



Buy-and-Build Strategies

What is a Buy-and-Build Strategy?

A buy-and-build strategy involves a private equity firm partnering with an existing business or “platform” and growing it by buying and integrating similar businesses. A buy-and-build strategy results in a business growing much faster than it could organically. Through the process of rolling up smaller businesses and consolidating operations, a company can enhance its reach, expand the breadth of its product or service offering, and achieve economies of scale.



Buy-and-build strategies can work well for small or medium sized businesses when the following factors are present: (i) the industry has many small operators, (ii) there is an opportunity to achieve economies of scale and improve operational efficiency through growth, (iii) the management team has the desire, expertise and support necessary to grow the business, and (iv) the company has sufficient access to capital to complete the acquisitions.

Heightened competition for good targets is increasing the importance of establishing the right partnership between growth-oriented management teams and providers of capital. Long-term, patient capital can provide a business operator with the flexibility needed to pursue acquisitions selectively without compromising the strategy of the business in pursuit of scale and greater EBITDA. Additionally, cultural fit is essential between the business manager and the private equity investor. With a solid financial partner in their corner, a management team can execute on a buy-and-build strategy to create meaningful long-term value for all stakeholders.

Who is a Buy-and-Build Strategy Good For?

If you’re a business owner-operator who is looking to realize some of the value you’ve created to date while continuing to grow your business, partnering with a private equity investor to carry-out a buy-and-build strategy may be appropriate for you.

Many investors seek to partner with owner-operators who want to continue working in their business. By partnering with a financial sponsor, a business owner can “take some chips off the table” through a partial liquidity event, while also accessing equity capital to accelerate growth. A financial sponsor can also bring transactional expertise and experience that supports the execution of a growth plan.

Why Partner With SeaFort Capital?

SeaFort is unlike most other financial partners. We offer long term, patient capital. We do not become involved in day-to-day operations, but we do provide expertise and support. We are committed to building trusted relationships and operating with integrity. We are looking to work with our partners to achieve growth and create wealth.

SeaFort has a successful track record of partnering with management teams to pursue buy-and-build strategies. One example of this is Cooper Equipment Rentals, which SeaFort has helped to become the largest independent Canadian-owned general equipment rental business. Since partnering with SeaFort in 2013, Cooper has expanded from three locations in the GTA to over 44 branches across Canada.

Contacting us through our website could be the first step in establishing an exciting partnership.

