

Sharper Diligence. Actionable Growth. True Partnership.

Investing in Law Firms & Legal Services

Q2 2026 Industry Insights

Private investment in U.S. law firms is no longer theoretical. It is happening primarily through managed services organizations (MSOs): separate entities that own the non-legal operating infrastructure of a law firm (technology, marketing, finance, HR) and provide those services back to the lawyer-owned practice under a long-term management agreement. Sponsor interest has moved past whether the category is investable to how it should be structured, and the deals closing in 2025 and 2026 are setting the operating model for everything that follows.

This report examines how investors, advisors, and operators are approaching the legal services market, including the structures enabling investment, the practice areas attracting the most attention, and the operating models beginning to emerge. As private capital tests the boundaries of the sector, understanding where scalability, regulatory alignment, and durable demand intersect will be critical for identifying the platforms most likely to succeed.

The Market

\$400B+U.S. LAW FIRM
MARKET SIZE**>75%**OF FIRMS HAVE
<10 LAWYERS**410K+**U.S. LAW FIRM
BUSINESSES**1.1M+**LEGAL SERVICES
EMPLOYEES

INTRODUCTION

Why Legal Services Are Getting Real Attention

Law Firms have long been one of the last large professional services markets where institutional capital could not easily participate. That is rapidly changing, not because ethics rules disappeared, but because workable structures, operating models, and public precedent are maturing.




Sources: IBISWorld's U.S. Law Firms Industry Report (NAICS 54111); U.S. Bureau of Labor Statistics (BLS), Current Employment Statistics / QCEW – NAICS 5411 Legal Services; American Bar Association (ABA) – Profile of the Legal Profession / ABA market structure research

Why Legal Services Are Getting Real Attention (Cont.)

Over the past 12-18 months, sponsor interest has broadened, advisor coverage has deepened, and public proof points have become more visible. Our view is that the sector is increasingly investable, but certain areas are more attractive than others. The market is likely to reward platforms that keep lawyers in control of legal work while building real operating leverage around them.

Why The Market Is Accelerating Now

- ✓ **Succession Pressure Is Acute** – A significant share of law firm revenue is controlled by partners at or near retirement age with no institutional succession path, creating a motivated seller base that didn't exist five years ago.
- ✓ **Structures Have Been De-Risked** – MSO and ABS models have now been stress-tested through real transactions, ethics opinions, and regulatory scrutiny. The structural playbook is no longer theoretical.
- ✓ **CPA Rollups Established the Template** – Nearly a decade of PE investment in accounting firms demonstrated that professional services partnerships can be institutionalized, scaled, and exited at premium multiples without destroying the underlying practice.
- ✓ **AI Requires Capital** – Technology transformation at the pace legal services now demands cannot be funded through annual partner distributions. Outside capital is the most direct path to keeping platforms competitive.
- ✓ **Transaction Precedent Is Building** – The market has moved from a single reference case to a growing body of completed MSO formations, giving buyers and sellers alike a basis for underwriting that didn't previously exist.

<p>Where Capital Enters</p> 	<p>Outside investment reaches law firms through the operating layer, not the legal practice itself, except in the handful of states with active ABS regimes.</p>
<p>Where the Activity Is</p> 	<p>Consumer and programmatic practices are the most active. Areas like PI share intake-driven economics that PE recognizes from healthcare and CPA platforms.</p>
<p>What Separates Winners</p> 	<p>Durable mgmt. services agreements, documented attorney control over legal judgment, and proven operating leverage matter more than EBITDA at entry.</p>

IGS Point of View

The sector is increasingly investable, but not yet homogenous. The most credible platforms look less like traditional partnership bets and more like branded demand-generation and case-management businesses wrapped in disciplined governance.

Sources: IBISWorld, Law Firms in the US (May 2025); Houlihan Lokey, Legal Services Market Highlights (Apr. 2025); Citizens, Unlocking Opportunity in U.S. PIP Law Firms (June 2025); Reed Smith (Feb. 2026); Holland & Knight / Law360 (Apr. 2026); IGS Analysis

STRUCTURES

The Market Runs Through Structure

What is Rule 5.4 and Why Does it Matter?

