

Sharper Diligence. Actionable Growth. True Partnership.

2025 Year in Review

2025 was one of our busiest and most productive years to date, with strong momentum across new mandates and continued partnerships. We were fortunate to work alongside clients on some of their most important decisions – supporting a wide range of diligence, strategy, and value-creation needs across industries. We're grateful for your continued trust and look forward to building on this momentum together in 2026.

250+

TRANSACTION SERVICES PROJECTS

75+

PORTFOLIO COMPANY SERVICES PROJECTS

KEY TAKEAWAYS

Resilient Activity



Middle-market deal activity remained resilient, even if the rebound fell short of expectations.

- Activity was broadly in-line with 2024 despite higher expectations entering the year.
- IGS saw steady engagement levels, with a notable shift toward sell-side preparation, continued buy-side diligence, and growing portfolio support.
- Macro uncertainty and valuation gaps kept deal flow deliberate.
- *IGS helped bridge valuation gaps through sharper diligence, customer insights, and defensible growth narratives.*

A Measured Rebound



Momentum built through the year without a sharp year-end spike.

- Q1 opened cautiously amid uncertainty (e.g., Liberation Day, DOGE, etc.).
- Q2 saw a pickup as confidence improved and delayed processes moved forward.
- While 2H remained active, the typical year-end rush did not materialize as many sellers waited amid valuation recalibration and evolving financing conditions.
- *This measured rebound sets the stage for increased deal activity in 2026, with IGS supporting clients with process advancement and value creation.*

KEY TAKEAWAYS (CONT.)

The Role of AI



AI reshaped how investors evaluated risk, value, and defensibility.

- AI moved from a peripheral topic to a core diligence and strategy consideration.
- AI-advantaged businesses saw smoother processes and stronger valuation support.
- Sectors viewed as exposed to AI-driven disruption experienced slower processes and deeper diligence as investors assessed 5-10-year implications.
- *IGS helped clients assess whether AI represented opportunity, efficiency, or disruption risk, clarified defensibility, and identified value-creation opportunities.*

Execution Quality First



Execution quality and operational readiness took precedence over pure growth.

- Investors emphasized businesses that could operate effectively today.
- Ownership models reflected a more hands-on approach centered on executable growth, margin improvement, and exit readiness over purely acquisitive expansion.
- Sponsors focused on strengthening existing portfolio companies.
- *IGS increasingly assisted sponsors and their portcos with pricing optimization, GTM refinement, customer segmentation, and operational diagnostics.*

A Shift Toward Durability



Concentration was on businesses offering predictability and downside protection.

- Investors favored services, infrastructure-adjacent, compliance-driven, and recurring-revenue models.
- Discretionary and tech-adjacent sectors faced heightened scrutiny and longer diligence cycles.
- *IGS helped sellers demonstrate durability in the businesses they brought to market and helped buyers assess the defensibility of the assets they were pursuing.*

Earlier Insights



Clients prioritized earlier delivery of decision-critical insights.

- Less emphasis on full-scope compression; more focus on sequencing and prioritization.
- Reflected a broader shift toward faster decisions and higher information density.
- *IGS helped surface the most critical findings earlier in the process.*

INDUSTRY THEMES

Below are the sector trends that defined 2025 – paired with our **Partners' Perspectives** and a representative **Project Spotlight** for each.

Professional Services

Professional Services remained one of the most resilient sectors in 2025, driven by recurring revenue models, embedded client relationships, and strong consolidation across specialized service niches. As AI became more present in discussions, buyers focused less on broad disruption risk and more on how technology could enhance efficiency, improve throughput, or elevate the client experience within existing service models. The strongest platforms were those that paired deep expertise with tech-enabled workflows and repeatable delivery. IGS leveraged an internal proprietary framework to assess both disintermediation risk and efficiency-gain opportunities, enabling buyers and sellers to position AI as an opportunity rather than a risk.



“In 2025, Professional Services emerged as a real bright spot in the market. Segments like financial services (i.e., OCFO / CPA), regulatory and compliance services, E&C, legal & technology managed services, and digital transformation support experienced significant consolidation and buyer demand. The firms that outperformed were the ones with sticky customer relationships and clearly repeatable delivery models – and we expect this momentum to continue into 2026.”

