity. They talked about having a standardised model, business case framework and integration playbook that sits inside the operating model of the organisation. They explained that

acquisitions are not just about completing transactions, but about identifying where the business can actually add value operationally, whether that is through manufacturing capability, route to market, product adjacency or operational efficiency. The implication was clear: the success of the strategy depends less on access to capital and more on whether the leadership team can consistently identify opportunities and execute them effectively. In other words, value is not created simply by doing transactions. It is created by acquiring businesses that fit a clear and repeatable strategic thesis.

2/ The market has moved decisively from narrative to data

Another consistent theme was how much expectations around deal preparation have increased in recent years. Historically a compelling information memorandum and a well-articulated story could carry a process a long way. Today buyers expect clean and credible data quickly. Operational metrics, financial transparency, models and evidence increasingly sit at the heart of a successful process. The story still matters but it must now be supported by data that demonstrates performance clearly and consistently. A phrase that came up several times during the discussion was the need for a single source of truth. Clean and consistent information allows management teams to retain credibility and control throughout diligence and helps avoid confusion or conflicting narratives during a process.

3/ Preparation and process control are major advantages

Preparation ultimately translates into control of the process. The best prepared vendors can control the pace of the process, sequence the release of information effectively, and anticipate the key questions buyers will ask during diligence. When preparation is poor the dynamic flips quickly - the seller becomes reactive while the buyer takes control of the process. One interesting observation during the discussion was that every business has downsides and potential issues. The difference between a strong and weak process is not whether those issues exist but whether the management team understands them in advance and has a clear explanation for them before they are uncovered during diligence.

4/ Transaction readiness is becoming a capability in its own right

The quality threshold across the market has risen significantly. Buyers are more experienced, advisors are more sophisticated and repeat acquirers have developed increasingly structured approaches to executing transactions. As a result, transaction readiness now spans far more than just financial reporting. It includes operational data, management alignment, legal readiness and clear communication between advisors and leadership teams. Businesses that treat deal readiness as an operational discipline rather than a one-off exercise tend to run stronger and more efficient processes.

5/ Communication often determines success or failure

Several panellists made the point that many deals do not break down because of financial performance or legal complexity but because of misalignment between the parties involved. If the proposition, the scope of the deal, the timeline or the valuation expectations are not clearly articulated early in the process then misunderstandings can accumulate and ultimately derail the transaction. Clear communication and expectation setting early in the journey is often the difference between a smooth process and one that becomes difficult to manage.

Another recurring theme was the importance of bringing realism to valuation expectations early in the process. Unrealistic expectations around price can undermine a transaction from the outset. The most effective advisors are those who are willing to have honest and sometimes difficult conversations with owners early rather than allowing unrealistic expectations to persist. While these conversations can be uncomfortable, they ultimately help build credibility and lead to more successful outcomes.

6/

The most successful acquirers industrialise the M&A process

One of the more interesting insights was how repeat acquirers are increasingly industrialising their approach to acquisitions. The strongest platforms develop repeatable frameworks around acquisition criteria, diligence processes, integration planning and internal governance. In these organisations acquisitions are not treated as occasional opportunities but as a core component of the operating model. M&A becomes embedded in the strategy of the business rather than being treated as a one-off activity.

7/

Integration is where value is actually created

Another strong theme was that closing the deal is only the beginning. The real work starts once the acquisition has been completed. Value is realised through effective integration and execution. Many of the most experienced acquirers now plan integration well before completion and think carefully about what should happen on day one and during the first few months of ownership. At the same time there was a strong warning against over integration. If a business is acquired because of its entrepreneurial culture or strong customer relationships, then imposing a heavy corporate structure too quickly can undermine the value that made the business attractive in the first place.

8/

People and Culture are one of the biggest hidden risks

Despite all the discussion around process and systems, the conversation repeatedly came back to people. In many mid-market acquisitions the buyer is acquiring founder-led or owner-managed businesses where customer relationships and company culture are closely linked to individuals. Understanding founder motivations, management alignment and employee sentiment can be just as important as understanding the financial performance of the business.

