

PROFESSIONAL SERVICES:

Growth Through Disciplined Execution

2026 Private Equity Survey
Professional Services Spotlight



Professional services investors are pursuing acquisition-led growth while sharpening diligence, addressing talent constraints, and prioritizing pricing and sales growth.

Professional Services remains a prominent investment avenue for private equity (PE), but investors are becoming more selective about how they direct their capital. Risk exposure uncovered during due diligence remains the leading challenge to deployment, while competition from other buyers and investors continues to create pressure for attractive assets. Despite those challenges, investors remain committed to growth, with new platform acquisitions and add-on acquisitions accounting for the majority of anticipated deployment activity.

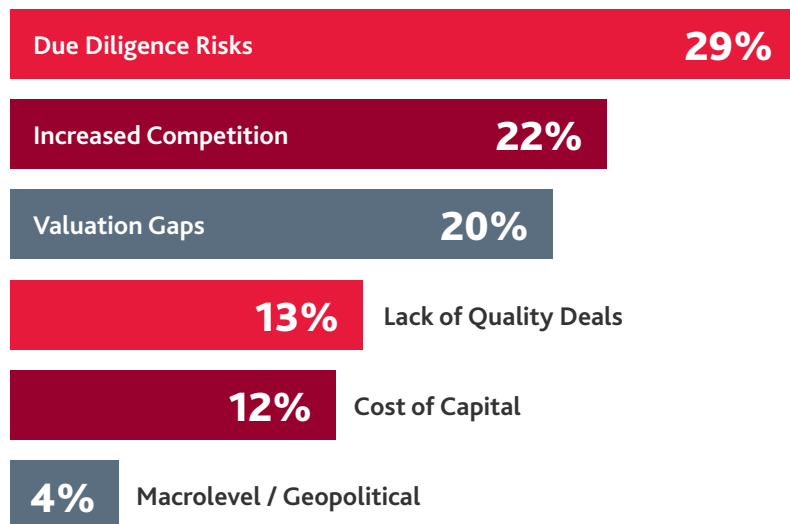
Meanwhile, talent is emerging as the industry's biggest internal constraint, while pricing and sales initiatives, cash flow management, and technology investments have emerged as leading value creation priorities. These findings from BDO's 2026 Private Equity Survey suggest professional services-focused PE firms remain committed to growth but are becoming more disciplined in how they evaluate opportunities, create value, and position portfolio companies for future exits.



FINDING # 1

Professional Services Investors are Balancing Growth With Diligence Risk

What is the top challenge you are facing when it comes to deploying capital?



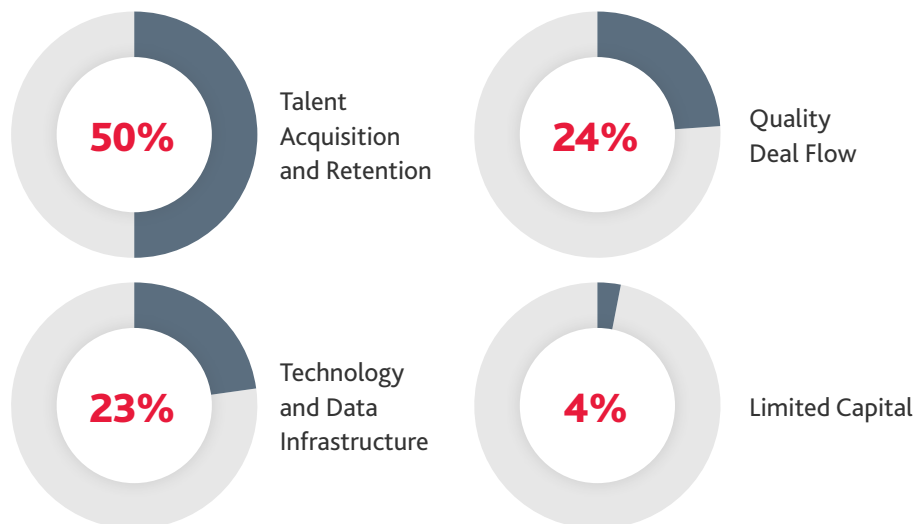
Analysis

- ▶ Professional Services investors continue to pursue growth opportunities but are still highly focused on risk identification and transaction quality.
- ▶ Risk exposure uncovered during due diligence is the most frequently cited deployment challenge (29%), followed by increased competition from other buyers and investors (22%). Valuation gaps between buyers and sellers also remain a meaningful barrier to deployment (20%).
- ▶ Investors are not struggling to find opportunities. Instead, they are carefully evaluating risk and valuation while competing aggressively for high-quality assets. That competition will also result in heightened scrutiny throughout the investment process.

FINDING # 2

Professional Services Investors Say Talent Remains the Biggest Constraint to Growth

What internal capability is most limiting your firm's ability to execute deals at speed?