— **Bryan Quinlan, Senior Partner**

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Project Spotlight



IGS partnered with Rallyday on a buy-side diligence engagement to evaluate Insero & Co's commercial positioning and growth outlook. Our work focused on validating the strength and durability of Insero's client relationships, assessing demand across key service lines, and evaluating the scalability of its tech-enabled service model. The engagement reinforced how standardized delivery, digital enablement, and deep client integration support both consistency and growth – an embodiment of the core Professional Services themes observed in 2025, where buyers favored firms with repeatable execution, operational rigor, and defensible client stickiness.

Commercial & Industrial Services

In 2025, Commercial & Industrial Services emerged as one of the most resilient and consistently active sectors in the middle market, driven by a renewed focus on reliability, compliance, and outsourced operating models. As customers looked to manage cost, labor complexity, and regulatory requirements, businesses offering mission-critical services with predictable delivery schedules became increasingly attractive. Companies with strong route density, recurring service relationships, geographic scale, and integrated technology tools stood out, particularly where those capabilities enabled higher service quality, better asset utilization, and operational efficiency. Across facilities services, specialty maintenance, and compliance-oriented platforms, buyers favored operators that could scale through disciplined processes rather than incremental headcount alone.



“Commercial and Industrial Services was one of the most active and resilient sectors we supported in 2025. We saw meaningful consolidation across facilities services, specialty maintenance, and remediation and compliance-focused platforms – segments where recurring revenue and operational reliability proved especially valuable. Buyers consistently rewarded businesses with predictable service schedules and the ability to scale through technology or process automation.”

— **Pat Donahue, Senior Partner**

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Project Spotlight



IGS supported Guardian Fire Services on the sell-side by helping articulate the strength and durability of its recurring, compliance-driven fire inspection and life-safety services. Our work focused on validating renewal dynamics, customer stickiness, and the regulatory tailwinds underpinning demand, while clearly positioning Guardian's operational scale, route density, and service consistency. The engagement highlighted why essential, compliance-anchored service platforms continue to outperform in the middle market – benefiting from predictable revenue streams, strong visibility into future cash flows, and a highly fragmented competitive landscape that supports ongoing consolidation.

Industrials & Manufacturing

Despite ongoing macro uncertainty and renewed attention to trade policy following Liberation Day, Industrials & Manufacturing remained a core pillar of middle-market activity in 2025. Tariff volatility and supply-chain realignment elevated investor focus on platforms with domestic or near-shore manufacturing footprints, resilient sourcing strategies, and pricing power to offset input cost pressure. Interest concentrated on businesses with diversified end-market exposure and meaningful recurring service or aftermarket components that supported revenue stability amid shifting cost structures. Companies with engineered or technically differentiated products continued to stand out, particularly where reliability, performance, and long product lifecycles drove repeat purchasing and customer stickiness. Across the sector, operational modernization – through automation, productivity enhancements, and process optimization – played an increasingly important role in diligence and value-creation planning, as buyers prioritized assets capable of protecting margins, managing labor constraints, and navigating tariff-driven cost dynamics.



“Industrials remained a foundational engine of middle-market M&A in 2025, with robust activity across manufacturing services, industrial distribution, and equipment repair and maintenance. The assets that outperformed were those that demonstrated end-market resilience, recurring or aftermarket revenue components, and clear adjacencies for growth. We expect continued strength as buyers prioritize defensible cash flow and durable customer relationships heading into 2026.”

— Zach Casavant, **Senior Partner**

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Project Spotlight



IGS partnered with Structural Concepts Corporation (SCC) on the sell-side to articulate the company's engineered product differentiation in temperature-controlled merchandiser systems and the strength of its long-standing customer relationships. Our work highlighted SCC's technical credibility, reliable products driven by innovation, and exposure to stable end markets – key attributes that resonated with buyers in 2025. The engagement reflects a broader industrial theme: value-added manufacturing platforms with defensible niches, proven performance, and opportunities for operational modernization remained highly sought-after by strategic and financial investors alike.

