meetperry

# The Great Main Street Business Transition:

## Capturing Value in America's Business Ownership Transfer

In Partnership with

CONTRARIAN THINKING CAPITAL

# Executive Summary

Main Street America faces a historic transition as $14 trillion in business wealth changes hands over the next decade due to retiring Baby Boomer owners. Coupled with a significant capital gap, where most private equity funds target larger enterprises, and “digital transformation,” the stage is set for exceptional investment opportunities in businesses valued at reasonable multiples with stable cash flows.

## Contents



For investors positioned to address this market, Main Street businesses offer a compelling convergence of attractive returns, portfolio diversification, and a chance to participate in America's economic reinvention.

# The Main Street Business Investment Landscape

$14 trillion in business wealth will transfer in the next decade

**11,000**

Baby Boomers retire daily with all reaching age 65 by 2030

**94**

new search funds launched in 2023, a record, versus 681 total since 1984

**51%**

of U.S. businesses are owned by individuals aged 55+

**90%**

of Private Equity capital ($3 trillion) is in funds with a medium-to-large cap mandate (i.e. Main Street businesses too small to acquire)

**80%**

of business owners' net worth tied to their business

**73%**

of business owners plan to exit within 10 years

# A Letter From Scott Army

**Scott Army,**

Head of Alternatives meetperry

At the start of 2025, we identified our 10 Key Investment Themes for 2025. Identifying next-gen investment themes at the right time is key to realizing an optimal outcome. Over the past two months, we've tackled 2 of 10 themes - Sports and Dual-Use Technologies. In June, we turn our attention to Main St Business + the Generational Transfer of Ownership.

The opportunity is substantial: $14 trillion in business wealth will transfer in the next decade, with 51% of U.S. businesses owned by individuals aged 55+.[1,2] The theme combines demographic inevitability and technological modernization, creating unique opportunities for informed investors in an overlooked but essential market.

Our three-part content education process immerses you in each investment theme:

- This **White Paper** sizes the market and maps the investment landscape.
- **Thematic Sessions** feature conversations with operators, investors, and entrepreneurs who are acquiring and transforming Main Street businesses.
- **Elevate Series Events** connect you directly with member experts pioneering new approaches to business acquisition and modernization.

What truly sets meetperry apart are our member experts. I'm particularly grateful to Contrarian Thinking's Codie Sanchez and Chris Petkas, who partnered with us to create this resource.

Access all our Main Street Business content here

Through this white paper and subsequent programming, you'll gain a sophisticated understanding of the Main Street transition opportunity, connect with experts, and access carefully vetted investment opportunities. We look forward to providing you with this deep dive and exploring it together.

**Scott Army,**
**Head of Alternatives meetperry**

*meetperry is an exclusive membership-based family office, wealth services, and alternatives platform. The MP Select Funds are a family of multi-strategy, diversified thematic funds designed to provide holistic exposure to key emerging investable themes and trends identified by meetperry and its family office member experts.*

# A Letter From Codie Sanchez and Chris Petkas

**Codie Sanchez,**
General Partner
Contrarian Thinking Capital

**Chris Petkas,**
General Partner
Contrarian Thinking Capital

In today's economic landscape, we're witnessing a historic wealth transfer in American business ownership. The massive demographic shift of Baby Boomers retiring, combined with technological modernization and cultural realignment, has created what we believe is the investment opportunity of a generation: Main Street businesses.

This represents the largest ownership transfer in modern economic history. Unlike high-flying tech startups, these businesses operate with real cash flow from day one, have loyal customer bases, and remain deeply integrated into their communities.

The Main Street opportunity offers clear advantages for investors. We're seeing businesses valued at reasonable multiples (typically 3-5x EBITDA versus the double-digit multiples of larger enterprises), with substantial operational improvement potential through technology integration. These essential businesses provide recurring revenue and proven resilience through economic cycles – just what investors need in uncertain times.

At Contrarian Thinking, we're experiencing this transformation firsthand. Through our investments in companies like ResiBrands and Drillbit, we're seeing how modern tools and professional operations can transform local service businesses into scalable growth engines. The numbers tell a compelling story: consumers and businesses spend $1.5 trillion annually on trade services alone – more than e-commerce, transportation, or hospitality.[3]

As investors, we're uniquely positioned to participate in the reinvention of America's economic backbone. This isn't just about financial returns – it's about preserving and enhancing businesses that form the foundation of local communities. With the right operational improvements and technological integration, these businesses can achieve exceptional growth while delivering essential services that will always be in demand.

As investors, the future of Main Street is now. Join us in this transformation.

**Codie Sanchez**
**General Partner, Contrarian Thinking Capital**
**meetperry member**

**Chris Petkas**
**General Partner, Contrarian Thinking Capital**
**meetperry member**

*Contrarian Thinking Capital is investing in the startups that power American prosperity and small business growth.*

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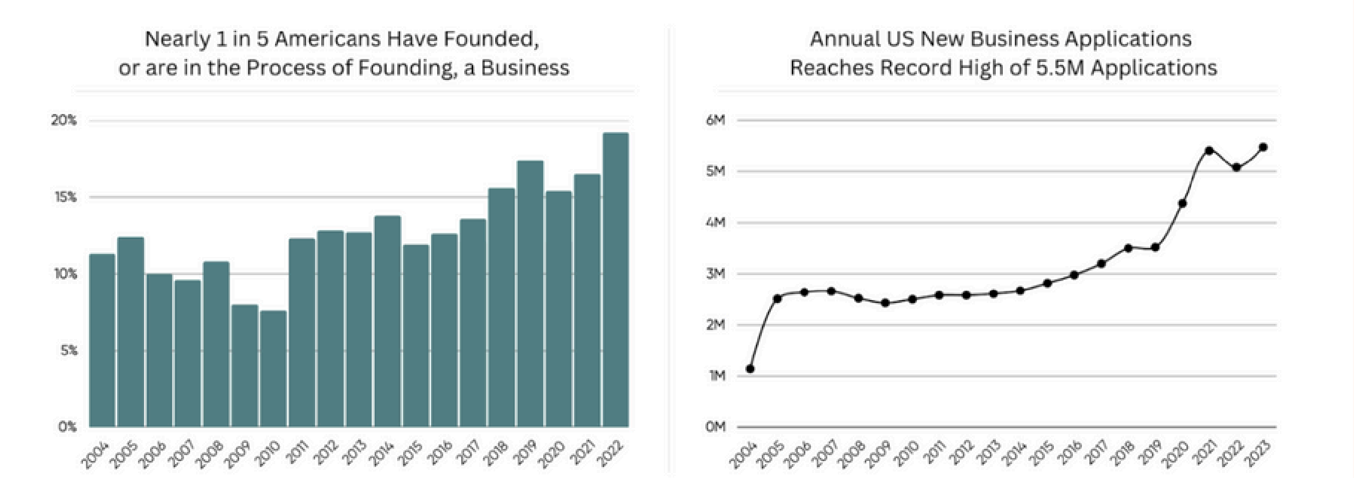
# Introduction: A Turning Point for Main Street America

## Main Street America is at an inflection point.

For years, it was treated as background noise in conversations about innovation and economic growth. But behind the scenes, a massive shift has been building - one that combines generational turnover, cultural realignment, and the delayed arrival of technology to the real economy.

Today, Main Street isn't a niche. It's the center of the story.

5.5 million new business applications were filed in 2023, the highest number ever recorded.[1] That's not a blip. It's a signal - that Americans are building again. But this time, they're building differently: with modern tools, operational playbooks, and a renewed appetite for independence. That's especially true in the trades and local services, where demand is essential and generational businesses are coming up for sale in record numbers.



Source: US Census Bureau / Annual Business Survey

At the same time, a "silver tsunami" is unfolding across the country. As tens of thousands of baby boomers retire each day, millions of businesses are coming up for succession - many without a plan in place. Over 17 million business owners are currently over the age of 55, nearly $14 trillion business assets are set to change hands in the next 10 years.[2] For the first time in modern history, Main Street is both a startup and an acquisition opportunity.

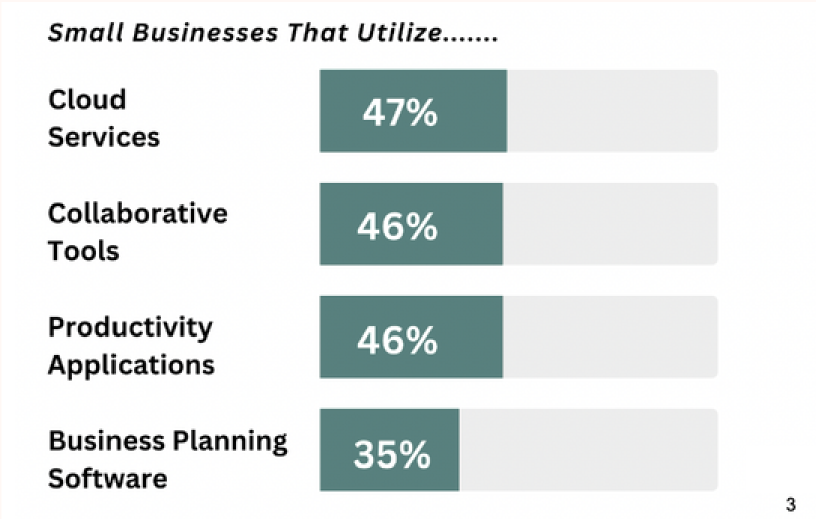
Overlaying this is a wave of modernization. Software, AI, and automation tools - once reserved for enterprise - are finally reaching small business owners. From invoice automation and AI scheduling to workforce tools and full-stack operating systems, the edge of the economy is going digital.