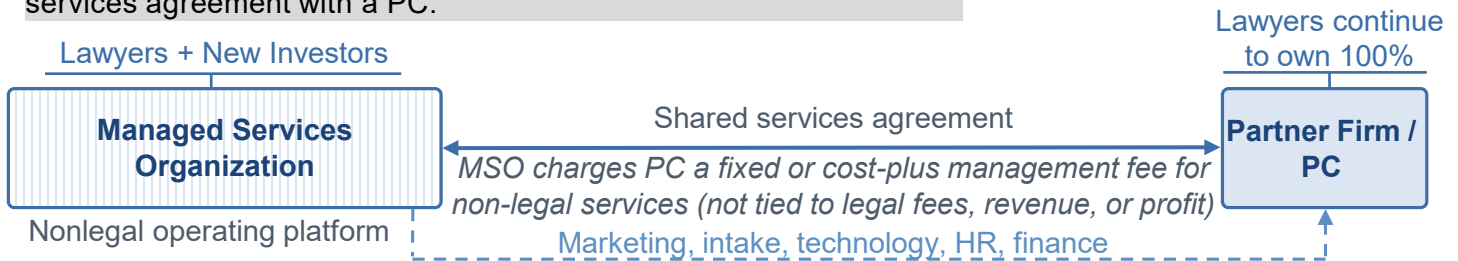
In simple terms, Rule 5.4 means non-lawyers generally cannot own law firms or share in legal fees.

Practically, this means that in most U.S. states private equity firms and other investors cannot directly buy law firms. Capital therefore reaches the sector through structure, and that structure is a core underwriting variable.

Illustrative Investment Structures

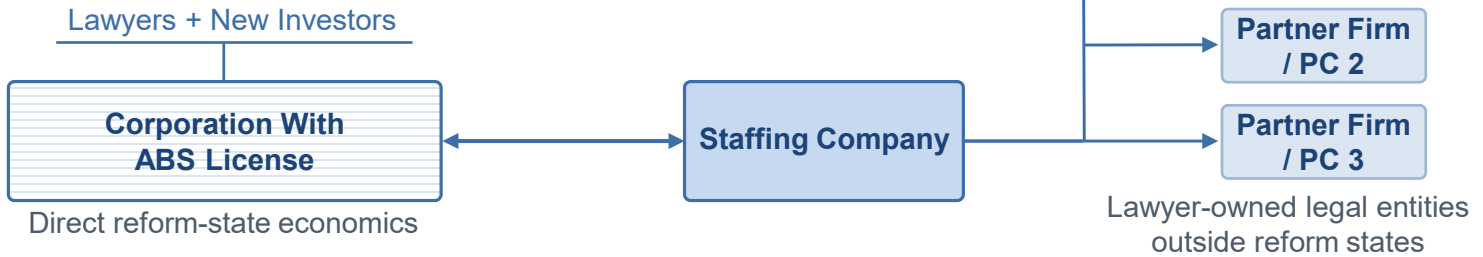
1 Managed Service Organization (MSO) / Professional Corporation (PC)

Investor acquires a controlling stake in an MSO that oversees all business operations, excluding the practice of law, under a shared services agreement with a PC.



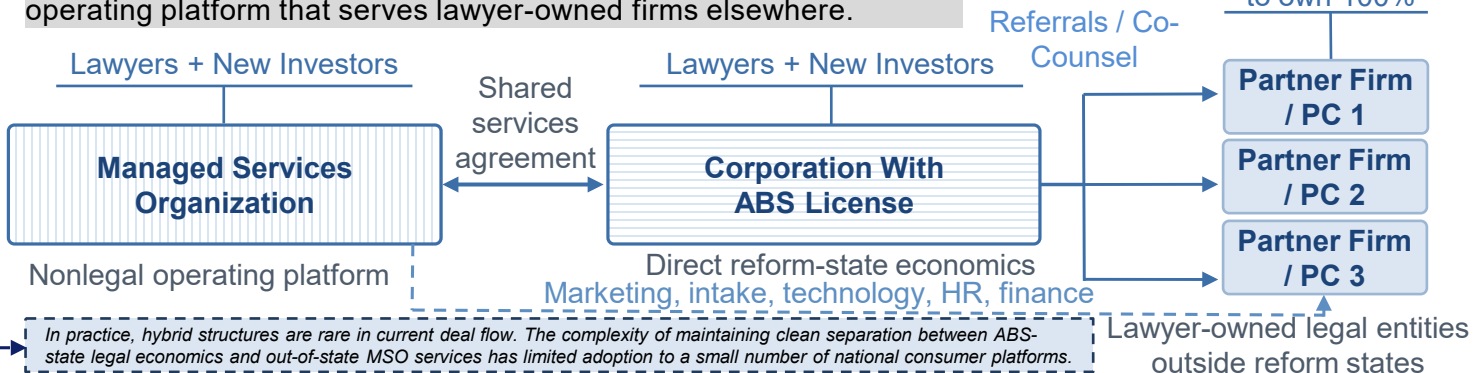
2 Alternative Business Structure (ABS)

ABS-licensed entity operates in a reform state (e.g., Arizona, Utah, D.C.) that permits nonlawyer ownership of law firms and allows integrated delivery of legal services by nonlegal organizations.