Consumer & Retail

Consumer deal activity in 2025 reflected a bifurcated demand environment amid ongoing macro uncertainty, further complicated by renewed tariff pressure following Liberation Day. Tariff volatility created meaningful disruption across retail supply chains, forcing brands and retailers to reassess sourcing strategies, ordering cadence, and pricing architecture while working through inventory normalization. As a result, investor focus narrowed toward segments supported by structural demand and higher-income consumers, where pricing power and demand visibility were more durable. Activity remained strongest in essential food and beverage, automotive services, home and residential services, and consumer health and wellness, while discretionary categories were approached more selectively. Across the sector, investors favored value-oriented, lower-risk business models with demonstrated unit-level economics and margin resilience, and remained cautious on brand-heavy assets lacking clear differentiation or the ability to pass through cost volatility.



“What stood out in 2025 was how targeted consumer investing became. Buyers leaned into categories with durable demand – such as automotive services, residential services, and consumer health – while applying much greater discipline elsewhere. Within discretionary consumer, interest concentrated in omni-channel and enthusiast-driven niches with loyal, higher-net-worth customer bases, including specialty fitness, travel and leisure, and youth sports. Ultimately, the assets that continued to transact were those with proven unit economics, pricing power, and authentic category leadership, particularly private-label, service-oriented, and mid-value-chain food and beverage businesses.”

— **Drew D'Amaro, Senior Partner**

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Project Spotlight



IGS supported Barchemy on the sell-side by helping articulate its differentiated position as a manufacturer of better-for-you chocolate ingredients and confectionery solutions. With minimal consumer brand risk, strong customer relationships, and exposure to structurally growing food and wellness trends, Barchemy exemplifies the type of lower-risk, value-oriented consumer platform that continued to attract buyer interest in 2025 – particularly within essential and mid-value-chain food and beverage categories.

Healthcare

Healthcare saw renewed momentum in 2025. Buyers prioritized scalability, efficient workflows, and differentiation amid shifting labor dynamics and reimbursement pressure. Platforms addressing access gaps, clinical efficiency, cost- and labor-effective delivery, and employer- and payer-focused cost containment earned outsized attention. Tech-enabled and outsourced services (across provider and payer markets) were the most active verticals, where diligence and value-creation efforts emphasized competitive moats (e.g., technology or specialty focus), resilience to disruption – including AI – and the ability to replicate land-and-expand strategies with major payer and provider relationships. For provider practice deals, key investor focus areas included actionable geographic whitespace, clear scalability pathways, competitive differentiation as perceived by referral sources or patients, and reimbursement resilience.



“Healthcare experienced strong activity in 2025. We saw continued interest in tech-enabled outsourced services (payer and provider) as well as cost-containment solutions and a rebound in physician specialty practices. Companies that commanded the most interest were those that could clearly articulate service model, tech or clinical differentiation, scalable operating models, and sustainable reimbursement profiles.”

— Chad Benoit, Partner

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Project Spotlight



IGS partnered with Cortec Group to evaluate MPLT's market positioning, competitive landscape, and scalability in addressing provider staffing challenges, including the evolution of the locum tenens value proposition across supply / demand and technology disruption dynamics. The engagement reflects two key healthcare themes from 2025: (1) outsourced service models navigating consolidation alongside increasing tech enablement, and (2) the continued need to improve staffing efficiency through focused services and specialty-specific clinical expertise.

Technology & Software

Technology & Software saw renewed momentum in 2025 as buyers recalibrated expectations and refocused on durable fundamentals, with investor interest concentrating on platforms offering recurring revenue, deep workflow penetration, and efficient growth profiles. Activity was strongest in vertical SaaS, workflow automation, and compliance-oriented solutions – particularly where products solved specific operational challenges, delivered measurable ROI, and demonstrated strong customer retention. AI was a pervasive consideration across software diligences, reshaping how buyers evaluated both opportunity and risk. Platforms perceived to benefit from AI through automation, analytics, or productivity enhancements moved through processes more smoothly, while those without clear defensibility faced deeper scrutiny. In this environment, software embedded in day-to-day customer workflows with domain-specific functionality, high switching costs, and clear expansion pathways stood out as being better insulated from disruption and positioned for sustainable growth.



