



**GALATI INTEGRATION
GROUP, LLC**

LOWER-MIDDLE-MARKET INTEGRATION STRATEGY

STOP MANAGING WORKSTREAMS & START MANAGING PERFORMANCE

*A practical integration model for lean, founder-led platforms that need
visibility, accountability, and results more than a hundred-line project plan.*

GALATI INTEGRATION GROUP

Integration | Operating Discipline | Performance Visibility

Why The Traditional Integration Model Solves the Wrong Problem

Most integration playbooks were built for large corporate transactions. They begin by dividing the company into functional workstreams: Finance, Human Resources, Technology, Legal, Operations, Sales, Marketing, and Communications. Each workstream receives a charter, a project plan, milestones, risks, dependencies, and a weekly status meeting.

That structure can be useful when the buyer has mature functions, dedicated integration resources, clean data, and leaders who already know how to operate inside a formal governance model. Those conditions are often absent in the lower middle market.

A lower-middle-market buy-and-build may be combining several founder-led companies that each have different systems, inconsistent financial practices, limited reporting, undocumented processes, and leaders who are still learning how to run a larger enterprise. The platform does not simply need to coordinate workstreams. It needs to build the operating foundation required to understand and manage the combined business.

The central problem: Integration can complete hundreds of functional tasks and still fail to give management a reliable view of performance or a disciplined way to act on what the data shows.

THE BLUEPRINT PROBLEM

Activity Is Not the Same as Integration

Traditional workstream plans are excellent at tracking activity. They show whether policies were harmonized, systems were reviewed, benefits were compared, contracts were cataloged, and functional meetings were held. But activity tracking does not necessarily show whether the business is becoming easier to run.

This creates a dangerous form of false confidence. The integration management office can report that most tasks are green while management still cannot answer basic operating questions: Which branches are making money? Why are gross margins moving? Are acquired locations improving? Which revenue gains are real, and which are timing? Where is labor productivity deteriorating? Are synergies reaching the income statement?

The warning signs are familiar:

- The integration tracker is detailed, but the executive scorecard is unreliable or incomplete.
- Every function reports progress differently, making enterprise priorities difficult to compare.
- Leaders debate definitions and data quality during meetings instead of making decisions.
- Workstreams produce deliverables, but no one can connect them clearly to EBITDA, cash, growth, or risk reduction.
- The acquired businesses adopt new processes without management gaining better control of performance.

A better test: Integration progress should be measured by the company's increasing ability to see performance, make decisions, assign action, and produce the outcomes promised in the deal thesis.

THE LOWER-MIDDLE-MARKET REALITY

The Infrastructure Is Usually Built During the Integration

In larger companies, an integration team can often rely on established reporting, mature functional leaders, documented controls, and shared definitions. In a founder-led platform, those capabilities may not yet exist. The company may be integrating acquisitions while simultaneously building Finance, Human Resources, Operations, Technology, and executive leadership for the first time.

This difference changes the integration strategy. A large-company blueprint assumes there is already a stable management system beneath the workstreams. In the lower middle market, the management system itself is often the most important integration deliverable.

The problem becomes more pronounced after multiple add-on acquisitions. Each founder may use a different way to define revenue, measure technician or branch productivity, allocate overhead, classify customers, or evaluate profitability. Rolling those companies into one financial statement does not make them one operating company. Management needs a shared language for how the business performs.

The practical implication: Data and performance management are not support workstreams. They are the connective tissue that allows every other workstream to operate as part of one company.

PRIORITY ONE

Build a Minimum Viable Data Foundation

Starting with data does not mean launching a large technology transformation or waiting for a perfect data warehouse. It means quickly establishing enough consistency to create a trusted baseline and support management decisions. The goal is not technical elegance. The goal is usable visibility.

The first data deliverables should answer a small set of essential questions: What are the core measures of value creation? How is each metric defined? Which system is the source? Who owns the data? How often is it refreshed? What level of quality is sufficient for management use?

The minimum viable foundation includes:

A core KPI set. A limited group of financial and operational measures tied directly to the investment thesis and operating model.

A practical data dictionary. Common definitions, calculations, sources, refresh timing, and accountable owners for each metric.

A baseline by company or location. A starting view that allows leadership to distinguish integration impact from normal business movement.

A reconciliation process. A repeatable method for resolving differences between financial, operational, and source-system reporting.

A management-ready scorecard. A consistent view of performance that is reliable enough to support weekly decisions, even if the underlying architecture is still evolving.

What good looks like: Leaders spend less time arguing about whose number is correct and more time discussing why performance has changed and what action is required.