"For the first time in modern history, Main Street is both a startup and an acquisition opportunity."

Unlike many high-growth startups, these businesses operate with real cash flow from day one. That makes them resilient - especially when backed by better tools.

Culturally, there's been a recalibration too. Gen Z, navigating a world shaped by economic volatility and AI uncertainty, is increasingly looking to the trades and local entrepreneurship as a path toward stability.

Sectors like home services, waste management, and repair trades see more spend than e-commerce or hospitality, yet remain deeply fragmented and underserved. From technology's impact on home services to the coming wave of ownership transitions, it's important to break down the numbers, the narratives, and the forces shaping a new generation of operators.




This isn't a return to the past - it's a replatforming of the economy's most essential layer.

The American dream was built on ownership. Last year, the Pew Research Center found that across the political spectrum, small businesses are far and away the primary institution Americans trust to positively impact the country. While trust in corporations, media, universities, banks, religion, and government declines, Main Street remains a cornerstone of economic and social stability.[4] That's why Main Street matters more than ever. More ownership means stronger communities, more resilient economies, and a future where more people have more control over their financial outcomes.

# The Evolution of Main Street Businesses

## Main Street's Economic Significance

"Main Street" businesses - typically defined as small to mid-sized enterprises that serve local or regional markets - constitute the bedrock of the American economy. Privately-owned enterprises, with annual revenues between $5 million and $100 million - account for approximately 90% of companies in the United States.[1] They span diverse sectors including manufacturing, professional services, retail, construction, and home services.

Unlike publicly traded corporations or venture-backed startups, Main Street businesses typically prioritize steady cash flow over rapid growth, maintain modest debt levels, and are deeply integrated into their local communities. These characteristics have historically made them attractive targets for family succession or management buyouts.

Their economic impact extends far beyond their individual balance sheets. According to the SBA, small businesses employ 45.9% of American workers and contribute 43.5% of U.S. GDP. Moreover, these businesses pay 39% of all private sector payroll, creating a significant multiplier effect within local economies.[2] Studies show 68 cents of every dollar spent at a local small business stays within the community, compared to 43 cents of each dollar at large chains.[3]

> "Privately-owned enterprises, with annual revenues between $5 million and $100 million - account for approximately 90% of companies in the United States."

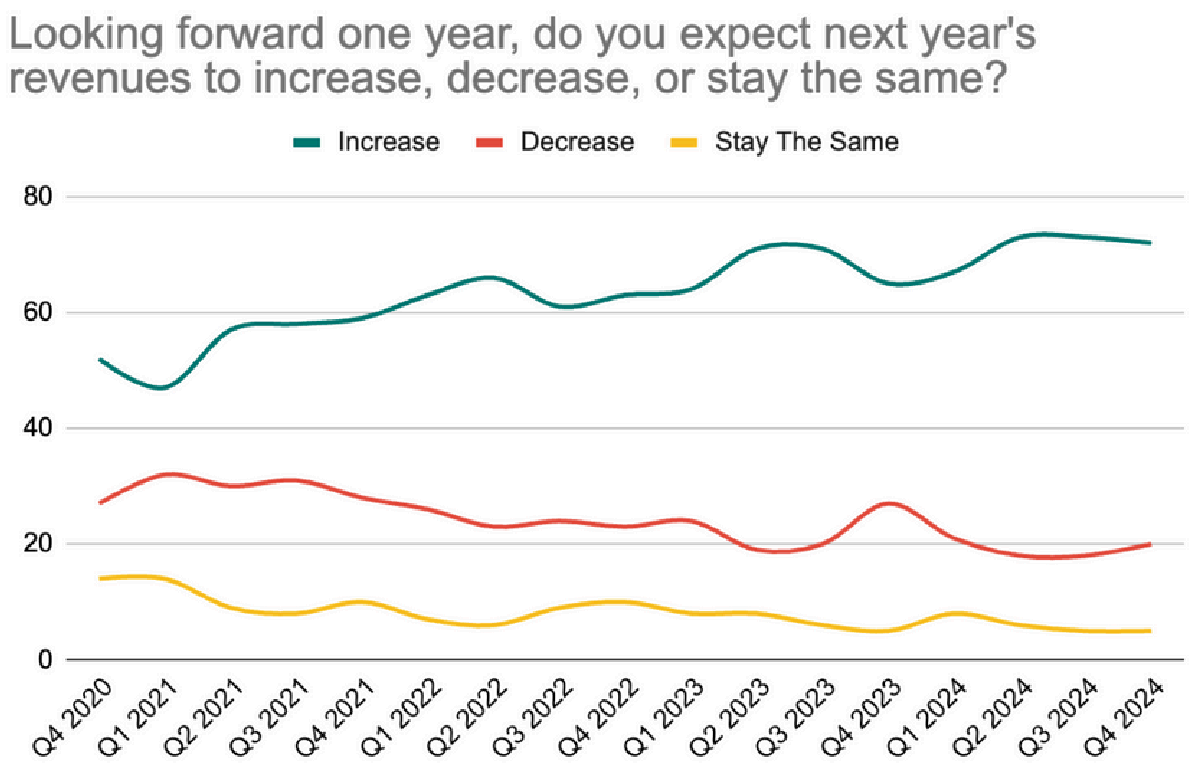
Main Street businesses have also demonstrated remarkable resilience through economic cycles. From January 1995 to June 2023, small businesses created 20.2 million net new jobs, accounting for 61.1% of all net new job creation during this period. During the pandemic, which saw the loss of over 15 million jobs between Q1 and Q2 of 2020, small businesses recovered quickly, regaining all lost jobs by Q3 of 2022 and adding an additional 1.6 million jobs.[2]

Despite these headwinds, there's a major opportunity in the recent surge of small business formation. Since Q3 of 2020, startup growth has been unprecedented, and many of these businesses are now reaching maturity. This presents a unique moment for Main Street, as more small businesses enter the market, fueling competition, innovation, and job creation.

# Current State of Affairs: The Silver Tsunami

## Understanding America's Business Ownership Transformation

As Main Street marches deeper into 2025, small businesses find themselves navigating a complex economic landscape. Inflation remains a dominant concern, policy changes are on the horizon, and despite challenges, there is a clear undercurrent of optimism among business owners.

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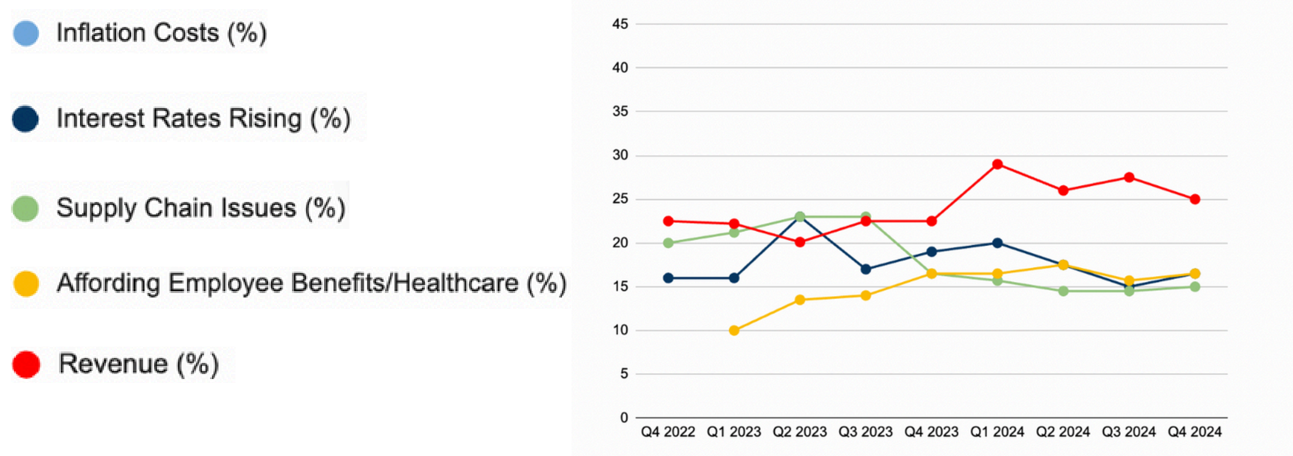
According to Tom Sullivan, Vice President of Small Business Policy at the U.S. Chamber of Commerce, inflation has now ranked as the top concern for small businesses for 12 consecutive quarters in the Chamber's MetLife & U.S. Chamber of Commerce Small Business Index. "We have found that small business owners are still bullish on 2025," Sullivan explains, "but high prices are front and center on their radars and they are constantly having to rethink strategies on how to increase revenues during this extended inflationary period." [1]