“Technology and software saw renewed momentum in 2025. The differentiators that resonated most were credible TAM, strong retention, deep workflow penetration, and clear paths to efficient growth. We fielded sharper questions surrounding AI on every diligence and found the platforms best insulated from disruption were those embedded in customer workflows with domain-specific value that’s hard to replicate. AI did not dampen software M&A demand – it reshaped it, pushing buyers to reward products with tangible operational value and defensible use cases.”

— **Liz Gasman, Senior Partner**

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Project Spotlight



IGS partnered with ParkerGale on a buy-side diligence engagement to assess adoption drivers, workflow integration, and the durability of e-PlanSoft's municipal plan-review software. Our work focused on validating customer reliance, understanding regulatory tailwinds, and evaluating how the platform replaces manual, paper-based workflows for local governments. The engagement reflects a broader 2025 software theme: vertical, compliance-oriented SaaS platforms that anchor mission-critical processes and deliver clear operational value continued to resonate strongly with buyers in a more selective investment environment.

PORTFOLIO COMPANY SERVICES' THEMES

Below are the trends that defined 2025 for our Portfolio Company Services – paired with our **Partners' Perspectives**, an **Industry Spotlight**, and the **Implications for 2026**.

Pricing

AI drove pricing models toward paying for value

Software & technology, tech-enabled services, and professional services are feeling the influence of AI shifting pricing models from paying for effort or access (inputs-based pricing models like hours or seats) to paying more directly for customer value (outcomes-based pricing models).

From pricing products to pricing customers

Product-based companies' pricing efforts continue to shift away broad-based price increases toward tighter segmentation, willingness-to-pay analysis, structured discounting, and disciplined governance to capture value without disrupting customer demand.

Pricing as a diligence and deal-readiness lever

Pricing initiatives were increasingly used to support sell-side preparation and post-close value creation, helping management teams demonstrate margin sustainability and commercial rigor to buyers.

Speed to impact mattered

Clients prioritized pricing frameworks that could be implemented quickly and produce measurable EBITDA impact within months, favoring pragmatic execution over theoretical redesigns.

Pricing emerged as one of the most consistently requested value-creation levers across IGS's portfolio work over the past year. As inflationary pressure moderated but cost volatility and customer scrutiny remained elevated and the effects of AI were increasingly felt, management teams turned to pricing as a way to bolster margins, fund growth initiatives, and demonstrate near- and long-term EBITDA impact. Across sectors, the most successful engagements focused more on strategic pricing enhancements through alignment of price-to-value, effective segmentation, differentiated willingness to pay, and price governance, and execution rigor.

Pricing work in 2025 also reflected a heightened focus on actionability and speed. Clients prioritized pragmatic, data-driven frameworks that could be implemented quickly, often alongside commercial diligence or post-close value creation planning, rather than academic exercises. These clients saw pricing as more than an inflationary offset, but as a way to achieve stronger monetization for the value they deliver to customers, which includes several facets beyond list price changes and discounting control. In many cases, pricing initiatives were designed to support broader strategic goals, including preparing for a sale process, supporting integration efforts, or funding investment in technology and operations.

Pricing (Cont.)

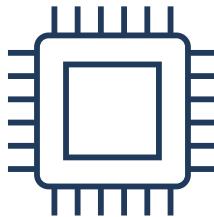


“Pricing was one of the most reliable value-creation tools deployed in 2025. Across industries, management teams were looking for practical, defensible ways to capture value without disrupting customer relationships. The most effective pricing initiatives combined sharp segmentation, insight-driven recommendations, disciplined execution, and clear ownership – allowing companies to drive meaningful margin expansion while maintaining competitiveness. We expect pricing to remain a core lever for sponsors and operators in 2026, particularly as markets normalize and expectations around profitability increase.”

— **Pat Meegan, Senior Partner**

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Industry Spotlight



Technology & Tech-Enabled Services

IGS' pricing team was highly active in supporting technology and tech-enabled services companies as AI reshaped monetization models. Traditional seat- and time-based pricing increasingly failed to reflect the value delivered by agentic AI and automation-driven efficiencies, prompting a shift toward value- and outcome-based pricing structures. IGS partnered with management teams and sponsors to design and implement pricing strategies – such as ROI-linked and performance-based models – that aligned price with customer value, supported adoption, and drove near-term margin improvement while maintaining customer retention, often delivering measurable EBITDA impact within 6-12 months.

