Newsletter

Midwest M&A for Smaller Businesses Continues to Run Below Pandemic Peaks

Across the Midwest, small and midsize business acquisitions remain below the activity levels seen in 2021. Industries central to the region—manufacturing, agricultural technology, logistics, and specialty fabrication—have seen steady deal flow, but total valuations continue to trail their previous peaks.

Last year, U.S. acquisitions under $300 million totaled roughly $8.7 billion. Although this is national data, Midwest deal activity reflects a similar pattern, with transactions concentrated in practical, cash-flow-focused sectors rather than high-valuation coastal tech deals.

Midrange deals between $100 million and $300 million remain significantly lower than their highs of the last decade. A single large acquisition—often occurring outside the Midwest—can outweigh the combined value of all regional small business purchases.
Smaller transactions under $100 million also dipped sharply in 2024 but have begun to rebound. Many of these involve family-owned manufacturers, farm-supply distributors, HVAC and trades operations, regional trucking fleets, and local software companies.
Returns are mixed: solid for businesses with controlled costs, weaker for those impacted by supply chain disruptions or labor shortages.
No dominant acquirer exists in the Midwest small-business market. Buyers range from regional operators expanding service territories to national companies making strategic tuck-ins. While many buyers can afford competitive pricing, deal terms often hinge on workforce stability, recurring revenue, and regional customer relationships.

{industry analysis based on PitchBook-sourced Midwest M&A data, IBBA/BizBuySell, DAK Group, and SRS Acquiom reports}

A note from our CEO

One thing I've been reminded of lately—from the conversations I've had with owners—is that selling a business is as much a personal journey as it is a financial one. Every owner I speak with has a story behind their company: early risks, late nights, big wins, tough calls. And when the time comes to think about what's next, it's completely normal to feel a mix of excitement and uncertainty.
That's why preparation matters so much. Not just to get a better valuation, but to give you the confidence and clarity you deserve throughout the process.
Our team is here to help you make sense of the options, understand where your business stands today, and chart the path that aligns with your goals—whether you're thinking about selling soon or simply planning ahead.
If you ever want to talk through your plans or just get a sense of what the market looks like right now, my door is always open.
Wishing you a great month ahead,

Best,

TJ Sainsbury

Administrative Professionals Day
April 22nd

Case Study

How we helped a client in one of the fastest growing sectors....

Midwest
Preserving a Legacy: The Sale of a Top-Ranked Daycare

When the Owner of one of the area's top-ranked daycare centers approached us, selling wasn't just about price. After decades of building a trusted environment for children, families, and staff, the Owner had one overriding concern: protecting the culture and quality of care that made the center special.
Several large childcare chains and private equity groups saw the strong reputation, long waitlist, and consistent financial performance as an attractive acquisition opportunity. But those buyers often bring standardized programs, centralized management, and operational changes that can alter the character of a center.
For this Owner, that simply wasn't the right fit.

Our role was to guide a process that prioritized both value and legacy.

We worked closely with the Owner to identify buyers who shared the same philosophy about early childhood education and community relationships. After careful screening and conversations, we introduced a small, mission-driven buyer who deeply respected what had been built. Rather than overhaul the business, the buyer's vision was to preserve the center's culture, support the teachers who made it exceptional, and empower the existing management team to continue leading the program.
The transaction closed smoothly, providing the Seller with a successful financial exit while ensuring the daycare's families and staff experienced continuity rather than disruption.
Today, the center continues to thrive under new ownership—still delivering the same level of care and community trust that earned its top reputation in the first place.
For us, the best deals aren't just about selling a business. They're about finding the right steward for what someone spent a lifetime building.

Your business health and wellness are important

Wellness programs do more than support employee health. They can lower your healthcare bills, cut down on absenteeism, and increase productivity by 25-30%. It's no wonder 79% of CEOs in a survey of 1,500 leaders said their programs pay off. And for small businesses, the impact is even bigger—better morale, stronger mental health, and a real edge in hiring and retention.

[scienceinsights.org],[wellhub.com],[psychology.iresearchnet.com]

Fast Growing Sectors in 2026

Child Services and Home Maintenance Franchises See Rapid Growth

Child services and home-maintenance are two of the fastest-growing small-business sectors, both nationally and across Wisconsin and Arizona, according to the International Franchise Association's 2026 outlook.

As parents return to in-person and hybrid work, demand for reliable, curriculum-based childcare continues to rise—particularly in established communities.

At the same time, remote and hybrid work has fueled steady growth in residential maintenance and home-services franchises, a trend especially pronounced in fast-growing Arizona markets.