## Top 5 biggest challenges facing small business owners

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The American business landscape stands at a pivotal inflection point driven by demographic forces decades in the making. Census data reveals that 51% of U.S. businesses are currently owned by individuals aged 55 and older, representing a concentration of ownership unprecedented in modern economic history.[2]

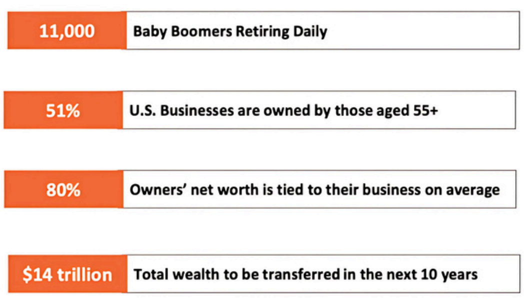
One of the most significant trends on the horizon is the rapid increase in potential business ownership transitions due to this graying of America - often referred to as the silver tsunami.

Here's a more complete picture of age composition of business ownership:

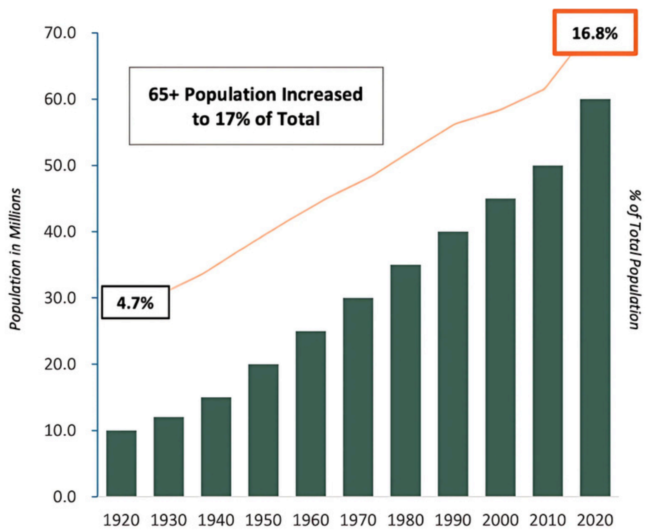
- Baby Boomers (aged 60-78): 51% of businesses
- Gen X (aged 44-59): 39% of businesses
- Millennials (aged 28-43): 10% of businesses[3]

With approximately 11,000 Baby Boomers retiring daily, the pace of potential business transitions continues to accelerate.[4] The percentage of the U.S. population aged 65 and older

## U.S. Population 65 Years and Older




Source: U.S. Census, Federal Reserve Bank, UBS Global Wealth Report, Exit Planning Institute – 2023 National State of Owner Readiness Report



has increased dramatically, from just 4.7% in 1920 to 16.8% in 2020. This demographic shift underpins the massive transition in business ownership now underway. By 2030, all Baby Boomers will be at least 65 years old.[5]

## The Great Succession: A $14 Trillion Opportunity

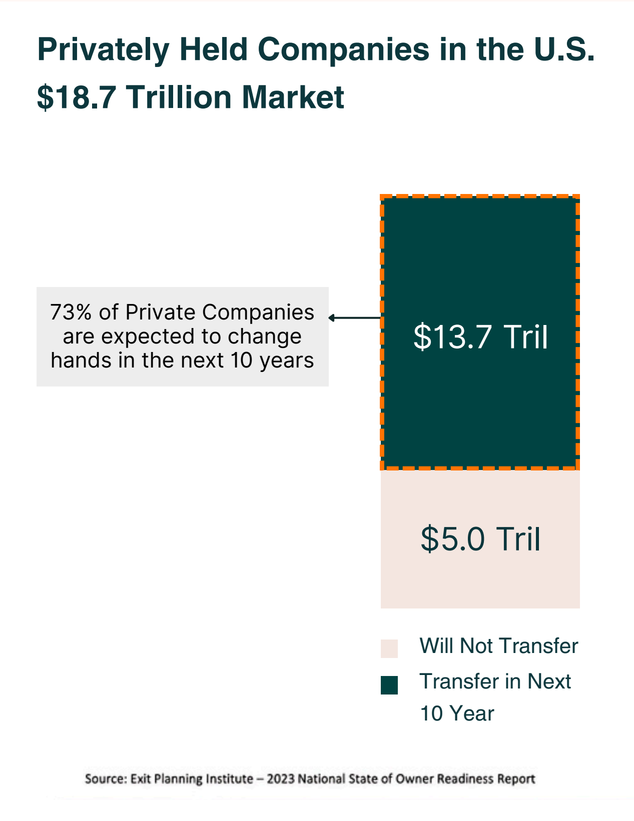
Despite small business owners' relative resilience through the pandemic, COVID-19 prompted many owners to reassess work-life priorities. A 2023 survey by Live Oak Bank found that 26% of business owners have accelerated their transition plans specifically due to economic conditions.[6] This acceleration creates a time-sensitive opportunity for well-positioned buyers and investors who can provide solutions for owners seeking near-term liquidity.

> "$14 trillion in business wealth will transfer in the next decade – the largest wealth transfer in world history – fueled by privately owned baby boomer companies."

For these aging business owners, the stakes couldn't be higher. Industry research indicates that on average, 80% of an owner's net worth is tied to their business, creating an urgent need for liquidity events that can fund retirement. As retirement inches ever closer, aging business owners are assessing all their options. In 2023, 68% of business owner respondents had completed formal education related to exit strategy versus just 35% in 2013.[3]

The Exit Planning Institute's 2023 report also revealed that 73% of business owners intend to transition within a decade. The magnitude of this transition is staggering: an estimated $14 trillion in total business wealth is projected to transfer over the next decade alone.[3]

At $14 trillion, this amounts to the largest wealth transfer in world history – fueled by privately owned baby boomer companies.



# From Local Shop to $8 Billion Acquisition: The Jersey Mike's Case Study [7, 8, 9]

## Origin Story: The Ultimate "Main Street" Acquisition

Jersey Mike's journey from a single sandwich shop to an $8 billion national chain exemplifies the generational transfer of ownership sweeping Main Street businesses.

In 1975, 17-year-old Peter Cancro, who had worked at Mike's Subs since age 14, purchased the New Jersey sandwich shop with a $125,000 loan secured through his youth football coach and banker. "At that age, you don't think you can fail," Cancro later told Forbes. The early years demanded intense commitment, with Cancro working 100-hour weeks during peak seasons.


## Business Evolution and Culture

Jersey Mike's began franchising in 1987, maintaining a focused formula of fresh ingredients, meat sliced to order, and quality bread. Unlike typical franchisors, the company developed hands-on partnerships with operators.

By 1991, after expanding to 35 locations, Jersey Mike's faced near-bankruptcy during the recession. "We were negative a million and a half dollars and were counseled to declare bankruptcy, but I said no way," Cancro explained. He laid off his entire corporate staff, including his brother, gaining valuable lessons about capital allocation that would guide future growth.

When business faced a downturn yet again in 2006, Cancro personally funded renovations for underperforming stores, an approach that continued after the pandemic with approximately $150 million invested in system-wide upgrades.

Community engagement became a cornerstone of the Jersey Mike's identity, including an annual Day of Giving where store proceeds support local causes. The company maintained its family-oriented culture as it scaled, with Cancro's daughter and wife in senior executive roles.

By 2023, Jersey Mike's had become America's second-largest sub chain with over 3,000 locations and $3.3 billion in systemwide sales. Average unit volumes reached $1.3 million-outperforming competitors like Jimmy John's and Subway - demonstrating the power of operational excellence in a seemingly ordinary business category.

