

# WINNING FOUNDER- LED DEALS: WHAT BUSINESS OWNERS ACTUALLY WANT FROM INDEPENDENT SPONSORS

TRUST, FLEXIBILITY, SPEED,  
AND THE ALIGNMENT THAT  
CLOSES DEALS BEFORE  
THE AUCTION STARTS

# EXECUTIVE SUMMARY

The sale of a founder-led business is rarely just a financial transaction. For the owner who built the company, it is one of the most consequential decisions of their life. Understanding that distinction is not a soft observation. It is the edge Independent Sponsors can use to win deals that larger, less flexible buyers cannot.

The question most founders actually ask when considering a sale is not simply what price they can achieve, but who they should sell to. CBIZ notes directly that for many business owners, the key question is often not whether to sell but who should buy, with some owners showing a bias against private equity while others prioritize protecting their legacy. That distinction shapes everything about how an Independent Sponsor should show up in a proprietary conversation.

Capstone Partners' 2025 Middle Market Business Owners Survey captures the current mindset well. More than half of business owners surveyed plan to execute growth strategies over the next 12 months, reflecting a market that is forward-oriented rather than purely exit-driven. Owners who are thinking about long-term growth are also evaluating prospective partners on whether they can help deliver it: not just on whether they will pay the highest price.



# FOUNDERS ARE NOT SELLING A SPREADSHEET

The data is consistent across sources. PwC's 2025 Family Business Survey found that family businesses are focused on preserving legacy, protecting margins, and reinforcing core operations as their primary priorities. For an Independent Sponsor approaching these owners, leading with a thesis about EBITDA expansion or multiple expansion misses the point. The owner already knows how their business performs. What they want to understand is what the business becomes next, and who is the right partner to get there.

Legacy matters in concrete ways. PwC's survey on private company owner priorities notes that succession planning is no longer simply about finding an exit: it is a strategic process that shapes the future of the business, its people, and the owner's legacy. That framing creates a clear opening for Independent Sponsors who are willing to engage on those terms rather than defaulting immediately to deal economics.

Axial's lower middle market buyer landscape data reinforces this dynamic from a structural perspective. Independent Sponsors have maintained a strong and steady presence, accounting for around 30 percent of closed deals consistently. The model's appeal to founders is real: Axial's data shows that smaller, more nimble acquirers who value operational involvement and long-term partnerships are gaining ground. That is precisely the profile of a well-prepared Independent Sponsor who has engaged a founder directly before a process begins.





# SPEED AND FLEXIBILITY ARE TANGIBLE ADVANTAGES

Financial buyers, when well-prepared, can move meaningfully faster than strategic acquirers who are managing integration risk and board approval processes. BDO notes that financial buyers can close in as little as 90 to 120 days for well-prepared companies, and that they frequently acquire a majority stake while keeping the management team in place and offering the seller both liquidity and upside in a future transaction.

For Independent Sponsors, that speed and flexibility is a real competitive advantage when it is communicated credibly and backed by a financing plan that already exists. The seller's concern is not just price. It is certainty. A sponsor who has a lending relationship, a clear thesis, and a demonstrated ability to move without committee delays is offering something that many auction participants cannot match.

The BDO 2026 M&A landscape guide makes the point bluntly: PE firms that can demonstrate their value-add beyond price will find themselves better positioned at the negotiating table. For Independent Sponsors, that value-add is alignment, speed, and a willingness to engage on what the founder actually cares about.

# TRUST CLOSES DEALS THAT PRICE ALONE DOES NOT

McGuireWoods' 2025 Independent Sponsor Conference surfaced a theme that mirrors the broader market evidence: long-term partnership dynamics, not just terms, drive outcomes. Building a successful relationship with a seller and separately with a capital provider extends far beyond legal terms, with trust, transparency, and consistency as the core elements.

For founders, that trust is built before the LOI. It is built through conversations where the sponsor demonstrates genuine understanding of the business, its history, and its people. It is built when the sponsor asks about the employees, the customer relationships, and the founder's hopes for what the company becomes. Owners who have built something over decades notice quickly whether a buyer has done their homework or is simply moving through a deal process.

The key inference is this: Independent Sponsors can build that kind of trust more credibly than larger funds can, because their model allows for it. There is no junior deal team presenting a CIM summary. The sponsor themselves is in the room, making the case. That personal accountability is a feature of the model: and it should be treated as one.

# WHAT ACTUALLY MATTERS NOW

## 01

Approach founder conversations around their priorities first, including legacy, people, and continuity, before leading with deal structure or price.

## 02

Communicate certainty of process clearly and early. Founders are sensitive to uncertainty; a credible timeline and financing plan reduces risk in their minds.

## 03

Treat alignment as a sourcing tool, not just a closing tool. Sponsors who engage founders on long-term fit before a process often win the conversation before competitors arrive.

## 04

Build relationships with business owners before they are ready to sell. The best founder-led deals often begin with years of low-pressure contact.

CBIZ, Resiliency Amid Volatility: Three Key Trends Driving Middle Market M&A in 2025, published September 2025.  
Capstone Partners, 2025 Middle Market Business Owners Survey Report, published December 2025.  
PwC, Family Business Survey 2025, published 2025.  
PwC, Five Key Business Priorities for Private Company Owners in 2026, published January 29, 2026.  
BDO, How to Navigate the 2026 M&A Landscape, published March 10, 2026.  
Axial, The Shape of Demand: How the Lower Middle Market Buyer Landscape Is Being Rewritten, published June 2025.  
McGuireWoods, Key Takeaways from McGuireWoods' 2025 Independent Sponsor Conference, published December 2025.

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