[stachecow.com]

Both sectors offer accessible entry for individuals seeking new business ownership. Child services and residential maintenance franchises tend to provide:

- Built-in brand recognition
- Established operational systems
- Training and ongoing support
- Reliable revenue models
- Rooted customer relationships

This combination has positioned the industries as top choices for entrepreneurs with low entry barriers and recurring revenue potential, these sectors are becoming attractive opportunities for new entrepreneurs seeking solid and lifestyle-friendly business models.

[academyofbusinesscredit.com]

What Drives your Business?

The answer can impact your Exit Strategy

Determining your **ideal exit strategy** requires aligning financial outcomes with longterm personal objectives.

The comparison table outlines the most common routes.

Strategy	Ideal For	Pros	Cons
Strategic Sale	Maximizing Price	Highest Value via Strategic synergies	Rigorous examination: culturtal evolution
Private Equity	Growth-minded Owners	Professional expertise	Shared control alongside a longer exit horizon
MBO (Management Buyout)	Continuity	Preserves culture; less due diligence	Funding constraints impact cash at closing
ESOP	Legacy & Employees	Tax efficiency paired with employee benefits	Structural complexity impacts valuation potential
Family Succession	Keeping it in the Family	Preserves Legacy	Family alignment required; longer transition

Small Businesses in 2026
Workforce and Hiring

After a period of slow hiring, small businesses are expected to rebound in employment.

About 35% plan to hire additional employees, while most maintain current staffing levels.

Tips for success:

Craft Strong Job Descriptions: Avoid vague job descriptions that create confusion. Instead, focus on specific, clear job requirements that align with the role's success criteria

Be Transparent About Pay: Pay transparency is becoming a standard in the industry. Being upfront about pay ranges early in the hiring process can help attract qualified candidates

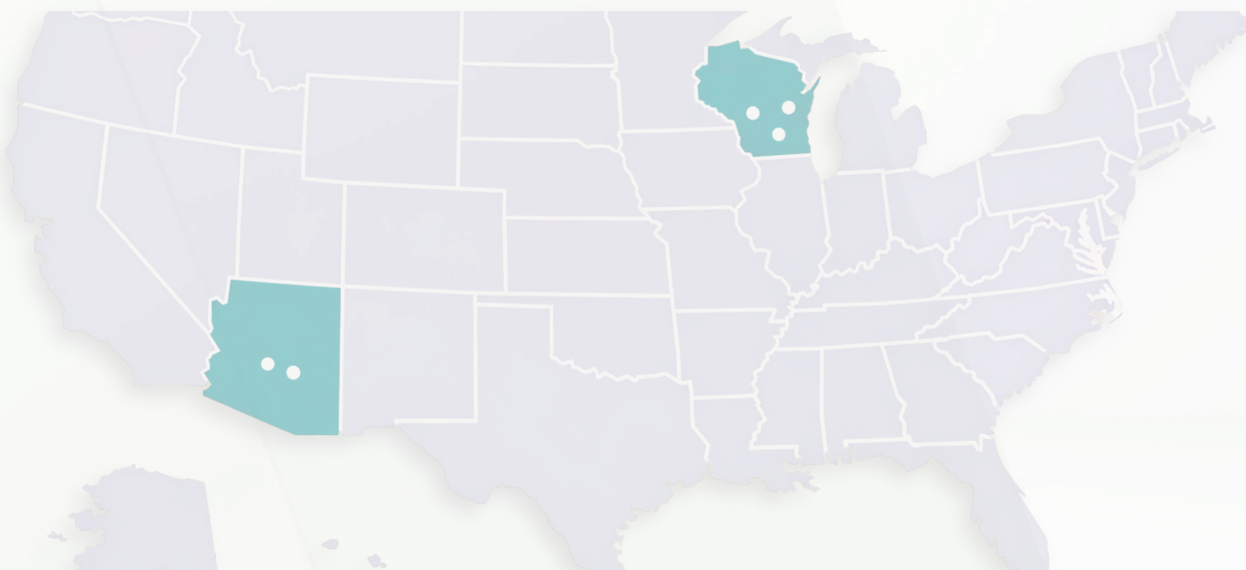
About SAVVY

Sell-side M&A

Business Evaluation

M&A Advisory

While selling a business can be daunting, we strive to stay one step ahead and reduce your stress during the process. Our highly skilled Brokers help you plan your exit from valuation, to marketing and negotiation, to being there at the final closing. We exclusively represent you, the business Owner.



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