

Chicago quietly builds an empire of small-business buyers

Chicago has long been recognized as a center of commerce and industry. Less visible, but equally important, is the city's role as a hub for a growing movement in entrepreneurship: entrepreneurship through acquisition, or ETA. While Silicon Valley has become synonymous with venture-backed startups, Chicago has quietly emerged as one of the most significant ecosystems for small-business acquisitions led by first-time CEOs.

ETA is simple in concept but profound in practice. Rather than inventing something new, aspiring entrepreneurs purchase established small or midsize businesses. They inherit employees, customers and systems, then work to grow and improve the enterprise over time. This approach offers an alternative to the high failure rates of startups, while also providing succession solutions for the thousands of baby boomer business owners preparing to retire.

Chicago is uniquely positioned in this landscape. The University of Chicago Booth School of Business and Northwestern University's Kellogg School of Management both offer classes, research and mentorship that fuel the ETA pipeline. Each year, dozens of graduates

decide to raise capital and search for businesses to buy, often with support from a growing network of Chicago-based investors. Firms like the Operand Group and Shore Capital have a presence here and invest in traditional search companies. Equally important are local families and angel investors who see ETA as both an investment and a way to sustain Chicago's middle market. NextGen Growth Partners,

accelerates learning. The city has become a gathering point for conferences (for example, Booth-Kellogg's ETA Conference on Nov. 19 at Navy Pier), informal dinners, and roundtables that connect searchers with each other and with experienced operators who have been there before.

Further, what was once a niche career path has now become far more visible to a broader audience.

Chicago has quietly emerged as one of the most significant ecosystems for small-business acquisitions led by first-time CEOs.

a homegrown Chicago fund fully dedicated to the ETA model, stands as a visible example of how institutional capital is being directed to support this path.

Beyond academia and capital, Chicago offers something harder to quantify, but just as essential: a dense network of peers and role models. The ETA journey is isolating. Often, a young professional, fresh out of business school, is suddenly running a small company in an unfamiliar industry. Having a nearby community of other searchers, operators and mentors helps reduce that loneliness and

Influencers such as Codie Sanchez, who highlights entrepreneurship through small-business acquisitions to millions of followers, and podcasts like "Acquiring Minds," which provide case studies and inspiration, have introduced ETA to people who might never have considered it.

The idea of buying and running a small business is no longer confined to elite MBA classrooms; it is increasingly seen as a viable, accessible career path for anyone with ambition, grit and vision.

The impact of this activity is felt across the region. When an ETA en-

trepreneur buys a Chicago-based company, the story is not one of cost-cutting or relocation. Instead, it is typically about continuity, growth, renewal and succession. Jobs stay rooted in the community. Local businesses get new energy, professionalization and capital for expansion. Many operators go on to buy second and third businesses, multiplying their impact. Over time, this creates a virtuous cycle: Young entrepreneurs become seasoned executives, investors and mentors, sustaining the next generation of ETA leaders in Chicago.

In a city known for its pragmatism and industriousness, ETA fits perfectly. It is less glamorous than launching a tech startup but deeply rewarding. It combines the analytical rigor of finance with the humanity of running a small business. And it highlights the power of Chicago's institutions, networks and capital to support entrepreneurship that is both profitable and purposeful.

Chicago may not shout about ETA, but in many small, quiet ways, it has become one of the movement's most important capitals. For business owners planning for succession, investors searching for new opportunities or aspiring entrepreneurs considering their next step, the city is already home.



Alex Hodgkin has been an entrepreneur, strategist and investment banker. He was instrumental in creating the University of Chicago Booth School of Business' Entrepreneurship Through Acquisition program, where he currently serves as adjunct faculty, senior adviser and entrepreneur-in-residence at the school's Polsky Center for Entrepreneurship & Innovation.



Advice for small businesses and entrepreneurs in partnership with the University of Chicago Booth School of Business.