



LOWER MIDDLE MARKET INTEGRATION FIELD GUIDE

A Roadmap to Trusted Data and Clear Performance Visibility

*Start small, make the numbers trustworthy,
and expand from there.*

THE OBJECTIVE

Here are five practical ways lower middle market integrations can establish reliable data visibility quickly.

The Data Problem Integration Exposes

Data is often one of the first major problems exposed during an integration. The buyer needs visibility into performance, but the acquired company may rely on spreadsheets, manual processes, inconsistent reporting, and knowledge held by a few key employees.

The instinct is often to begin with a major system implementation or build a sophisticated dashboard. That may eventually be necessary, but it will not solve the immediate problem. Before the company can automate its data, it must first decide what information matters, how it will be defined, and who is accountable for it.

A BETTER STARTING POINT

Before the company can automate its data, it must first decide what information matters, how it will be defined, and who is accountable for it.

1. Start With the Decisions the Business Needs to Make

Do not begin by asking, “What reports do we have?” Begin by asking, “What decisions do we need to make?”

The answer may include decisions about pricing, staffing, inventory, cash, sales performance, customer retention, or location profitability. Once those decisions are clear, leadership can identify the small number of metrics needed to support them.

This prevents the integration team from spending weeks collecting information that is interesting but not useful. Every metric should help leadership understand performance, identify a problem, or make a decision.

2. Create a Common Data Dictionary

Terms such as revenue, gross margin, booked job, active customer, inventory adjustment, and employee turnover may sound straightforward, but different companies often calculate them differently.

Create a simple data dictionary that documents:

- The name and purpose of each metric
- The exact calculation
- The system or report it comes from
- How frequently it is updated
- The person responsible for validating it

This does not need to become a large technical exercise. A basic spreadsheet can eliminate hours of debate and prevent leadership from making decisions based on competing versions of the same number.

3. Establish One Owner for Every Critical Metric

THE UNDERLYING ISSUE

Data problems are often ownership problems in disguise.

If several people contribute to a report but no one is ultimately responsible for its accuracy, issues will persist. Each critical metric should have one named owner who understands how the data is created, validates it before publication, and resolves discrepancies.

The owner does not need to personally enter every piece of information. They do need to be accountable for ensuring that the number can be trusted.

4. Build a Manual Baseline Before Automating

A company does not need to wait for a data lake, ERP conversion, or business intelligence platform to gain visibility.

Select the 10 to 15 metrics most closely connected to the investment thesis and produce a consistent weekly report for the first 30 to 60 days. Some information may need to be compiled manually at first. That is acceptable.

This period helps the team test definitions, expose gaps in the underlying processes, and determine whether the information is actually useful. Once the report is stable, the company can automate it with much greater confidence.

AVOID THIS TRAP

Automating an unclear or unreliable process only produces bad information faster.

5. Create a Weekly Performance and Exception Review

Reporting alone does not create accountability. The numbers must lead to action.

Establish a short weekly review focused on significant variances, emerging risks, and decisions required. Avoid spending the meeting reading through every metric. Concentrate on what is outside expectations and what leadership needs to do about it.

For each exception, document:

- What changed
- Why it changed
- Who owns the response
- What action will be taken
- When the issue will be reviewed again

THE OPERATING DISCIPLINE

This turns data from a reporting exercise into an operating discipline.

The Bottom Line

Lower middle market integrations do not need perfect data on day one. They need a trusted set of numbers that leadership can use to run the business.

The fastest path is usually not a massive technology project. It is defining the decisions that matter, agreeing on common metrics, assigning clear ownership, creating a practical baseline, and establishing a consistent review cadence.

THE BOTTOM LINE

Start small, make the numbers trustworthy, and expand from there.