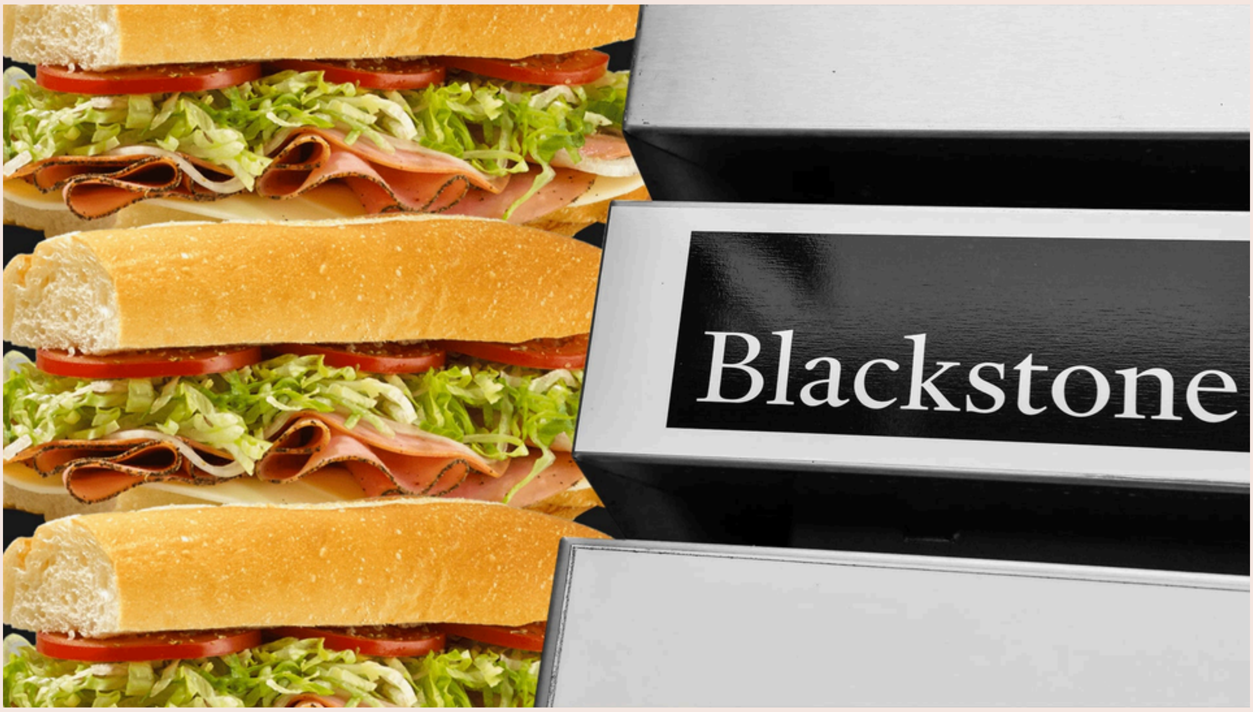
## The Blackstone Acquisition

In November 2024, private equity giant Blackstone acquired a majority stake in Jersey Mike's, valuing the company at approximately $8 billion. The acquisition aligned with Blackstone's strategy of investing in high-quality franchise businesses, following previous successes with Hilton Hotels and more recent acquisitions like Tropical Smoothie Cafe.

Despite Jersey Mike's impressive scale, substantial growth runway remained, with Cancro having previously targeted 10,000 U.S. stores. Blackstone saw opportunity to accelerate this trajectory while investing in technology and digital transformation to enhance unit economics.

Cancro has retained a significant minority stake and will continue as CEO, realizing billions in liquidity while maintaining meaningful upside participation. "We believe we are still in the early innings of Jersey Mike's growth story," he stated in the acquisition announcement.

For Main Street owners and investors alike, the Jersey Mike's story demonstrates the extraordinary value creation possible when operational excellence meets patient capital.



# Strategic Drivers: Modernization & Capital Gap

## A Structural Opportunity in Main Street Transitions

Despite the enormous value of Main Street businesses potentially changing hands in the coming decade, a profound structural mismatch exists between capital availability and market needs. This inefficiency creates one of the most compelling opportunities for sophisticated investors positioned to address what we call "The Capital Gap."

The market for business ownership transfers is characterized by extraordinary fragmentation, creating both challenges and opportunities for investors. According to industry analysis, there are 377,212 privately held companies in the United States generating more than $5 million in annual revenue. What's particularly striking is the distribution: 91% of these businesses - 344,311 companies - have revenues between $5 million and $100 million, typically labeled "small cap" by the private equity industry. Just 9%, or 32,901 companies, have revenues exceeding $100 million and fit the traditional "large cap" mandate.[1]

> "The market for business ownership transfers is characterized by extraordinary fragmentation, creating both challenges and opportunities for investors."

This vast population of smaller enterprises represents Main Street America's economic backbone. These businesses span virtually every sector and geography, from manufacturing and distribution to professional services and specialized retail. Many have operated for decades under founding ownership and now face inevitable transition as their Baby Boomer owners approach retirement.

## The Supply-Demand Imbalance

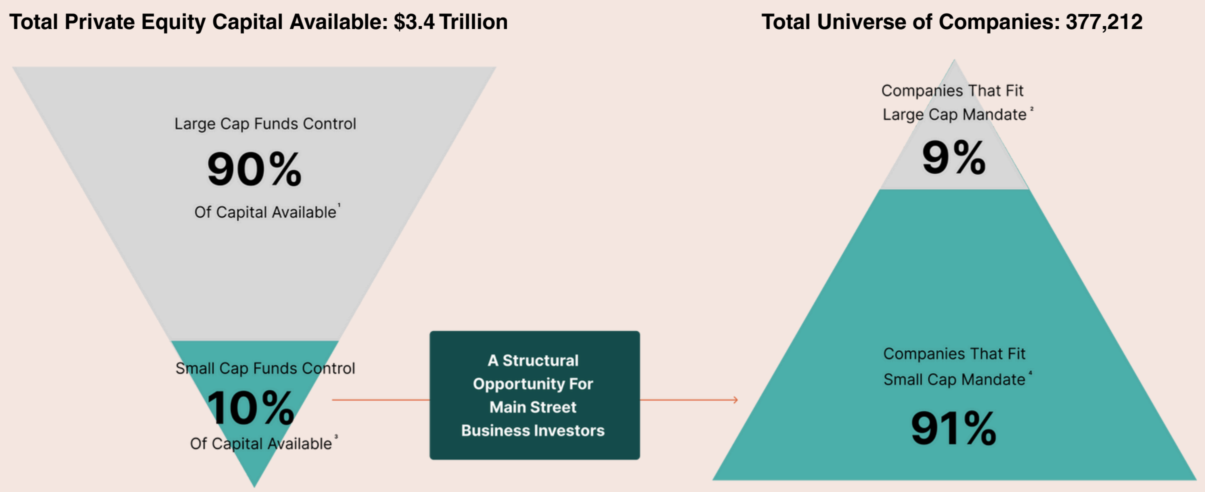
Here's where the market inefficiency becomes evident: while the majority of businesses requiring transition fall into the small cap category, the capital allocated to this segment is disproportionately small.

In the United States, there is approximately $3.4 trillion in total private equity available to be deployed. However, 90% of this capital - roughly $3.0 trillion - resides in large cap funds exceeding $500 million in size. These funds typically target larger enterprises due to the economics of their model and the pressure to deploy significant capital efficiently.[2]

Just 10% of available private equity capital, approximately $353 billion, sits in funds sized between $250 million and $500 million - those best positioned to address small cap opportunities. This creates a significant imbalance between the supply of investment capital and the demand for that capital across the broader business landscape.[2]

## The Capital Gap

There is a mismatch between capital availability and market need specifically for Main Street Businesses that don't fit the large cap private equity mandate.




***Source:*** *PitchBook: Capital available to invest by fund size represents U.S. private equity overhang for vintage years 2016-2023. NAICS Association Annual Sales Data by Firm as of 12/3/2024.*

1 Large Cap Funds defined as Private Equity Funds over $500 mil in size ; 2 Companies that fit Large Cap mandate defined as companies with revenue over $100 mil. ; 3 Small Cap Funds defined as PE Funds between $250 - $500 mil ; 4 Companies that fit Small Cap mandate defined as companies with revenue between $5 mil & $100 mil

## Strategic Implications for Investors

This supply-demand mismatch has several important implications for sophisticated investors:

**1. Reduced Competition:** With fewer institutional players focused on businesses below $100 million in revenue, valuations tend to be more reasonable. While larger companies might trade at double-digit EBITDA multiples, small cap businesses can often be acquired at 5-7x EBITDA.[3]

**2. Greater Selection:** The volume of small cap enterprises favors disciplined investors with clear investment criteria, rather than competitive pressure to make suboptimal investments.

**3. Multiple Value Creation Levers:** These businesses frequently offer substantial operational improvement potential through professionalization, systems implementation, and strategic repositioning - value creation levers that rely less on financial engineering.

For investors seeking exposure to the generational business transfer opportunity, this structural gap presents a compelling thesis. Those who can efficiently deploy capital to address this underserved segment may achieve superior risk-adjusted returns while simultaneously providing essential succession solutions to the Main Street businesses that form the foundation of local economies nationwide.

## Modernizing Private Credit Access for Main Street Businesses

Private credit has long been vital for small and mid-sized businesses, yet historically remained fragmented and difficult to access. Percent, founded by Nelson Chu, is transforming this landscape by bringing transparency, efficiency, and scale to private credit through technology.

"What we didn't realize was just how little there was in the way of technology," Chu explains. "We were creating our own compliance attestation tools, order book management tools, data monitoring tools. There were simply no technology solutions available."