One particularly interesting example came from a buyer who described walking away from an acquisition because of concerns about cultural fit rather than financial performance. Although the business itself appeared attractive, there were concerns that the management team and employees would struggle to adapt to the structure and expectations of the acquiring organisation. Another contributor emphasised that they always try to meet key staff members prior to completion because - in service businesses in particular - the value of the company often sits with the people delivering the service rather than the assets themselves.

This reflects a growing recognition that cultural misalignment can undermine an acquisition even when the financial logic is sound. Family-owned businesses often introduce an additional layer of complexity. Different generations within the ownership structure may have different motivations and expectations. Some may be focused on long term legacy while others may be focused on financial outcomes. Conversations happening within the family are often invisible to advisors and buyers which can make these processes particularly nuanced. For many founders the transaction is about more than price. Reputation, legacy and the future of employees are often just as important.

9/

Value creation is broader than cost synergy

Another interesting point was that Buy & Build value creation is far broader than simply reducing costs. The most successful acquirers focus on capability expansion, geographic density, route to market, cross selling opportunities and operational improvement. The goal is not simply to acquire earnings but to create incremental value that would not have existed without the combination of the businesses.

10/

M&A is increasingly embedded in strategy

Perhaps the most significant takeaway overall was that for the most sophisticated organisations acquisitions are no longer treated as occasional events. Instead, M&A is embedded within the overall growth strategy of the business

alongside organic expansion and operational improvement. Pipeline development and internal strategic alignment often begin long before businesses formally come to market.

Overall Reflection

Stepping back from the discussion, the consistent thread running through these themes is 'leadership capability'. Capital and deal appetite remain important but increasingly they are not the real differentiator in a successful Buy & Build strategy. What ultimately determines success is whether the leadership team has the capability to repeatedly identify the right opportunities, execute transactions in a disciplined way, and then integrate those businesses in a manner that genuinely creates value.

Many of the challenges discussed during the session are not purely transactional challenges. They are leadership challenges. Articulating a clear strategic thesis requires leaders who understand both the market and the operating model of the business. Running a disciplined acquisition process requires leadership teams who are credible with investors, advisors and sellers. Integrating acquisitions requires leaders who can balance operational rigour with cultural sensitivity while bringing new management teams into the fold without undermining the entrepreneurial energy that made the business attractive in the first place.

In our experience these leadership challenges become particularly pronounced once a Buy & Build strategy begins to accelerate. The first acquisition often feels manageable because the organisation can absorb it within the existing structure. The complexity increases rapidly as the group expands. Leadership teams suddenly need to manage multiple operating units, integrate new management teams, standardise governance and reporting, align cultures and maintain strategic clarity while continuing to execute further acquisitions. That transition from a single business to a scaled group is often where the real leadership challenge emerges.

From Directorbank's perspective this is exactly where executive search and leadership advisory can add meaningful value. Much of our work with Private Equity-backed and acquisitive businesses focuses on ensuring that leadership capability within the organisation evolves in line with the growth strategy. That may involve identifying leaders who can operate effectively in Buy & Build environment, strengthening the senior team ahead of further acquisitions or assessing the leadership capability required to deliver a value creation plan across multiple businesses.

Equally important is understanding the dynamics that come with integrating founder-led businesses into larger groups. Many successful acquisitions involve talented founders or entrepreneurial leadership teams who have built strong businesses but are now transitioning into a more structured ownership environment. Ensuring alignment between those leaders and the acquiring organisation is often critical to unlocking the value that underpins the investment thesis.

As Buy & Build strategies continue to mature across the UK mid-market the demand for leaders who can operate effectively across strategy, operations and integration will only increase. Businesses increasingly need executives who can manage complexity, integrate diverse teams and translate acquisition activity into sustainable commercial performance. That is where thoughtful leadership assessment, succession planning and executive search become an important part of the value creation toolkit, rather than simply a reaction to vacancies.

For me that was one of the most interesting underlying themes from the discussion - no matter of sophisticated the transaction process becomes, the ultimate success of a Buy & Build strategy still depends on people and leadership.

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