INVESTORS & OPERATORS

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COVER STORY

What 55 Acquisitions Teach You About *Building a Better Business*

Stephen Saunders on building TurnPoint's M&A engine, spotting risks in founder-owned businesses, and creating value after the deal closes.

Based on Investors & Operators Ep. 161: Stephen Saunders, Operating Executive and Head of Portfolio M&A, Trivest Partners.
Hosted by Jordan Selleck, Co-CEO of 51 Labs & Founder of 51 Vets.



Jordan Selleck
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51 LABS

How TurnPoint Built Its M&A Engine

When Stephen Saunders joined TurnPoint in 2019, the company had seven brands, $100–125M in revenue, and an M&A function that was still taking shape.

Within a year, the team had found its rhythm: roughly 90% of its 55 add-on acquisitions happened over a three-year period.

The key was building a repeatable process. Stephen approached the M&A playbook as a living manual: document what works, learn from each deal, and keep improving.

THE M&A PLAYBOOK: A CONTINUOUS PROCESS

01 DOCUMENT
Map out the steps from diligence through integration.

→

02 EXECUTE
Follow a consistent process across acquisitions.

→

03 REVIEW
Identify what worked, what slowed things down, and what wasn't necessary.

→

04 REFINE
Cut unnecessary steps, sharpen diligence, and reduce friction on the next deal.

↻ *Then run it again on the next deal.*

> *"The important things about that process are actions that are very repeatable, that are very scalable, that you can do again and again to produce a same or similar outcome."*
>
> STEPHEN SAUNDERS

PROCESS NEEDS A STRATEGY

As TurnPoint expanded from a regional business into a national platform, its acquisition strategy evolved with it. The goal was no longer simply to add businesses in existing markets, but to build scale and geographic diversification.

Stephen's point: M&A and organic growth can't pull the company in different directions. Both need to support the same business strategy.

Knowing Which Risks Matter

With an M&A process in place, TurnPoint could execute deals faster. But doing more acquisitions also meant getting better at deciding which risks deserved attention.

Stephen found that private equity buyers can overcomplicate due diligence, especially when acquiring smaller, founder-owned businesses. At TurnPoint, the average add-on had $2–2.5M in EBITDA. These companies weren't built to support an exhaustive diligence process.

The bigger question was whether the business could keep performing after the acquisition.

WHAT TO LOOK FOR IN A GOOD ADD-ON

WHAT TO ASSESS	THE QUESTION TO ASK
Founder dependency	Can the business operate without the founder making every decision?
Management depth	Are capable leaders running the key functions?
Operating processes	Are there established systems that others can follow?
Employee culture	Has the founder built a team that can sustain performance?

> *"If you've got one person who's really kind of pulling all the strings and that person goes away, that makes it very tough to recover."*
>
> STEPHEN SAUNDERS

THE COST OF STARTING FROM SCRATCH

Stephen's preference was to acquire businesses with strong foundations already in place. Building a management team, operating processes, and a healthy culture takes years, sometimes decades.

With a typical private equity hold period of around five years, there may not be enough time to rebuild those foundations after closing.

THE TAKEAWAY Focus diligence on the risks that could threaten the business after the founder steps away, not just the issues that are easiest to identify before closing.

Buy at Three or Four. Take It to Five.

Finding businesses with strong foundations was central to TurnPoint's acquisition strategy. The team wasn't looking for turnarounds. It wanted successful companies that could become even better with the resources of a larger platform.

Stephen recalls acquiring businesses that were performing almost too well. When results were already at their peak, sustaining them could be difficult, setting the new owner up for a decline. The better opportunity was often a solid business with room to improve.

WHERE SCALE CREATES VALUE

WHAT A FOUNDER-OWNED BUSINESS FACES		WHAT A LARGER PLATFORM CAN PROVIDE
Limited purchasing power	→	**Better supplier pricing through combined volume**
Expansion funded from the owner's resources	→	**Greater access to capital for equipment and growth**
Practices developed within one business	→	**Proven approaches shared across the portfolio**

> *"We weren't trying to buy something that was zero and take it to five. We were trying to buy a bunch of things at three or four and take them to five."*
>
> STEPHEN SAUNDERS

Stephen uses buying another service truck as an example. For an independent owner, that investment can feel like a significant financial risk. As part of a larger platform, it's easier to fund.

THE BRIEF: WHY THE PLATFORM PAYS MORE

Purchasing power. A single HVAC shop might spend $2M to $3M a year on equipment. A billion-dollar platform spends a couple hundred million. That gets the OEM's attention, and the savings drop straight to the bottom line.

Capital. For a founder, every new truck comes out of their own pocket. Inside a platform, the same decision is routine.

Risk. As one of 50 businesses, a shop can take risks its founder never could alone.

Best practices. What works in one market can be spread to the rest. Stephen's caveat: that's hard, and it takes time to get good at.

The Best Founders Build Beyond Themselves

After working with dozens of founder-owned businesses, Stephen noticed a common trait among the strongest operators: they invested in their people. They built leadership teams, developed employees, and created cultures that didn't depend on the founder being involved in every decision.

That work takes years. And it's difficult for a buyer to recreate after an acquisition.

For owners who might eventually sell, Stephen's advice is to start preparing well before a transaction is on the horizon.

FIVE THINGS TO GET RIGHT BEFORE A SALE

01 **A team that can lead without you**
Develop capable managers across sales, operations, and administration. Buyers need confidence that the business can keep running when your role changes.

02 **Numbers you know inside out**
Identify your five most important KPIs. Know where each stands and what drives performance.

03 **Systems that don't live in your head**
Establish reliable reporting and operating processes that other people can follow.

04 **A culture worth keeping**
Invest in employees and create an environment where good people want to stay.

05 **Your own financial readiness**
Think through personal finances and estate planning before a sale becomes imminent.

THE FOUNDER DEPENDENCY TEST

Imagine stepping away from the business for 30 days.

- ☐ Who makes the important decisions?
- ☐ Can your managers solve problems without calling you?
- ☐ Does the team know which numbers matter?
- ☐ Would customers and employees notice a difference?

THE THESIS

The Deal Is Only the Beginning

Fifty-five acquisitions can transform a regional business into a national platform. But the number of deals completed tells only part of the story. Stephen's experience at TurnPoint shows that successful buy-and-build strategies require more than a steady pipeline of targets.

They need an M&A process that improves with every deal. A clear understanding of which risks matter. Businesses with strong foundations. And an operating team capable of turning the advantages of scale into better performance.

WHAT MAKES BUY-AND-BUILD WORK?

01

A repeatable acquisition process

Build an M&A engine that can scale without starting from scratch on every deal.

02

The right businesses

Look beyond current earnings to management depth, culture, and sustainable performance.

03

A clear value creation plan

Know how purchasing power, capital, and operations will strengthen each business.

04

Execution after closing

Turn those opportunities into results through integration and ongoing operations.

THE QUESTION THAT MATTERS

If your company doubled its acquisition pace tomorrow, could your people, processes, and operating capabilities keep up?

Because building a bigger company and building a better company aren't necessarily the same thing.

THE DATA BEHIND REPEATABLE M&A

+2.8

PERCENTAGE POINTS

Median annual excess shareholder return for programmatic acquirers in McKinsey's analysis of large public companies, compared with 0 for selective acquirers, over 2015–2024.

Source: McKinsey, 2026 M&A Trends. This is public-company research, not a measure of TurnPoint's performance.

Hear the Full Conversation

Stephen and Jordan cover more of the add-on playbook, HVAC multiples and why journey literature still shapes how he thinks.

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