While firms like Apollo, Blackstone, and KKR dominate large-scale private credit, Percent specializes in sub-$20 million deals - a market largely ignored by institutional investors despite its enormous potential. The platform connects SMBs with a broader pool of investors through a marketplace offering diverse credit opportunities including asset-based securities, secured corporate loans, and trade receivables.

Since launch, Percent has funded over $1 billion in deals, helping businesses finance inventory, purchase equipment, and expand operations. The company demonstrated its value during COVID-19 by offering flexible refinancing options when traditional financing sources disappeared, helping SMBs navigate the crisis with minimal defaults.

With the global private credit market approaching $2 trillion, Percent continues expanding its capabilities. In 2024 alone, the platform onboarded over 100 new borrowers, 20+ underwriters, and 45,000 investors, marking 16 consecutive months of AUM growth.

Looking ahead, Chu sees AI as the next evolution: "The next phase will be algorithmic, as we'll be able to underwrite and assess credit quality faster, deliver targeted recommendations, and monitor risk before it's too late."

# A Spotlight on the Trades

Earlier this year, the Wall Street Journal introduced readers to "America's New Millionaire Class: Plumbers and HVAC Entrepreneurs." The story described aging entrepreneurs evaluating exit options with private equity "pouring money" into skilled-trade businesses…

> *"PE firms across the country have been scooping up home services like heating, ventilation and air conditioning (HVAC), as well as plumbing and electrical companies. They hope to profit by running larger, more profitable operations.*
>
> *Their growth marks a major shift, taking home-services firms away from family operators by offering mom-and-pop shops seven-figure and eight-figure paydays. It is a contrast from previous generations, when more owners handed companies down to their children or employees. The wave of investment is minting a new class of millionaires across the country, one that small-business owners say is helping add more shine to working with a tool belt…*
>
> *Private-equity investors have purchased nearly 800 HVAC, plumbing and electrical companies since 2022, according to data from PitchBook. And those are just the biggest deals - plenty of smaller-scale purchases aren't tracked, and sellers are reluctant to share exact details about their PE payouts."* [4]

It's emblematic of a trend.

## The Trades: A $1.5 Trillion Industry at an Inflection Point

For decades, the trades have quietly powered the economy, keeping homes standing, water flowing, and power running. And yet, they've been underestimated, overlooked, and seriously underserved. That's changing. Fast.

In the U.S. and Canada alone, consumers and businesses spend $1.5 trillion annually on trade services - more than e-commerce ($1.1T), transportation and warehousing ($1.0T), and even food and hospitality ($0.9T). This isn't luxury spending. Over 75% of the 666 million home service jobs completed in 2022 were urgent, preventative, or completely unavoidable. And yet, for years, the trades have lagged behind in technology, branding, and scalable business models, remaining fragmented and reliant on outdated processes.

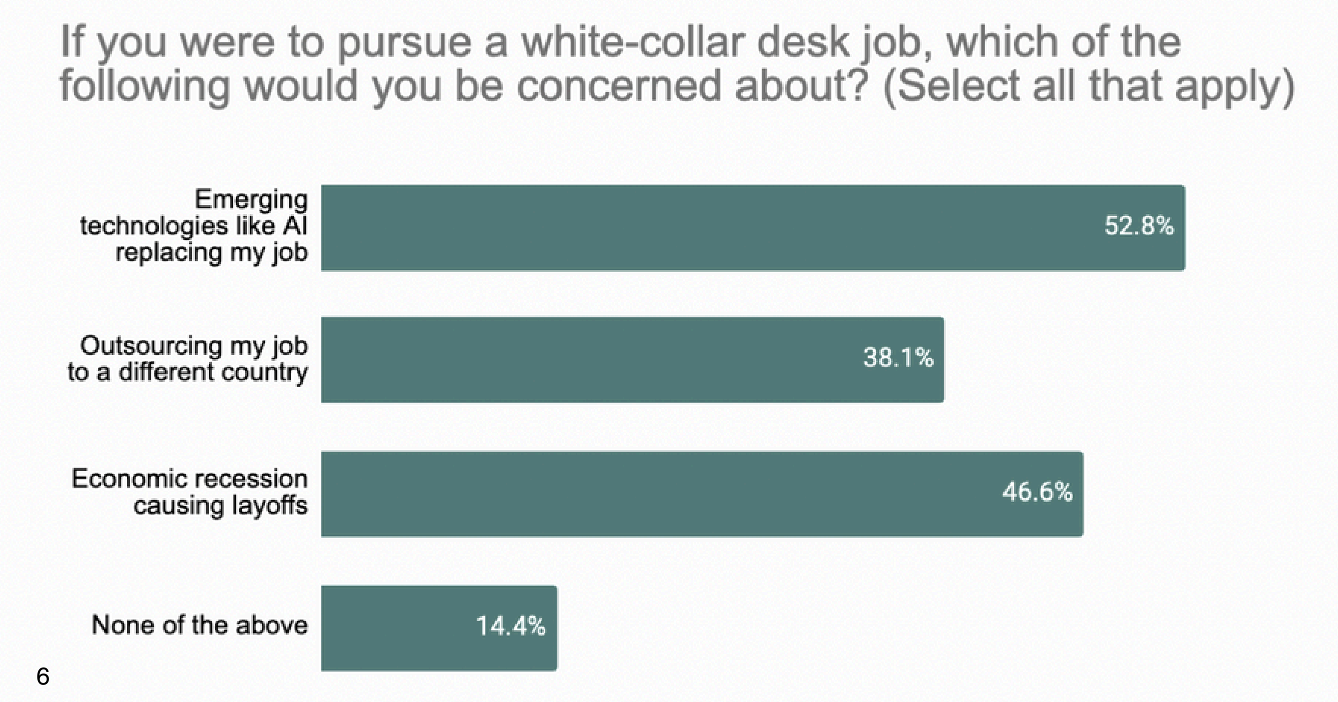
That's no longer the case. A new era of modernization is underway, and the businesses that embrace it will own the future of this industry. [5]

# A Modernization Wave Is Underway

Two forces are reshaping the home services industry: a shrinking labor pool and rapid technology adoption. On the labor side, fewer young people are entering the trades, creating a shortage of skilled workers. The businesses that treat employees well, invest in training, and offer real career growth are thriving - while those that don't are struggling to keep up.

For years, young people were told the safest path to success was a four-year degree and a white-collar job. That narrative is breaking down. According to surveys from Jobber, Gen Z is deeply concerned about job security, automation, and economic instability. And many are starting to see the trades as a more stable, rewarding alternative.

- 53% of Gen Z fear AI will replace their white-collar jobs
- 47% worry about economic recessions leading to layoffs
- 33% believe white-collar desk jobs are less stable than they were for their parents' generation
- 33% believe that trade professionals have more job security than their white-collar counterparts
- 41% say AI has made it harder to achieve the American Dream
- 46% believe there will be fewer job opportunities in the future because of AI [6]

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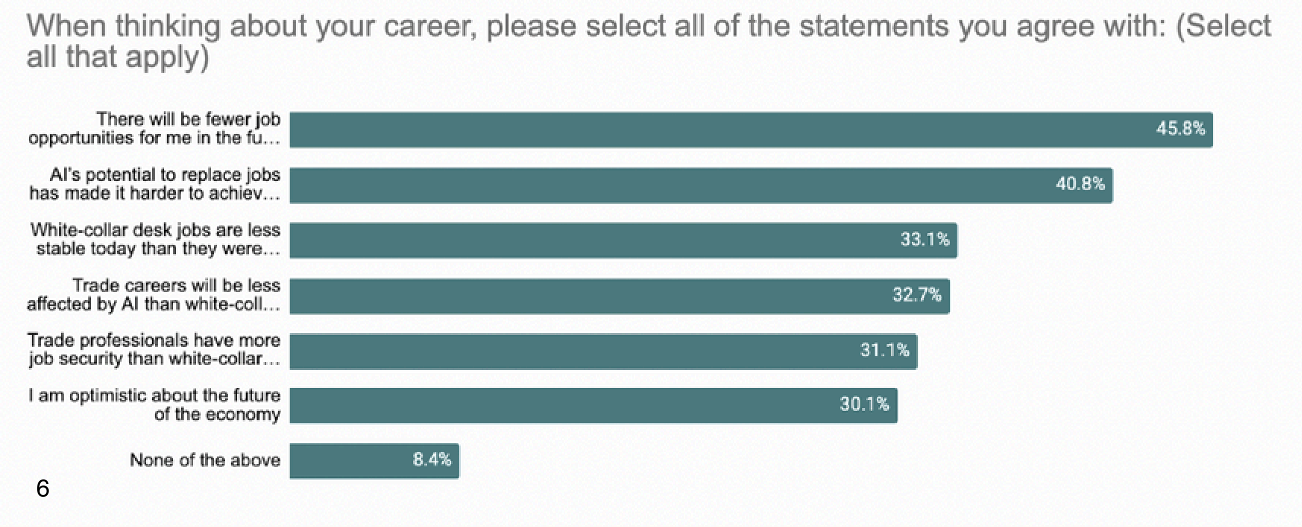



But despite growing interest, the stigma around blue-collar careers still lingers. Parents and educators continue pushing college over trade schools, leaving young people unaware of the opportunities right in front of them. That's where branding, technology, and business modernization come in - helping reshape how the trades are perceived and bringing in the next generation of skilled workers.