PRIORITY TWO

Install Performance Management Before Perfecting the Org Chart

Reliable data creates visibility, but visibility alone does not improve performance. The company also needs a management process that converts information into decisions and follow-through. This is where many integrations stall. A dashboard is built, distributed, and admired, but no operating behavior changes around it.

Performance management is the rhythm by which leaders review results, identify variance, understand root causes, assign corrective action, and confirm that the action worked. It links the deal thesis to the weekly operation of the company. Without that rhythm, metrics become reporting artifacts rather than management tools.

A useful performance cadence establishes:

- A consistent weekly and monthly scorecard with clearly defined thresholds.
- Named owners for each metric and each corrective action.
- A standard method for explaining variance, root cause, and expected recovery.
- A clear distinction between information sharing, decision-making, and problem-solving forums.
- An escalation path for issues that cross functions or exceed management authority.
- A record of commitments so recurring issues do not disappear between meetings.

The management shift: Integration becomes real when leaders use one set of measures, in one operating rhythm, to make and enforce decisions across the combined company.

A Better Sequence for Lower-Middle-Market Integration

Workstreams should not disappear. They should be sequenced and governed around the outcomes the business needs to achieve. The workstream plan becomes a delivery mechanism for the integration strategy, not the strategy itself.

The first 100 days should follow five moves:

- 1. Translate the deal thesis into operating outcomes.** Define the few results the integration must produce, such as revenue retention, margin improvement, purchasing leverage, branch productivity, cash conversion, or management capacity.
- 2. Establish the performance baseline.** Determine how each acquired company performs today, including the limitations and inconsistencies in available data.
- 3. Create the minimum viable scorecard.** Agree on core KPIs, definitions, sources, owners, and refresh timing. Begin with what leadership needs to run the business, not every metric that could eventually be reported.
- 4. Install the management cadence.** Use the scorecard to drive weekly decisions, corrective action, and accountability across the combined leadership team.
- 5. Launch targeted workstreams.** Prioritize only the functional initiatives required to protect continuity, reduce material risk, or deliver the value-creation outcomes already defined.

The sequencing principle: First establish what the company must accomplish and how performance will be seen. Then organize workstreams around the actions required to deliver those results.

Workstreams Still Matter, but They Should Earn Their Place

Some workstreams are mandatory. Payroll must continue. Banking authority must be clear. Legal entities, insurance, benefits, cybersecurity, taxes, licenses, and regulatory obligations cannot be ignored. These items protect business continuity and reduce risk.

Other workstreams should exist because they deliver a defined business outcome. Pricing work should improve margin or revenue quality. Procurement work should produce measurable savings. Technology consolidation should reduce costs, improve control, or enable performance visibility. Organizational design should clarify accountability and increase management capacity.

The remaining work can wait. Lower-middle-market platforms rarely have the capacity to harmonize every policy, standardize every process, and implement every enterprise system at the same time. Treating all integration tasks as equally important overwhelms the very leaders responsible for running the business.

A simple filter: Every workstream should protect continuity, reduce material risk, or deliver a measurable value-creation outcome. If it does none of those things, it is probably not an early integration priority.

What PE Sponsors and Operating Partners Should Expect

A lower-middle-market integration should produce more than a complete checklist. Within the first several months, the sponsor and management team should have a clearer view of the business than they had at close. They should know where performance is strong, where value is leaking, which assumptions in the deal thesis are holding, and where leadership attention is required.

The integration should be able to demonstrate:

- A shared set of enterprise KPIs tied to the investment thesis.
- Comparable performance across acquired companies, branches, or business units.
- Clear ownership for performance gaps and integration actions.
- A leadership cadence that consistently converts data into decisions.
- A prioritized roadmap in which functional work is explicitly connected to value creation or risk reduction.

- Increasing confidence that the platform can absorb the next acquisition without recreating the same confusion.

Integration Should Build the Company's Management System

The traditional workstream blueprint is not wrong. It is incomplete for the lower middle market. It assumes the combined company already has the data, leadership discipline, and operating infrastructure required to coordinate complex change. Frequently, those are the capabilities the integration must create.

The most effective strategy is therefore not to start with every function and ask what it wants to integrate. Start with the deal thesis and ask what management must be able to see, decide, and execute in order to deliver it. Build the data foundation. Install the performance rhythm. Then deploy focused workstreams against the priorities that matter most.

That approach may look less impressive than a massive integration blueprint. But it gives the company something far more valuable: the ability to operate as one business, understand its own performance, and act before problems become surprises.

ABOUT GALATI INTEGRATION GROUP

Galati Integration Group helps private equity-backed and founder-led companies turn acquisitions into operating companies that work. Services include integration management, operating discipline and execution, leadership cadence, and data and performance visibility.