3 Hybrid ABS + MSO

Combines direct reform-state legal ownership with a broader operating platform that serves lawyer-owned firms elsewhere.



In practice, hybrid structures are rare in current deal flow. The complexity of maintaining clean separation between ABS-state legal economics and out-of-state MSO services has limited adoption to a small number of national consumer platforms.

Sources: ABA Model Rule 5.4; DLA Piper (Jan. 2026); Winston & Strawn (Mar. 2026); Texas Center for Legal Ethics, Opinion 706 (Feb. 2025); IGS Analysis; Note: Investment structures are illustrative only. Actual economics, control rights, and referral mechanics vary by state ethics rules and transaction design.

Illustrative Investment Structures (Cont.)

	MSO / Attorney-Owned Firm	ABS / Reform-State Model	Hybrid ABS + MSO
Investor	Owns the nonlegal operating entity under a long-term management or shared-services agreement.	Holds direct equity in a licensed legal-services entity in a reform state, most notably Arizona.	Combines a reform-state legal entity with a broader operating platform and nonlegal infrastructure.
Economics	Management fee cash flows plus operating leverage from scale, procurement, systems, and staffing.	Direct law-firm economics where permitted, subject to licensure, audit, and compliance requirements.	Direct economics in the ABS state plus fee-based monetization of shared services elsewhere.
Use Case	Multi-state or multi-brand growth in high-volume practices needing marketing, intake, technology, HR, and finance support.	Arizona or Utah-based or tech-enabled legal delivery strategies where direct ownership matters.	National consumer or plaintiff platforms seeking both flexibility and strategic control.
Constraints	Fee-splitting risk, fair-market-value support, and control creep into legal judgment.	Geographic limits, audit burden, and other-state practice restrictions.	More complexity; lines between legal and nonlegal activity must remain exceptionally clean.

Why MSO Is Winning the Structure Debate

The structures table above is correct in theory, but the deal flow in 2026 has settled into a clear preference. Of the law firm transactions IGS has tracked or discussed with sponsors and bankers over the last twelve months, the overwhelming majority are MSO/PC structures rather than ABS. The reasons are practical, not ideological.

1. Nationwide Applicability

- ABS economics only work in Arizona, Utah, and (in limited form) D.C. and Puerto Rico. Sponsors building national consumer platforms cannot scale a single-state vehicle without bolt-on structures.
- MSO works in 50 states under existing ethics rules. No reform required, no jurisdiction-by-jurisdiction renegotiation of the thesis.

2. Stiffening State Regulatory Dynamics

- California AB 931 (Oct. 2025) restricts California attorneys from sharing fees with out-of-state ABS firms, narrowing one of the most-cited workarounds for cross-border ABS economics.
- California AB 2305 (pending; amended June 2026) would create statutory penalties for corporate investor or lender interference with legal judgment in litigation practices. It would not ban MSOs (a properly structured MSO that preserves attorney control would likely remain compliant), but it raises cost of getting governance wrong.
 - Illinois and Colorado passed MSO-related legislation in 2026, with other states moving in similar directions.

IGS Point of View

MSO is becoming the default not because it is elegant, but because it is the only structure that lets a sponsor underwrite a national, multi-firm thesis under today's ethics regime. And though similarities do exist between CPAs and Law Firm MSOs, there are some key structural differences. Under Rule 5.4, only the legal practice entity can receive legal fees and investor returns are limited to the management fee; whereas outside capital can participate in advisory revenue directly in the CPA alternative practice structure. We believe that law firm MSO multiples will likely not converge with CPA platform multiples. They will sit lower, with the spread compensating for the narrower revenue capture and the governance complexity.

Sources: Sidley (Nov. 2025 and Mar. 2026); DLA Piper (Jan. 2026); Texas Center for Legal Ethics, Opinion 706 (Feb. 2025); California AB 931 and AB 2305 (as amended, June 2026); Colorado HB 26-1421; Illinois HB 5487; Holland & Knight (2026); IGS Analysis

MARKET OVERVIEW

A Large, Resilient, and Historically Undercapitalized Market

The Legal Services Stack: Four Distinct Investment Buckets

Law Firms

Largest TAM (~80% of legal services revenue). Rule 5.4 restricts direct non-lawyer ownership, but MSO and ABS structures provide compliant pathways. Highest upside; most structural complexity.