What this Means Heading into 2026

- Pricing will remain a first-call value lever as sponsors seek predictable, controllable EBITDA upside in uncertain growth environments.
- The impact of AI will continue to push portfolio company teams to consider appropriate changes to their monetization strategies.
- Granular segmentation and discount governance will matter more than one-time list price changes.
- Integration of pricing with GTM and commercial strategy will become more common, especially in platform and roll-up environments.
- Speed to impact will remain critical, favoring firms that can move from insight to execution quickly.

Go-to-Market (GTM)

The Sales Talent Conundrum

With sales performance delivering mixed results over the past 12-18 months, leaders and investors increasingly questioned whether they had the right people, roles, and structure in place. Assessing sales talent, clarifying role design, and upskilling teams emerged as key themes in 2025 and are expected to accelerate further in 2026.

Reworking the Narrative Became Essential

Companies revisited how their value propositions resonated with customers and how clearly they differentiated versus competitors. Refreshed customer insights pushed management teams to sharpen sales messaging, refine positioning, and adapt narratives as customer needs and competitive dynamics evolved.

Data Played a Central Role in Sales Execution

From lead scoring to sales management KPIs, data became critical to building effective sales engines. Leading organizations moved deeper into data-driven sales execution, while others recognized the growing gap – and the risk of falling behind without comparable analytics capabilities.

GTM Diligence Gained Importance

A notable shift in 2025 was investors' recognition that GTM capabilities must be assessed during diligence, not just post-close. Many post-mortems pointed to flawed GTM assumptions as the primary reason growth targets were missed, elevating GTM evaluation to a core diligence priority.

The IGS Go-to-Market practice emerged as a core pillar of portfolio company services in 2025, as sponsors and management teams sought greater clarity on where to focus commercial effort and investment. As growth became more selective and execution more scrutinized, analytics played a central role in identifying whitespace, sharpening GTM focus, and improving sales productivity. The most effective engagements paired robust analysis with clear operational recommendations – ensuring insights translated directly into action.

Across industries, GTM initiatives supported broader strategic objectives, including accelerating organic growth, improving post-close integration, realigning salesforces, and building repeatable performance-management systems. Rather than standalone analytics efforts, these initiatives were embedded within value-creation plans, enabling companies to operate with greater discipline, transparency, and accountability.

Go-to-Market (Cont.)



"In 2025, diagnosing the key risks (or points of failure) in the GTM organization was the number one item on investor and portfolio leadership minds. While some companies were buoyed by strong market tailwinds (often tied to the macro-AI ecosystem), many other companies experienced flat or declining sales – raising the critical question of whether challenges were internal or market-driven. Answering that required a 360-degree view of the GTM function, including internal execution, customer behavior, and competitive dynamics. With that perspective, leadership could make informed decisions about what to change and how to sequence those changes."

— **Dave Jones, Senior Partner**

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Industry Spotlight



Business Services

Business Services was a particularly active area for IGS' GTM work in 2025, as sponsor-backed platforms worked to integrate acquisitions and address sales and marketing capabilities that had become misaligned with evolving industry dynamics. Expansion through M&A increased the need for clarity on where to grow next. Using data-driven analytics, IGS helped business services providers prioritize customer segments, optimize sales coverage, and develop actionable engagement strategies. For companies facing growth challenges, revisiting the customer value proposition and alignment with changing customer needs was critical. Through primary research and advanced analytics, IGS refined targeting, repositioned offerings, and helped reignite growth.

What this Means Heading into 2026

- Continued evolution of sales teams as investors increase focus on accountability and specialization.
- Reworking incentive structures to encourage collaboration while maintaining individual ownership.
- Greater use of advanced analytics to segment customer behavior, align sales specialization, and create more actionable growth targets.

HIRES & PROMOTIONS

We were excited to welcome new team members and recognize several well-deserved promotions across our Management and Partner ranks this year. These additions strengthen our leadership bench and reinforce our commitment to delivering exceptional insight and partnership.

Management & Partner Hires

Matt Umscheid, Chief Executive Officer



Matt Umscheid brings over 30 years of leadership experience across consulting, private equity and operating businesses. His leadership is helping further professionalize our C-suite as we enter our next stage of growth. Most recently Matt served as CEO for two private equity backed businesses, Envision, a Video SaaS business, and then Nuvem, a Pharmacy Technology and Services business.

