

Why Mergers and Acquisitions Aren't Just for Big Corporates Anymore

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Key Takeaways

- Technology, private capital and changing business models have made it possible for startups, small businesses and solo entrepreneurs to use M&A as a growth strategy.
- Micro-private equity is emerging as a powerful force, with entrepreneur-led firms targeting \$1-10 million businesses.
- Many entrepreneurs may still be hesitant when they hear “M&A,” but the truth is that the process is manageable for smaller deals and there is far less complexity than multi-billion-dollar transactions.

For decades, mergers and acquisitions (M&A) were seen as the playground of Wall Street bankers and Fortune 500 CEOs – deals worth billions, conducted in glass towers, with teams of lawyers and investment bankers running the show. If you were a founder, a small business owner or an entrepreneur bootstrapping your way to growth, M&A felt like something far out of reach.

That's no longer the case. The landscape has shifted dramatically in the past decade. Technology, private capital and changing business models have opened the doors for entrepreneurs of all sizes to use M&A as a growth strategy.

Whether you're a \$2 million ecommerce brand, a local service provider or a SaaS startup still under \$5 million ARR, acquisition is no longer off-limits. In fact, it may be one of the smartest strategies for building wealth and scale in today's environment.

Related: 5 Reasons Small Businesses Should Consider Mergers and Acquisitions

Why the old rules no longer apply

Big corporates once dominated M&A because they had advantages smaller players lacked: access to financing, networks of advisors and the ability to absorb risk. But the rise of private equity, search funds and even individual acquisition entrepreneurs has democratized the process.

Platforms like MicroAcquire (recently rebranded as Acquire.com) and marketplaces such as Flippa have made it possible for entrepreneurs to browse, negotiate and buy businesses in ways that were unimaginable 15 years ago. Instead of a billion-dollar deal requiring months of structuring, you can find profitable businesses in the \$500,000 to \$5 million range that can be acquired with creative financing.

Just as importantly, lenders have become more comfortable funding smaller deals. Traditional banks, SBA loans in the U.S., and specialized M&A financing firms all make it possible for smaller acquirers to step in.

From startups to solo entrepreneurs: M&A for everyone

The real shift is that M&A is no longer just about consolidation for giants; it's about growth for everyone. Consider these scenarios:

- **Startups acquiring peers for tech or talent:** Instead of spending months building a new product feature, a startup can acquire a small competitor and integrate its IP. This kind of “acqui-hire” used to be reserved for companies like Google or Facebook, but now, mid-sized startups are doing the same.
- **Small business roll-ups:** Entrepreneurs are buying up multiple businesses in fragmented industries, such as HVAC, dental practices or digital marketing agencies, and creating scale through roll-up strategies.
- **Solo acquisition entrepreneurs:** A growing movement known as entrepreneurship through acquisition (ETA) is attracting people who don’t want to start from scratch. Instead of launching a risky new venture, they acquire an existing profitable business and step in as CEO.

The takeaway? M&A is no longer about size; it’s about strategy.

Related: 5 Tips for Leveraging M&A as a Growth Strategy

Why this matters now

Entrepreneurs are facing an environment where organic growth is more expensive. Customer acquisition costs (CAC) are rising across nearly every digital channel. Competition is global. Margins are under pressure. In this environment, buying growth can be faster and cheaper than building it.

A SaaS founder might spend \$500,000 on marketing to acquire new customers. But with the same capital, they might purchase a competitor already generating \$1 million in recurring revenue. Not only do they skip the time and expense of customer acquisition, but they also gain a proven business model.

This isn't theory – it's happening every day. For example, Tiny Capital, a Canadian investment firm, has built a reputation for quietly acquiring small, profitable internet businesses. Their approach mirrors private equity, but on a smaller scale, showing that these strategies are accessible even outside Wall Street.

The rise of micro-private equity

Traditional private equity firms have long executed buyouts and roll-ups. But a new class of “micro-PE” firms has emerged, targeting businesses between \$1 million and \$10 million in value. Unlike big PE, these firms don't need to chase 10x outcomes; a steady 2-3x return is enough.

What's interesting is that many micro-PEs are run by former entrepreneurs, not bankers. They understand small business operations, which makes them attractive buyers for founders who want to exit but care about legacy.

Even more exciting, entrepreneurs without institutional backing are now forming their own small funds, pooling capital with friends and family and competing in the M&A market.

Overcoming the fear factor

Many entrepreneurs hesitate when they hear “M&A” because it feels complicated, expensive or out of reach. But the reality is that most deals don't involve the complexity of multi-billion-dollar transactions.

Yes, due diligence matters. Yes, you'll need advisors, accountants, lawyers and maybe even a fractional CFO. But for smaller deals, the process is manageable. And the upside of acquiring revenue, customers and capabilities instantly often outweighs the risk.

Resources like Walker Deibel's “Buy Then Build” or Stanford's

Search Fund Primer are excellent starting points for entrepreneurs who want to learn the ropes.

Related: Think You Need Millions to Buy a Business? Think Again. Here's How to Do It Without Raising Any Capital.

What this means for founders

If you're a founder today, ignoring M&A means ignoring a powerful tool in your growth toolkit. You don't need to be a Fortune 500 CEO to use acquisition as a strategy. Instead, think about it this way:

- What capabilities would take you years to build that you could buy tomorrow?
- Who in your industry might be a competitor today, but a partner or acquisition target tomorrow?
- Could you accelerate your journey by acquiring instead of always building?

The entrepreneurs of the next decade won't just be great operators; they'll also be savvy dealmakers.

The myth that M&A is only for "big corporates" is finally breaking. With the rise of marketplaces, micro-PE firms and acquisition entrepreneurs, the doors are open for founders and small business owners to play the game.

As capital becomes more accessible and technology lowers barriers, the entrepreneurs who embrace M&A as part of their growth strategy will find themselves with an edge.

Because in the end, scale doesn't just come from building – sometimes it comes from buying.

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