ALSPs

Deliver legal process services (e.g., e-discovery, document review, CLM, compliance, legal research) without providing legal advice. Outside Rule 5.4. Process/tech-driven, faster to scale, cleaner to own.

Litigation / Dispute Resolution

Complex lit, ADR, arbitration, court reporting, forensics. High partner dependency limits scale. Litigation finance offers a parallel pathway (nonrecourse capital funding claims for a share of recovery) without owning law firm.

Legal Tech

SaaS platforms serving law firms and in-house counsel. PE-native structures, no ethics constraints, fastest to scale, but most exposed to AI disruption as core workflows commoditize.

From Adjacent to Direct: How Capital Has Entered Legal Services

For the last decade, private capital has been working its way toward law firms from the outside in. The first wave went into legal technology, where there are no ownership constraints (Relativity, Clio, Litera, and dozens of CLM and eDiscovery platforms). The second wave went into Matter Support Providers and ALSPs (e-discovery operators, court reporting, expert witness, contract review, legal BPO), which do legal-adjacent work without practicing law. Both categories scaled to billion-dollar exits while law firms themselves remained off-limits.

The CPA precedent changed the conversation. Starting in 2021 with TowerBrook's acquisition of EisnerAmper and accelerating through New Mountain (Citrin Cooperman, Grant Thornton US Advisory), Hellman & Friedman (Baker Tilly, Bakertilly), Charlesbank (Aprio), and a dozen others, sponsors demonstrated that a regulated, partnership-based professional services category could be institutionalized through a dual-entity structure without destroying client outcomes or partner economics. CPA Trendlines tracked 100+ PE-backed accounting deals in 2025 alone. By the time New Mountain exited Citrin Cooperman to Blackstone in early 2025 (the first major PE-to-PE accounting flip), the playbook was no longer theoretical.

That playbook is now being adapted for legal services. The four buckets above describe where capital can compliantly flow today. The TAM ratio across them has not changed in twenty years (law firms remain ~80% of the \$475-500B legal ecosystem). What has changed is the structural readiness to access the largest of the four.

Sources: IBISWorld; Law Firms in the US (May 2025); Sidley (Nov. 2025); Ropes & Gray (Jan. 2026); CPA Trendlines PE Deal Tracker (Feb. 2026); IGS Analysis

Law Firms Practice Area Fit: Assessment by Segment

Better Positioned for PE Investment	Practice Area	Why It Draws Sponsor Interest	What Constrains Scale	IGS View
	Personal Injury / Mass Tort	Volume, recurring intake, brand-driven referrals, tech-scalable	Litigation risk, plaintiff bar competition, insurance exposure conflict	Strong MSO fit, tech-enabled intake
	Immigration¹	Case volume, repeatable workflows, national demand	Policy risk, deportation cycles affect demand	Strong with diversified geography
	Estate Planning / Probate	Aging population tailwind, recurring referrals, wealth management parallels	Low per-matter value, slow workflow	Attractive but needs volume aggregation
	Bankruptcy / Debt Relief	Countercyclical demand, standardized workflows	Regulatory cap on fees (BAPCPA)	Solid. Fee cap manageable at scale
	Workers' Comp (Plaintiff)	High volume, predictable settlements, employer funnel	State-regulated fee structures	Good with multi-state platform
	Corporate / M&A	Premium billing, institutional clients, AI funding needs	Key-man concentration, AI disintermediation (hourly model)	Emerging. Massumi + Consoli is the first public proof point
	Family Law	Recurring clients, community presence	High attorney dependency, low standardization	Selective. Needs strong intake tech
	Criminal Defense	Volume at public defender adjacency	Highly attorney-dependent, low margins	Limited. Public sector exposure required
	Less Positioned for PE Investment	Complex Litigation	High fee potential, marquee outcomes	Non-repeatable, partner-heavy, capital intensive

IGS Point of View

The best-positioned practices (PI, immigration) share a common infrastructure profile: high intake volume, workflow repeatability, and above-market margins at the MSO level – where PE can most realistically underwrite a 15-20% IRR. Massumi + Consoli has now opened the corporate boutique category; credible but early, with underwriting hinging on key-man durability and the hourly model's AI exposure.

Sources: IGS Analysis; ¹ Demand sensitivity to federal policy has been a recurring diligence question through 2025-2026. Diversified geography and case-type mix mitigates but does not eliminate this exposure.

MARKET SIGNALS

Recent Proof Points: From Concept to Formation

For years, law firm PE investment was discussed more than executed. That has changed. The last five years have produced enough regulatory milestones, transactional precedent, and operating-platform launches to move the category from hypothetical to actionable.