## Contrarian Thinking Is Seeing It Firsthand

Contrarian Thinking sees this shift up close through its ownership in ResiBrands, which is building recognizable and high-growth franchises in home services. Businesses like Pink's Window Services and That One Painter are proving that a strong brand, smart systems, and operational excellence can turn a local service business into something much bigger.

The next decade will belong to the companies that embrace technology, build strong brands, and professionalize their operations. The trades aren't just evolving, they're being redefined - and it couldn't be happening at a more critical time.

# Surveys of Main Street Business Say "Digital Transformation" Is Coming

Surveys show small and medium-sized businesses (SMBs) are struggling to implement critical technology - causing both stress and business risk. Meanwhile, investors with experience implementing "digital transformation" in Main Street businesses are acquiring small and medium-sized businesses and using technology to streamline operations and drive growth.

### Risk of Business Failure

AMERICAN EXPRESS

60% of SMBs cite ineffective cash flow management as major challenge exacerbating the risk of business failure.

*Source: American Express & PYMNTS, "End the Wait" survey*

### An Opportunity for Growth

aws

90% of SMBs are modernizing their approach to data management.
58% say they are not investing in data to drive growth.

*Source: Amazon Web Services, Global SMB Survey*

### Not Confident In Shifting Tech Trends

VISA

91% of SMBs somewhat likely to consider AI services in the next 12 months.
67% are not confident can stay up-to-date with shifting tech trends and consumer tastes.

*Source: Visa, "Global Back to Business Study"*

### Cybersecurity: A Key Vulnerability

SOPHOS

96% of SMBs find at least one aspect of investigating [cybersecurity] alerts challenging.
33% of SMBs have no one monitoring or investigating security alerts.

*Source: Sophos survey, "Addressing the cybersecurity skills shortage in SMBs"*

# The Policy Landscape: How Regulatory Changes Impact Main Street Business Transitions

For investors and business owners navigating the generational transfer of Main Street businesses, understanding the evolving policy environment is critical. Tax provisions, regulatory requirements, and trade policies directly impact both business valuations and post-acquisition returns. These factors can significantly influence the timing and structure of ownership transitions as sellers and buyers assess changing economic incentives.

## Key Tax Provisions at Risk

According to Tom Sullivan, Vice President of Small Business Policy at the U.S. Chamber of Commerce, preserving small business tax benefits is the Chamber's top federal priority in 2025. Two provisions are particularly crucial:

First, the research and development (R&D) expense that expired in 2022 after a 70-year practice. This change now requires businesses to amortize R&D expenses over five years rather than deduct them immediately, significantly impacting cash flow. "Small businesses operate on the thinnest of margins, and freeing up capital is essential to survival and growth," Sullivan explains. This change particularly affects innovative companies developing new products or services.

Second, the Section 199A qualified business income deduction - which allows pass-through business owners to deduct up to 20% of their business income - is set to expire at the end of 2025. This deduction has been vital for many small business owners since its introduction in the 2017 Tax Cuts and Jobs Act. Its expiration could substantially increase tax burdens for business owners contemplating exit strategies.[7]

## Regulatory Relief Initiatives

Beyond tax issues, regulatory complexity creates disproportionate burdens for smaller enterprises with limited administrative resources. The Chamber is backing the bipartisan "Prove It Act," which would require federal agencies to verify that new regulations won't unduly burden small businesses before implementation.

This initiative has gained momentum under Senator Joni Ernst, Chair of the Senate Committee on Small Business & Entrepreneurship, who originally sponsored the bill. For potential acquirers of Main Street businesses, reduced regulatory complexity could significantly improve operational efficiency and profitability post-acquisition.[7]

## Trade Policy Implications

Sullivan also highlights international trade as a critical focus area. The lack of new trade agreements in recent years has particularly disadvantaged smaller businesses seeking to expand into global markets. The Chamber is advocating for reauthorization of the Generalized System of Preferences (GSP), which would reduce tariffs on thousands of products from developing countries while strategically diversifying U.S. supply chains away from China.

For Main Street businesses with international supply chains or export potential, these policies could substantially impact operational costs and growth opportunities, factors that sophisticated investors must evaluate when considering acquisition targets.

While Sullivan acknowledges diverse priorities "ranging from access to capital to immigration reform to affordable health care for small business employees," he emphasizes that creating "a pro-growth tax and regulatory environment" remains foundational to small business success and, by extension, to facilitating successful ownership transitions.

# New Frontiers: Search Funds & "Digital Transformation"

## Search Funds: A Vehicle for Main Street Acquisition and Value Creation

As the massive transfer of business ownership accelerates, search funds have emerged as a specialized investment vehicle uniquely positioned to capitalize on this demographic shift. The search fund model creates a structured pathway for entrepreneurial talent to acquire, operate, and grow established small businesses with substantial investor support.

## The Model's Structure and Process

A search fund is "an entrepreneurial path undertaken by one or two individuals who form an investment vehicle with a small group of aligned investors, some of whom become mentors, to search for, acquire, and lead a privately held company for the medium to long term, typically five to ten years" (Stanford GSB, 2024). The model typically progresses through four distinct phases: raising search capital, identifying and acquiring a suitable business, operating and growing the company, and eventually achieving liquidity.

This structure creates a unique alignment between young, motivated operators and experienced investors. Search capital (median of $500,000 in 2022-2023) funds the entrepreneur's dedicated search, while acquisition capital is raised once a target company is identified. As Stanford's research demonstrates, the model provides "a fast path to becoming an owner-operator, attractive financial returns for both investors and searchers, and growing, well-run enterprises."

## Compelling Performance Metrics

The search fund model has demonstrated remarkable consistency and strength in returns. According to Stanford's 2024 Search Fund Study, all search funds since 1984 have generated an aggregate IRR of 35.1% and ROI of 4.5x. For funds that successfully exited, returns improved to 42.9% IRR, significantly outperforming most traditional private equity strategies.[1]

What's particularly notable is the distribution of outcomes. While 31% of acquisitions resulted in losses, 36% delivered 2-5x returns, 25% achieved 5-10x returns, and 11% generated returns exceeding 10x initial investment. This barbell distribution reflects both the inherent risk and substantial upside potential characteristic of the model.[2]

For entrepreneurs, the financial rewards can be substantial. The median equity earned was $1.98 million for operating CEOs and $2.25 million for those who successfully exited their businesses (Stanford GSB, 2024).[1]

# Strategic Alignment with the Main Street Transition

Search funds are uniquely positioned to address the generational transfer opportunity in several key ways:

**1. Acquisition Focus:** With a median purchase price of $14.4 million in recent transactions, search funds target precisely the size range where many founder-owned Main Street businesses operate. These companies typically have $7.3 million in revenues, $1.9 million in EBITDA, and 40 employees (Stanford GSB, 2024).[1]

**2. Operational Approach:** Unlike financial engineering-focused strategies, search funds emphasize operational improvement and growth. This aligns well with founders' desires to preserve company legacy and ensure proper treatment of employees and customers - priorities cited by 65% of selling owners (Live Oak Bank survey).[3]

**3. Geographic Flexibility:** Only 35% of acquisitions occur in the searcher's home state, demonstrating the model's ability to match talent with opportunity regardless of location (Stanford GSB, 2024).[1]

**4. Industry Targeting:** Services and Tech-enabled Services have emerged as the most popular acquisition industries, precisely where many established Main Street businesses operate.

# Evolution and Growth

The search fund ecosystem has expanded dramatically, with 94 new funds launched in 2023 alone-a record number. The model has also gone global, with IESE Business School tracking 320 international search funds across 40 countries that have delivered an overall ROI of 2.0x and IRR of 18.1% (IESE, 2024).[2]

For high-net-worth investors seeking exposure to the generational transfer opportunity, search funds offer a compelling mechanism combining entrepreneurial talent with disciplined capital deployment. Their consistent performance through multiple market cycles and focus on precisely the business segment experiencing demographic transition make them increasingly attractive in sophisticated portfolios seeking non-correlated returns in private markets.