Shauna Collins, Chief Financial Officer



Shauna is an accomplished finance and operations leader with deep expertise in scaling and transforming professional services organizations. She brings more than two decades of experience guiding firms through high-growth phases, where she has consistently strengthened financial rigor, enhanced operational maturity, and built the infrastructure needed to support rapid expansion.

Pradeep Ghosh, Senior Partner



Pradeep is a growth & innovation strategy and commercialization leader with 18+ years of consulting, industry, and entrepreneurial experience. He has advised senior leaders and front-line operators across industries from Fortune 500 companies to PE portfolio companies and venture-backed startups on accelerating time-to-market and market acceptance & adoption of new products, services, and technologies.

Adnan Akbari, Partner



Adnan brings over 15 years of experience in executing top-line growth strategies, with a specialized focus developing price models to accelerate revenue and profit growth. His expertise spans both mid-sized organizations and Fortune 500 companies, consistently centered around aligning pricing strategies with customer value to unlock growth opportunities.

Hachem Alaoui Soce, Partner



Hachem is a Partner at IGS with more than 15 years of strategic consulting, transaction advisory and operational experience; and focuses on driving the firm's efforts in the technology sector. He is a former BCG partner who brings significant experience advising private equity and corporate clients. He has deep expertise leading buy-side, sell-side, and portfolio value creation projects across vertical and horizontal software.

Management & Partner Hires (Cont.)

Molly Dearing, Partner



Molly advises clients on commercial diligence and broader investment analysis. She has led dozens of engagements across industries, with deep expertise spanning multiple verticals within both the consumer and industrial markets. Molly has spent significant time in the Food & Beverage sector, supporting numerous engagements across the full F&B value chain – including agricultural inputs, ingredient suppliers, co-manufacturers, distributors, branded and private-label food and beverage, restaurants and foodservice, and grocery.

Mike Kirwan, Partner



Mike is a Partner at IGS and has led buy-side due diligence, sell-side market studies, and portfolio company growth strategy engagements across a diverse range of industrials, energy, and consumer end markets. Prior to joining IGS, Mike spent almost 10 years in strategy and management consulting, including 5 years as part of EY-Parthenon's private equity commercial diligence practice.

Pete Morelli, Partner



Pete brings over 20 years of experience advising sponsors and management teams on commercial strategy and execution. His work centers on pricing, go-to-market strategy, salesforce effectiveness, and connecting opportunities to practical implementation programs to drive revenue growth and improve execution across the middle market.

Michael Garson, Engagement Leader



Michael is a go-to-market strategy and commercial excellence leader with 15+ years across consulting and industrial contexts. Michael has advised senior leaders across a variety of Fortune 500 organizations on their most pressing growth issues. Michael's expertise cuts across a range of vertical markets including Industrials, Professional Services, Medical Device, and Distribution.

Partner Promotions

Brian Fleming, Senior Partner, Chief Strategy Officer



Brian was promoted to Chief Strategy Officer. He brings decades of experience in business development, commercial due diligence, and strategic advisory services to this newly created role. He has proven his capacity in supporting clients throughout the investment lifecycle, from the buy-side to portfolio value creation initiatives to the sell-side. Brian will lead efforts to grow and enhance service lines, as well as continue to serve clients directly.

Jane Lannon, Chief Operating Officer



Since joining IGS in 2003, Jane Lannon has supported the firm's growth by serving in roles across the organization. As Chief Operating Officer, she oversees the firm's core operations and growth and drives initiatives that expand IGS's impact.

Sam Dowden, Associate Partner



Sam is an Associate Partner at IGS, leading project teams on buy-side, sell-side, and growth strategy engagements across a variety of industries (technology, consumer products, industrials, and healthcare, among others).

ABOUT IGS

For over 25 years, IGS has helped investors and management teams make better, faster decisions – from commercial due diligence to growth strategy, pricing, and go-to-market transformation. Our partner-led teams combine proprietary research, senior expertise, and judgment across more than 4,000 engagements to help clients win with confidence and create lasting value.

Sharper Diligence. Actionable Growth. True Partnership.