Key Milestones

Jan 2021

- **Arizona ABS regime goes live** – First state to fully eliminate Rule 5.4, creating the clearest pathway for licensed nonlawyer ownership of legal-service entities. 150+ ABS licenses issued through May 2026.

Apr 2022

- **Utah extends regulatory sandbox** – Utah extends the term of the regulatory ABS sandbox through 2027. 60+ ABS licenses issued¹ through May 2026.

Dec 2021

- **Alpine Investors acquires Novalaw** – One of the first law-firm MSO/PC transactions. Novalaw is an MSO that provides essential business support functions and infrastructure for Rimon Law, a global law firm.

Feb 2025

- **Texas Ethics Opinion 706** – Clarifies that revenue-linked MSO fees are impermissible; flat-fee and cost-plus structures confirmed as compliant. Sharpens the guardrails for deals structured outside ABS states.
- **KPMG Law approved in Arizona** – First Big Four entry into U.S. law practice via ABS. Signals that professional-services convergence is real and that the ABS pathway is credible for sophisticated institutional actors.

Oct 2025

- **Certum Legal Solutions launches** – Litigation funder Certum launches MSO that handles back-office operations and tech support for mass tort and PI firms. The MSO partners with firms working on a fees for services basis but will consider acquiring stakes in law firms down the road.
- **California enacts AB 931** – Restricts CA attorneys from sharing fees with out-of-state ABS firms while permitting properly structured MSOs. Reinforces MSO as the national default.

Jan 2026

- **Puerto Rico permits nonlawyer ownership** – New ethics rules allow nonlawyers to own up to 49% of a law firm, with three-year reassessment.
- **Uplift Investors forms Orion Legal MSO with Dudley DeBosier** – Prominent recent MSO formation. Dudley DeBosier (PI firm) remains 100% lawyer-owned; the MSO assumes marketing, finance, technology, talent, and admin. Sets a clear operating-model template for the market.

Apr 2026

- **Deal pipelines go triple-digit** – Specialist deal counsel report 15+ MSO closings in six months with as many as 70-100 transactions in process, more than half involving PE or VC investors. Targets range from AmLaw 100 practices to AI-native boutiques.

May 2026

- **Trive Capital invests in Massumi + Consoli MSO** – The first reported MSO transaction involving a corporate / transactional law firm. Massumi + Consoli (deals boutique) sold a back-office stake to fund AI and technology investment, extending the model beyond consumer plaintiff practices.

What We Infer From This Activity

1. Business Layer First

The "business of law" layer (e.g., legal ops, marketing, intake, case management) is consolidating faster than the practice layer itself. MSO formation is leading direct law firm ownership (vs. ABS structure).

2. Plaintiff Categories Leading

PI and programmatic consumer categories are the proving ground. These segments have the operating characteristics sponsors know how to underwrite from healthcare services and specialty consulting.

3. Proof Points Are Broadening

From a single reference case in 2021 to dozens of MSO transactions closed in 2025, with deal flow accelerating into 2026 as ethics counsel and lenders develop repeatable playbooks.

4. Beyond the Plaintiff Bar

Massumi + Consoli extends the MSO model to corporate / transactional law. If hourly, judgment-driven firms can transact, the addressable universe widens well beyond consumer practices.

5. Capital Is the Constraint

Lenders are still building conviction. Key-man risk, hourly revenue models, MSA durability, and limited law-firm collateral make debt harder to place; early deals lean on equity-heavy structures.

6. Regulation Is Bifurcating

Puerto Rico opened while California tightened. Sponsors should underwrite a state-by-state ethics overlay at entry and assume the rules keep moving during the hold.

IGS Point of View

The PE firms that entered accounting platforms earliest benefited disproportionately – buying before category legitimacy was established and exiting after multiples re-rated upward as the model proved out. Law firm MSOs are at an analogous inflection point. Sponsors who build compliant, operationally credible platforms now are positioned to capture that same category-formation premium before entry pricing reflects consensus.

Sources: Azcourts.gov; Utah Office of Legal Services Innovation; IBISWorld, Law Firms in the US (May 2025); Bloomberg Law (May 2026); Sidley (Nov. 2025 & Mar. 2026); Holland & Knight (Apr. 2026); California AB 931 / AB 2305; ¹ Includes previously authorized entities

CREDIBLE DILIGENCE

Underwriting a Fee-Based Legal MSO

The most credible law firm deals are not straightforward services investments. The diligence burden sits at the intersection of structure, governance, demand quality, and workflow discipline. Getting any one of these wrong, particularly the structural and governance questions, can create material post-close complications.