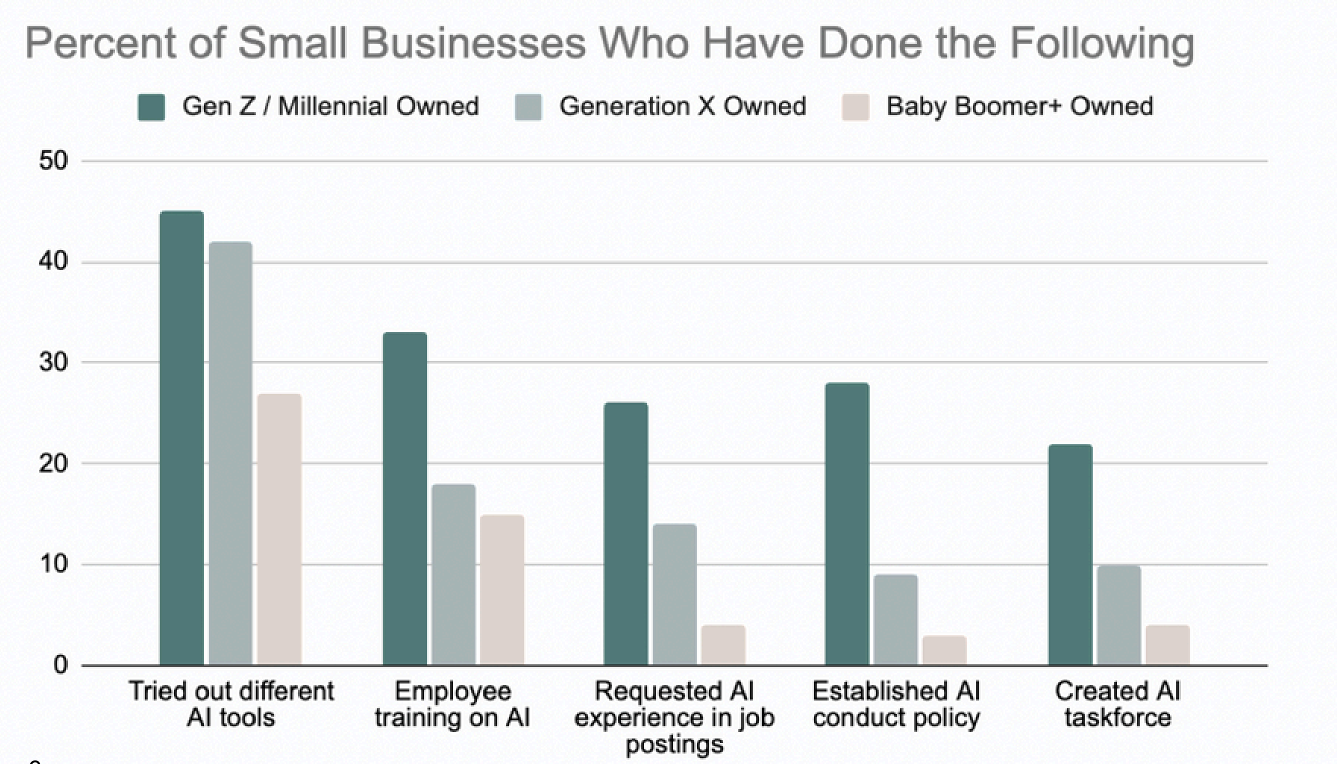
# Technology's Role in the Future of SMBs: "Digital Transformation"

Beyond ownership transitions, technology is set to reshape Main Street businesses in profound ways. AI, data analytics, and operational software are becoming increasingly accessible, allowing small businesses to improve efficiency, make faster decisions, and refine customer experience strategies.

Much has been said about "digital transformation" of American businesses. According to McKinsey, "A digital and AI transformation is the process of developing organizational and technology-based capabilities that allow a company to continuously improve its customer experience and lower its unit costs; and over time sustain a competitive advantage."[4]

Advances in data and analytics, AI, and ML mean businesses can choose from hundreds of potential solutions and tech applications to improve their ways of working. Implemented successfully, these solutions deliver irresistible returns. According to McKinsey, the impact on industry and manufacturing, in particular, could have a dramatic impact. "Across a wide range of sectors, it is not uncommon to see 30 to 50 percent reductions in machine downtime, 10 to 30 percent increases in throughput, 15 to 30 percent improvements in labor productivity, and 85 percent more accurate forecasting," a McKinsey report suggests.[5]

Small businesses will be similarly impacted by digital transformation. A generational change could usher in operational improvements.




[6]

Meanwhile, a survey by SMB Group found that, "Automation and machine learning have already enabled many SMBs to digitize, scale, and personalize marketing, sales, and service interactions. For instance, businesses have been using e-commerce solutions to tailor shopping experiences with recommendations based on browsing history, boosting sales." [7]

The same survey found that the top 3 tasks small and medium sized businesses use or plan to use AI for include:

- **Marketing:** Identifying trends/opportunities; content creation; personalization of email campaigns/marketing offers
- **Sales:** Sales planning/forecasting; transcribe/summarize account information; create personalized emails
- **Customer Service:** Generate automated replies; monitor social media for issues; chatbots to answer questions

As technology levels the playing field, customer experience will become an even bigger differentiator. Consumers expect personalization more than ever, and the businesses that can deliver that will have a leg up.

Platforms like Jobber and ServiceTitan are helping home service businesses automate workflows, improve marketing, and streamline operations, leveling the playing field for small business owners.

"Many service providers are not natural marketers and do not enjoy marketing their business," said Kevin Zentmeyer, Senior Director of Product Marketing at Jobber. To address this, Jobber launched Marketing Suite, a tool designed to help service providers acquire customers without wasting time or money on traditional ad channels.

AI-powered automation is also eliminating much of the administrative work that once bogged down service business owners.

## A.I. With a Local Impact

While AI isn't replacing plumbers or painters anytime just yet, it is reshaping how home service businesses are run. For decades, home service businesses - contractors, handymen, and skilled tradespeople - have kept America's homes in working order. But while their tools have evolved, the way they run their businesses hasn't. From answering calls and managing schedules to creating estimates and chasing payments, a massive amount of time is lost to admin work instead of actual jobs. That's the problem Drillbit set out to solve.

Founded by Alexander Seutin, a Stanford-trained AI expert with stints at SpaceX, Apple, Rivian, and Built Robotics, Drillbit automates the back office for home service businesses, eliminating busywork so owners can focus on growth.

Across the U.S., small contractors operate without office staff, losing hours each week to:

- Answering and returning calls
- Writing estimates and invoices
- Following up on payments
- Coordinating schedules and jobs

Existing CRM and scheduling tools offer partial solutions but require constant manual input, leading to high churn rates and frustrated business owners who feel like they're managing software instead of their business.

Drillbit doesn't just organize workflows - it eliminates them. The platform acts as an always-on, AI-powered assistant that handles:

- **Call Answering & Lead Capture –** Missed calls are answered automatically, with leads qualified and logged into the CRM.

- **Instant Estimates –** AI estimators turn vague customer descriptions into detailed, line-item quotes in seconds.

- **Automated Scheduling & Coordination –** AI manages job scheduling and customer updates.

- **Payments & Follow-Ups –** The system requests payment after job completion and handles follow-ups on overdue invoices.

- **Proactive Client Outreach –** AI identifies repeat business opportunities and books jobs with past clients.

The results? Drillbit's early users have seen profit per job increase by 3-5x.

# The Investment Opportunity:

## Why Main Street Businesses Now?

The American business landscape is experiencing an unprecedented transformation as millions of business owners approach retirement age. This demographic shift, combined with technological innovation and cultural realignment, creates a compelling investment thesis for those looking to acquire and modernize Main Street businesses.

The convergence of four key factors creates an exceptional opportunity for investors in Main Street businesses:

- **Demographic Imperative:** The "silver tsunami" of retiring Baby Boomers means 51% of U.S. businesses are owned by individuals aged 55+, with 73% planning to exit within a decade. This represents the largest business ownership transfer in history - approximately $14 trillion in assets changing hands - creating a time-sensitive opportunity to acquire established, cash-flowing enterprises.

- **Capital Structure Mismatch:** A profound structural inefficiency exists in the marketplace, with 90% of available private equity capital ($3 trillion) sitting in funds too large for Main Street deals. This capital gap leads to reduced competition, more reasonable valuations (typically 5-7x EBITDA versus double-digit multiples for larger enterprises), and greater selection for disciplined investors.

- **Technological Transformation:** Main Street businesses are at an inflection point of modernization. Software, AI, and automation tools-once reserved for enterprise - are finally reaching small business owners, creating substantial value creation opportunities through operational improvement.

- **Cultural and Economic Realignment:** Consumer spending remains robust in essential services, with sectors like home services, waste management, and repair trades seeing more spend than e-commerce or hospitality. Simultaneously, younger generations are increasingly viewing trades and local entrepreneurship as paths to stability in an AI-uncertain world.

The combination of established customer bases, essential service offerings, and technological modernization potential creates multiple value creation levers. For investors who can efficiently identify, acquire, and improve these businesses, the Main Street opportunity represents a rare confluence of scale, timing, and structural advantage - a chance to generate compelling returns while preserving and enhancing the economic backbone of American communities.

# Join Us in New York City | Main Street Business & the Generational Transfer of Ownership

Our June 4th conference features distinguished speakers, including New York Times best-selling author of "Main Street Millionaire" and Contrarian Thinking's Codie Sanchez along with the company's general partner Chris Petkas.

