

# The Art of Streamlining: Integrating the Purchasing Function in a Roll-Up Company

In the fast-paced world of mergers and acquisitions, roll-up companies are redefining industries by consolidating fragmented markets. But while the headlines focus on deal valuations and market synergies, the real work begins behind the scenes—where the challenge of integration often makes or breaks the success of the strategy. One of the most critical yet overlooked functions in this process is purchasing.

In a roll-up company, where multiple smaller businesses are acquired and merged under a unified corporate umbrella, the purchasing function can either become a lever for tremendous cost savings or a bottleneck of inefficiency. Here's how leaders can effectively centralize purchasing to unlock value and drive long-term growth.

## The Starting Line: A Fragmented Landscape

When a roll-up company acquires multiple businesses, it inherits a mosaic of purchasing systems, supplier relationships, and procurement processes. Each acquired entity often operates independently, with its own network of vendors, negotiated terms, and procurement protocols. While this autonomy works for smaller businesses, it becomes a liability in the context of a consolidated enterprise.

The first step is recognizing the scale of the challenge. Procurement leaders must take inventory—not just of tangible assets like contracts and supplier lists, but of intangibles like team dynamics, cultural norms, and legacy practices. A detailed diagnostic lays the groundwork for understanding where inefficiencies lie and how much value is trapped in the system.

## Building the Case for Integration

The pitch for centralizing purchasing often rests on three pillars: cost savings, operational efficiency, and strategic alignment.

- 1. Cost Savings:** By consolidating spend across multiple entities, roll-up companies gain leverage to negotiate better terms with suppliers. Volume discounts, standardized pricing, and streamlined logistics can significantly reduce costs.
- 2. Operational Efficiency:** Centralized purchasing eliminates redundancies. Instead of having each subsidiary run its own procurement team, a unified approach can simplify workflows and reduce administrative overhead.

**3. Strategic Alignment:** A centralized function allows the roll-up company to align procurement with broader corporate goals, such as sustainability, risk management, or innovation partnerships.

The key to securing buy-in? Framing integration not as a cost-cutting exercise but as a strategic enabler that benefits the entire organization.

## The Playbook for Integration

Integrating the purchasing function is as much about people as it is about systems. A successful rollout involves five key steps:

- 1. Centralize Data:** Start by building a single source of truth. Use advanced procurement software to centralize purchasing data, enabling transparency and informed decision-making.
- 2. Segment Suppliers:** Categorize suppliers by spend, strategic importance, and risk. Focus integration efforts on high-value or critical suppliers first, while allowing non-critical ones to phase into the system over time.
- 3. Harmonize Contracts:** Standardize terms and conditions across the organization to eliminate inconsistencies and leverage collective bargaining power.
- 4. Invest in Technology:** Modern procurement platforms can automate purchasing workflows, track spend in real-time, and even provide predictive analytics for demand planning.
- 5. Communicate and Train:** Perhaps the most underrated step is engaging stakeholders. Build cross-functional teams to represent subsidiaries in the integration process, and invest in training programs to ensure employees at all levels understand and embrace the new system.

## Overcoming Resistance

Resistance to change is inevitable. Subsidiaries may be reluctant to relinquish control over purchasing, fearing loss of autonomy or disruption to operations. The key to overcoming this hurdle lies in empathy and transparency.

Leaders should articulate the “why” behind integration and provide clear evidence of its benefits. Early wins—such as achieving immediate cost savings or solving a long-standing procurement challenge—can help build credibility and momentum.

## Reaping the Rewards

When done right, integrating the purchasing function delivers far-reaching benefits. Cost savings from supplier consolidation can translate directly to the bottom line. Streamlined processes reduce the administrative burden, freeing up resources for more strategic initiatives. And perhaps most importantly, the roll-up company gains the agility to scale efficiently—an essential trait in a competitive market.

For many roll-up companies, centralizing procurement is the unsung hero of their growth story. It's a task that requires patience, precision, and a willingness to challenge the status quo. But as leaders are discovering, the rewards are worth the effort—a streamlined purchasing function isn't just a back-office win; it's a competitive advantage.

Welcome to the age of smarter roll-ups.

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