Demand Engine

- CAC by channel (TV, digital, SEO, referrals, etc.)
- Signed-case conversion rate and intake discipline
- Referral concentration and dependency risk
- Geographic white space and expansion opportunity
- Brand defensibility vs. attorney-specific relationships

Case Operations & Workflow

- Cycle time, settlement velocity, and inventory aging
- Standardized case playbooks and templates
- Ratio of attorney time to paralegal / offshore support
- Measurable AI and automation deployment
- Back-office infrastructure (billing, collections, etc.)

MSA / Economic Durability

- Contract term, renewal rights, & termination triggers
- Fee basis: flat-fee or cost-plus only (no rev. %)
- FMV support and transfer-pricing documentation
- EBITDA normalization
- Working-capital seasonality and collections timing

Governance & Talent

- Decision makers for attorney hiring & case decisions
- Rainmaker or referral-source concentration risk
- Compliance and ethics infrastructure
- Key producer retention and equity alignment
- Board rights: budget approval, KPIs, M&A authority

Red Flags That Deserve Extra Skepticism

- ▶ Revenue-linked or profit-linked compensation from the law firm to the MSO
- ▶ Vague or undocumented separation between legal judgment and business management
- ▶ Nonlawyer influence over attorney hiring, case strategy, or client selection
- ▶ Weak marketing and advertising compliance controls
- ▶ Minimal lawyer rollover, equity participation, or long-term commitment
- ▶ Excessive reliance on one originator, one referrer, or one marketing channel
- ▶ "Tech enablement" stories not backed by measurable process change or KPI improvement

Checklist: Is This Firm Ready for a Transaction?

For Law Firms Considering a Sale

- ✓ Is a Support Services Agreement (SSA) drafted and governing the MSO/PC relationship?
- ✓ Are key producers locked in with retention arrangements post-close?
- ✓ Has the firm normalized partner compensation for a market-facing EBITDA?
- ✓ Are practice-of-law policies documented (attorney hiring, client selection, conflicts)?
- ✓ Is basic tech and reporting infrastructure in place for buyer diligence?

For Sponsors Evaluating a Target

- ✓ Is the MSO/PC structure documented and legally reviewed by ethics counsel?
- ✓ Can the firm demonstrate CAC by channel and signed-case conversion data?
- ✓ Are partner distributions normalized and documented for EBITDA presentation?
- ✓ Is attorney retention and compensation aligned with post-close incentives?
- ✓ Has ethics and advertising compliance been formalized?

Sources: Texas Center for Legal Ethics; Opinion 706 (Feb. 2025); Houlihan Lokey (Apr. 2025 & Q2 2024); Sidley (Nov. 2025); IGS Analysis

IGS PERSPECTIVE

What This Means Now

Legal services should be framed as an early-stage but increasingly credible extension of the broader professional services and specialty consulting consolidation story. The market is not one asset class — it is a family of adjacencies with very different operating models and risk profiles. Getting practice fit, structure, and governance right from the start matters enormously, because the missteps that define cautionary tales in early markets tend to be structural, not operational.

Guidance by Stakeholder



For Law Firms & Sellers

- Institutionalize the nonlegal operating model before going to market. Clean economics, documented roles, consistent metrics, and basic tech readiness all widen the buyer universe.
- Normalize partner compensation and document ethics and advertising controls early.
- Lock in key producers and referral relationships with formal retention tools.
- Prepare draft SSA and SPA documentation early in the process.



For Sponsors

- Pick practice fit before structure. Underwrite the demand engine, management agreement durability, and workflow before reported EBITDA.
- Avoid assuming the healthcare or CPA playbook transfers cleanly. Guardrails differ.
- Build meaningful MSO governance rights upfront (budget authority, KPI ownership, M&A decision rights) as they are very difficult to add later.
- Prioritize platforms where AI is a margin tailwind, not a demand headwind.

What IGS Is Watching

MSO Deal Velocity Surges

From a handful of closed transactions in 2024 to triple-digit pipelines at specialist deal counsel by mid-2026. Capacity (ethics counsel, lenders, FMV providers) becomes the binding constraint, not deal interest.

Practice Area Broadening

Personal injury remains the proving ground, but immigration, estate planning, and corporate boutiques (Massumi + Consoli) are entering pipelines. Family law is selectively explored.

Regulatory Bifurcation

States are splitting between reform-friendly (Arizona, Utah, Puerto Rico) and restrictive (California, Illinois, Colorado). Sponsors building national platforms will underwrite a 50-state ethics overlay at entry.