Codie will kick us off, laying out the main street business opportunity for members, followed by a fireside chat between Codie, Chris and moderator Garret Wing (the founder and CEO of American Standard Dog Training, DIYK9.com, and American Overwatch K9 Services).

## The Great Main Street Business Transition

As the Baby Boomer generation approaches retirement age, a compelling investment opportunity is emerging: The acquisition of Main Street businesses.

5:30 - 6:30 PM: **Arrival & Check-In**

6:30 - 6:40 PM: **Introduction: A Turning Point for Main Street America**
- Matthew Bernard, meetperry

6:40 - 6:50 PM: **The Silver Tsunami: A $14 Trillion Opportunity**
- Codie Sanchez, Contrarian Thinking

6:50 - 7:30 PM: **A Fireside Chat with Codie Sanchez & Chris Petkas**
- Codie Sanchez, Contrarian Thinking
- Chris Petkas, Contrarian Thinking
- Garret Wing, American Standard Dog Training

7:30 - 9:00 PM: **Reception & “Main Street Millionaire” Book Signing**

Registered members will receive a Google Calendar invite to this event, which includes Google Maps information for getting to the venue on June 4th. You can view event details and RSVP guests via our website. For more details, please email: concierge@meetperry.com.

Join us in New York City as we explore The Great “Main Street Business” Transition

# Conclusion

Main Street is undergoing a transformation - one that combines generational shifts, policy tailwinds, and tech-driven reinvention. As more business owners prepare for retirement and the “silver tsunami” accelerates, we’re seeing a historic window to step into real, cash-flowing ownership. With 68 cents of every dollar spent at small businesses staying local, the impact isn’t just financial-it’s foundational to stronger, more resilient communities.

Small business creation is surging, and maturing operators are facing urgent succession challenges with limited plans in place. At the same time, platforms like Drillbit, Jobber, and Cents are bringing AI and automation to previously overlooked industries - eliminating friction, unlocking scale, and making ownership more accessible than ever. Young people are rethinking their career paths too: Jobber found that nearly half of Gen Z believes trade jobs are more secure than white-collar roles in an AI-driven world. With regulatory changes on the horizon, access to capital expanding through private credit platforms like Percent, and deep cultural momentum behind local business, the future of Main Street is investable - and inevitable.

We see a rare convergence: millions of quality businesses coming up for sale, new generations hungry for stability and freedom, and tools emerging that allow owners to scale smarter, faster, and with less overhead. Whether it’s turning a single-location service business into a franchise, or using tech to eliminate admin and focus on growth, the opportunity on Main Street has never been more real - or more scalable.

## Want to learn more about The Great Main Street Business Transition?

You can access all meetperry exclusive Main Street Business content here or by scanning the QR code above.

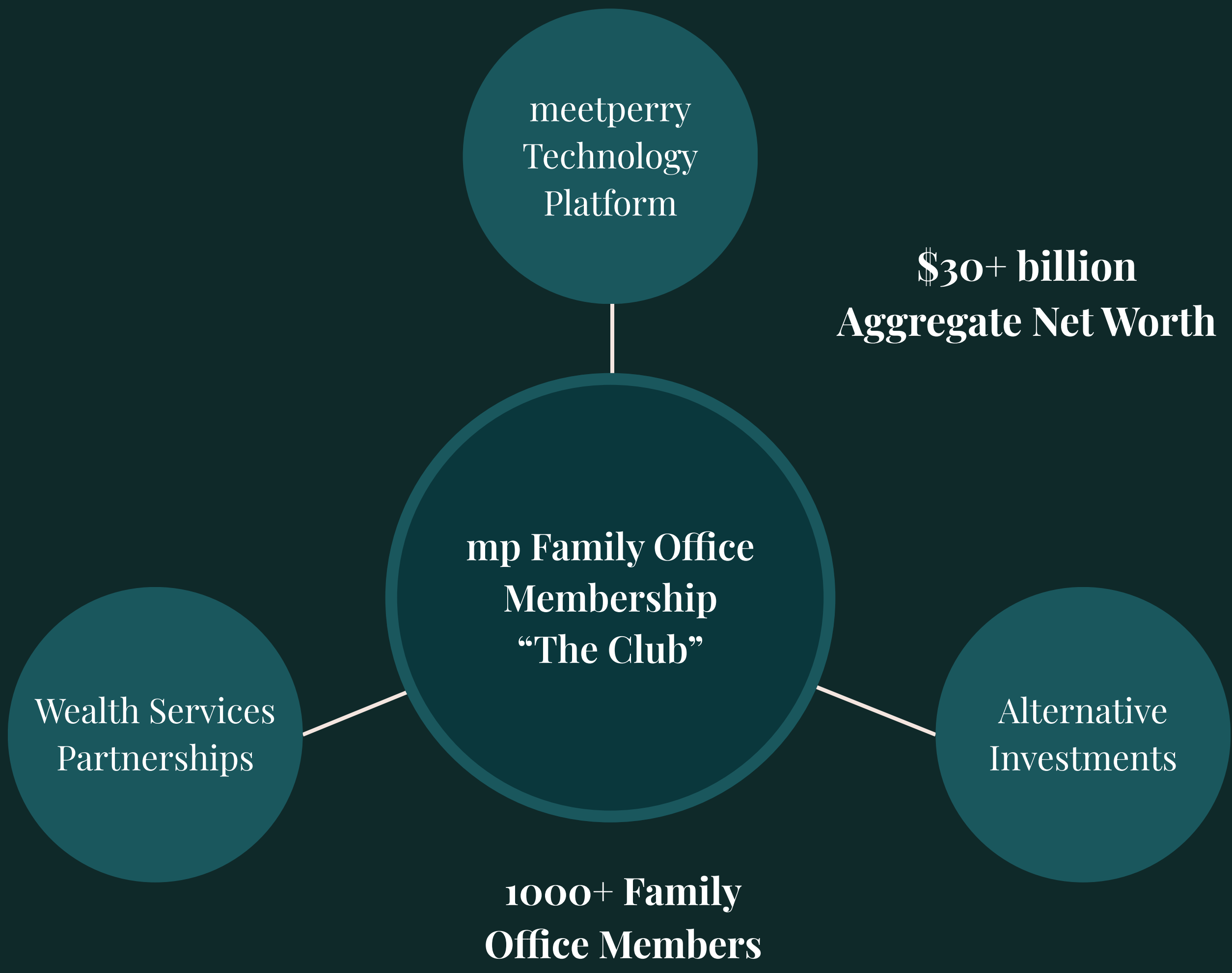
# About meetperry

## meetperry is a Modern Family Office for Modern Times.

meetperry is an exclusive membership-based family office, wealth services, and alternatives platform

Our global membership is a vibrant and highly engaged community of like-minded, high net value individuals and their families that enrich each other's lives in the pursuit of our common mission. That mission is to work together to orchestrate opportunities and to share experiences that lead to greater fulfillment in wealth and in life.

The MP Select Funds are a family of multi-strategy, diversified thematic funds designed to provide holistic exposure to key emerging investable themes and trends identified by meetperry and its family office member experts.



# About Contrarian Thinking Capital

Contrarian Thinking Capital is an early-stage venture capital fund investing in the future of work and the revitalization of Main Street America. We back founders building durable businesses in overlooked but essential sector like blue-collar tech, robotics, and SMB infrastructure that form the backbone of the U.S. economy.

The way small business operates is undergoing a transformation. As a new generation of tech-native operators takes the reins, they're demanding modern tools to run faster, smarter, and more efficiently. We invest in the companies replacing pen and paper with vertical integration, workflow automation, and embedded financial solutions, bringing Main Street into the 21st century.

At the same time, a generational turnover is accelerating. More than 17 million business owners are over 55, with over $14 trillion in assets expected to change hands in the next decade. For the first time, Main Street is a place to build and buy. Ownership is changing hands, and with it comes an opportunity to modernize and scale the backbone of the real economy.

Led by Codie Sanchez, we've built one of the largest and fastest-growing financial media platforms in the U.S., with 10 million+ followers and 120 million monthly impressions. Our media presence not only allows us access to unfair deals and the ability to distribute companies to drive thousands of leads; it gives us an ear to the ground. We are backing the operators who know their customers, understand their communities, and are finally getting the tools to grow at a scale never before seen.

We're unapologetically bullish on businesses that don't always make headlines but keep the country running. With deep operational experience and a powerful media engine, we help our portfolio companies grow faster, reach more customers, and attract top-tier talent. We don't just write checks; we roll up our sleeves, tell your story, and help build lasting businesses. While we call them "small" or "boring," they're anything but. Making small businesses faster, cheaper, and more efficient. If you believe American entrepreneurship belongs not just in Silicon Valley boardrooms but on shop floors, in franchise offices, and across family-owned businesses on Main Street, you'll find your people here.

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