AI as the Real Differentiator

Within twelve months, sponsors will distinguish between platforms that licensed AI tools and platforms that rebuilt workflows around them. The valuation spread between the two will widen.

How IGS Can Help

IGS brings buy-side and sell-side commercial diligence capabilities to the legal services sector – including demand validation, intake funnel analysis, practice-area market sizing, competitive positioning, and management agreement assessment. We have been active in conversations with sponsors and advisors covering the space and have direct experience supporting the legal services space for decades.

Sources: Uplift Investors (Jan. 22, 2026); Houlihan Lokey (Apr. 2025); Stanford Law School (June 2025); Holland & Knight (Apr. 2026); 8am 2026 Legal Industry Report; Colorado HB 26-1421 (Colorado General Assembly); IGS Analysis

THE AI QUESTION

Tailwind, Headwind, or Both?

AI is the single most important variable for law firm investors to underwrite carefully and one of the most misunderstood. The risk is not that AI destroys law firm value broadly. The risk is that it rewards some practices and punishes others, and that investors who buy undifferentiated firms at full multiples and/or don't have a clearly defined AI roadmap will be at a severe disadvantage.



“The firms that will benefit most from AI are those where efficiency gains compound rather than compress – where technology reduces cost without eroding what clients are willing to pay. The more dangerous position is a practice where automation is highly feasible but clients have the leverage or alternatives to demand that savings flow to them, not the firm. Investors need to underwrite which side of that equation a platform sits on before assuming AI is a tailwind.”

— Justin Bass, Chief AI Officer

Reach out to Justin: justin.bass@isginsights.com

Key AI Diligence Items for Law Firms & Legal Services

1. AI Risk & Defensibility

Does the firm capture AI savings, or do clients?

- **Fee model:** contingency and flat-fee work keeps savings as margin; hourly work faces client pass-through
- **Disintermediation:** which matters automate, and is that work a cost center or a billing center
- **Competition:** AI-native intake platforms, ALSPs, and Big Four ABS entrants
- **Capital intensity:** Kirkland & Ellis pledged \$500M to a proprietary AI platform (May 2026), resetting the bar for AI investment

2. AI Value Creation

Where does AI create measurable, defensible value?

- **Demand engine:** AI intake qualification, lead scoring, and conversion lift on CAC-to-signed-case
- **Case operations:** records summarization, demand drafting, document review, cycle-time gains
- **Predictive analytics:** settlement modeling, case selection, and inventory triage
- **Back office:** billing reconciliation, collections, and standardized MSO reporting

3. AI Readiness & Adaptability

Can the platform deploy and sustain AI in the hold?

- **People:** AI owned at the MSO level vs. stuck in attorney-led pilots
- **Process:** workflows documented and standardized enough to re-engineer
- **Technology:** modern, integration-ready case management and back-office stack
- **Data:** case, settlement, and intake history deep and structured enough to feed AI

IGS Point of View: Hourly vs. Contingency Models in the Face of AI

Near term: Hourly billing is the exposed model: efficiency gains become revenue concessions that sophisticated clients will demand. Contingency and flat-fee work routes savings to margin, a core reason plaintiff platforms have led MSO deal flow.

Longer term: AI accelerates the shift to outcome-based and fixed-fee pricing, compresses the associate-leverage pyramid as junior work is automated, and forces recruiting and training models off billable-hour economics. Platforms that redesign org structure and talent around AI, rather than bolting it onto the old model, will hold the durable advantage.

How IGS Can Help

IGS pairs 25 years of professional services commercial diligence with a purpose-built AI practice led by senior practitioners who have built and shipped AI in real businesses. For law firm and legal MSO investments, IGS supports the full deal lifecycle:

- **AI Diligence (buy-side and sell-side):** run alongside CDD, scoring the tailwind-versus-headwind question by practice area and delivering an IC-ready or CIM-ready AI point of view.
- **AI Strategy:** a prioritized, financially grounded roadmap across the demand engine, case operations, and MSO back office.
- **AI Activation and Transformation:** deploy intake, document, and case-ops automation in weeks, and build proprietary models such as predictive settlement and case-selection engines that become durable assets at exit.

Sources: Bloomberg Law (May 2026); 8am 2026 Legal Industry Report; IGS Analysis

KNOWLEDGE AND SOPHISTICATION

Experts in Professional Services

Connect with The Authors



Bryan Quinlan
Senior Partner, Co-Head of Professional Services

bryan.quinlan@igsinsights.com

Bryan Quinlan has 15+ years of transaction advisory, strategic consulting and M&A experience. He is actively involved in the development of new client relationships and the management of due diligence and strategy engagements across the Professional Services sector and a variety of other industries.



Brian Fleming
Senior Partner, Head of M&A Practice

brian.fleming@igsinsights.com

Brian Fleming has 20+ years of PE advisory and M&A experience. Brian focuses on leading the firm's growth efforts across service lines, organically and through M&A. Brian has extensive experience helping clients throughout the investment lifecycle across a wide range of industries, including Professional Services.



Chad Benoit
Senior Partner

chad.benoit@igsinsights.com

Chad Benoit has 10+ years of consulting experience. Since joining IGS, he has worked on 250+ engagements in which he has designed market studies and led consulting teams to answer questions about the unique characteristics of a diverse set of industries.



Justin Bass
Chief AI Officer, Co-Head of AI Practice

justin.bass@igsinsights.com

Justin Bass is the Chief AI Officer at IGS, where he started the firm's AI Consulting Practice. He brings deep expertise building and scaling data and AI organizations across a diverse set of industries.



Hachem Alaoui
Partner, Co-Head of AI Practice

hachem.alaoui@igsinsights.com

Hachem Alaoui has 15+ years management consulting, as well as PE and VC portfolio operations experience. Hachem has deep experience assessing AI risk and growth opportunities. During his time as a partner at BCG and IGS, Hachem has led projects across all sectors.



Austin Carter
Director of Business Development

austin.carter@igsinsights.com

Austin Carter has 10+ years of M&A advisory and business development experience. He leads the firm's business development efforts, supporting IGS' investment banking partners across industries. Throughout his career, Austin has worked on dozens of strategic advisory and financing transactions.

Selected Legal Services Experience

<p>IGS is currently evaluating</p> <p>LAW FIRM MSO</p> <p>With Commercial & AI Due Diligence</p> <p>on behalf of a private equity sponsor</p>	<p>IGS evaluated</p> <p>K2 SERVICES FORREST epiq GRTS</p> <p>LEGAL BPO & IT MSP</p> <p>on behalf of a private equity sponsor</p>	<p>IGS evaluated</p> <p>ANGEION GROUP Changing the Rules EO DONLIN RECANO CASEWORKS</p> <p>LEGAL SERVICES</p> <p>on behalf of a private equity sponsor</p>
<p>IGS evaluated</p> <p>HARBOR COMPLIANCE</p> <p>LICENSING & TAX COMPLIANCE</p> <p>on behalf of a private equity sponsor</p>	<p>IGS evaluated</p> <p>profit solv</p> <p>PRACTICE MANAGEMENT SOFTWARE FOR LAW FIRMS</p> <p>on behalf of a private equity sponsor</p>	<p>IGS evaluated</p> <p>File & Serve express</p> <p>E-FILEING, SERVICE, & DOCUMENT MANAGEMENT</p> <p>on behalf of a private equity sponsor</p>
<p>IGS evaluated</p> <p>Trustpoint.One</p> <p>TECH-ENABLED LEGAL SERVICES</p> <p>on behalf of a private equity sponsor</p>	<p>IGS supported</p> <p>Proof</p> <p>TECH-ENABLED LEGAL SERVICE OF PROCESS</p> <p>with internal strategic initiatives</p>	<p>IGS evaluated</p> <p>ECFX</p> <p>E-FILEING & DOCUMENT RETRIEVAL</p> <p>on behalf of a private equity sponsor</p>
<p>IGS supported</p> <p>exterro</p> <p>LEGAL GRC SOLUTIONS</p> <p>as part of its sales process</p>	<p>IGS supported</p> <p>Best Lawyers</p> <p>LAW FIRM MARKETING PUBLICATION</p> <p>as part of its sales process</p>	<p>IGS supported</p> <p>VERITEXT LEGAL SOLUTIONS</p> <p>COURT REPORTING SOLUTIONS</p> <p>with internal strategic initiatives</p>
<p>IGS evaluated</p> <p>KCC</p> <p>LEGAL PROCESS OUTSOURCING</p> <p>on behalf of a private equity sponsor</p>	<p>IGS evaluated</p> <p>resolution economics</p> <p>ECONOMIC CONSULTING & EXPERT WITNESS TESTIMONY</p> <p>on behalf of a private equity sponsor</p>	<p>IGS evaluated</p> <p>AdaptiBar</p> <p>PROFESSIONAL LEGAL EDUCATION PLATFORM</p> <p>on behalf of a private equity sponsor</p>

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