Analysis

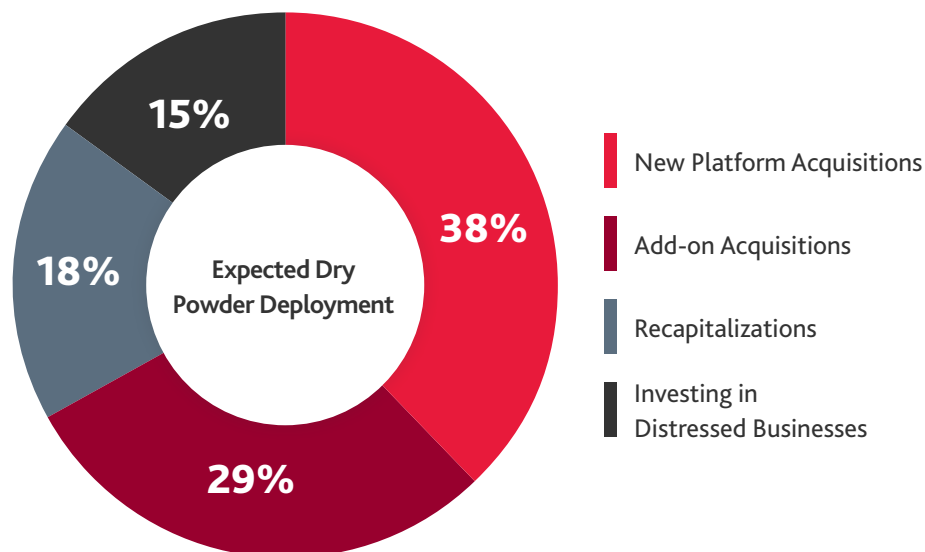
- ▶ Talent continues to be the defining operational challenge for professional services investors. Half of respondents (50%) identify finding and retaining the right people at both the fund and portfolio company level as the primary internal limit to deal execution. Access to quality deal flow (24%) and technology and data infrastructure (23%) remain important considerations, but neither approaches the significance of talent.
- ▶ The industry's talent challenges underscore the growing importance of quality leadership, operating experience, and workforce strategy as sponsors seek to accelerate growth and drive value creation across their portfolio companies.
- ▶ Competition for quality talent is also connected to the broader competition for quality deals and assets, as winning in one arena will make it easier for firms to win in the other.

*Totals may not equal 100% due to rounding.

FINDING # 3

Professional Services Sponsors Continue to Pursue Acquisition-Led Growth

In the NEXT year, what is the primary way you anticipate your firm will deploy your dry powder?



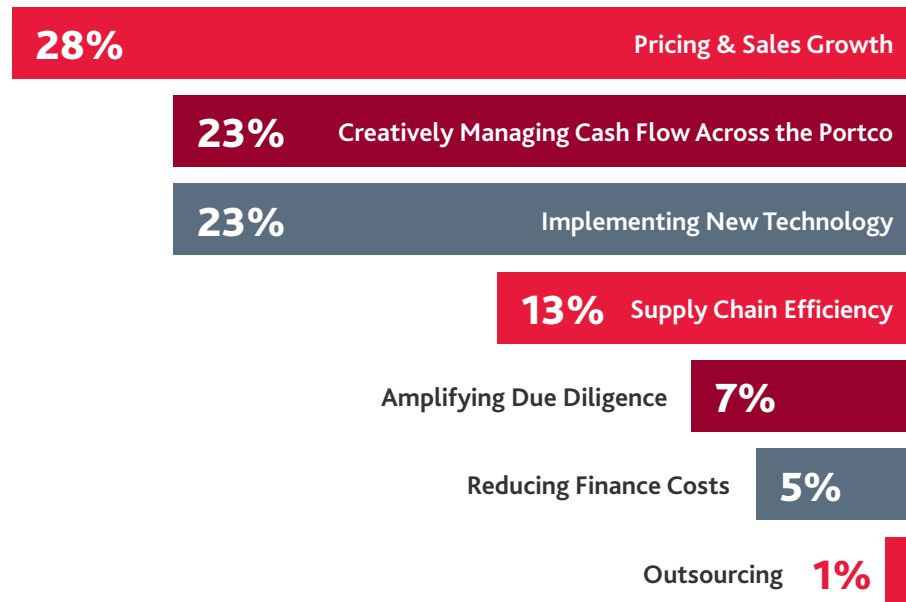
Analysis

- ▶ Professional services investors remain committed to acquisition-led growth strategies. New platform acquisitions are the leading planned use of dry powder (38%), followed by add-on acquisitions (29%). Together, these two strategies account for more than two-thirds of anticipated capital deployment activity.
- ▶ Investors' continued focus on putting capital to work through strategic acquisitions, even amid competition and pricing pressures, suggests that they continue to view mergers and acquisitions (M&A) as the most effective path to scale up, expand capabilities, and create value.

FINDING # 4

Pricing and Sales Growth Lead Professional Services Value Creation

Which of the following value creation strategies do you feel would have the most impact this year?



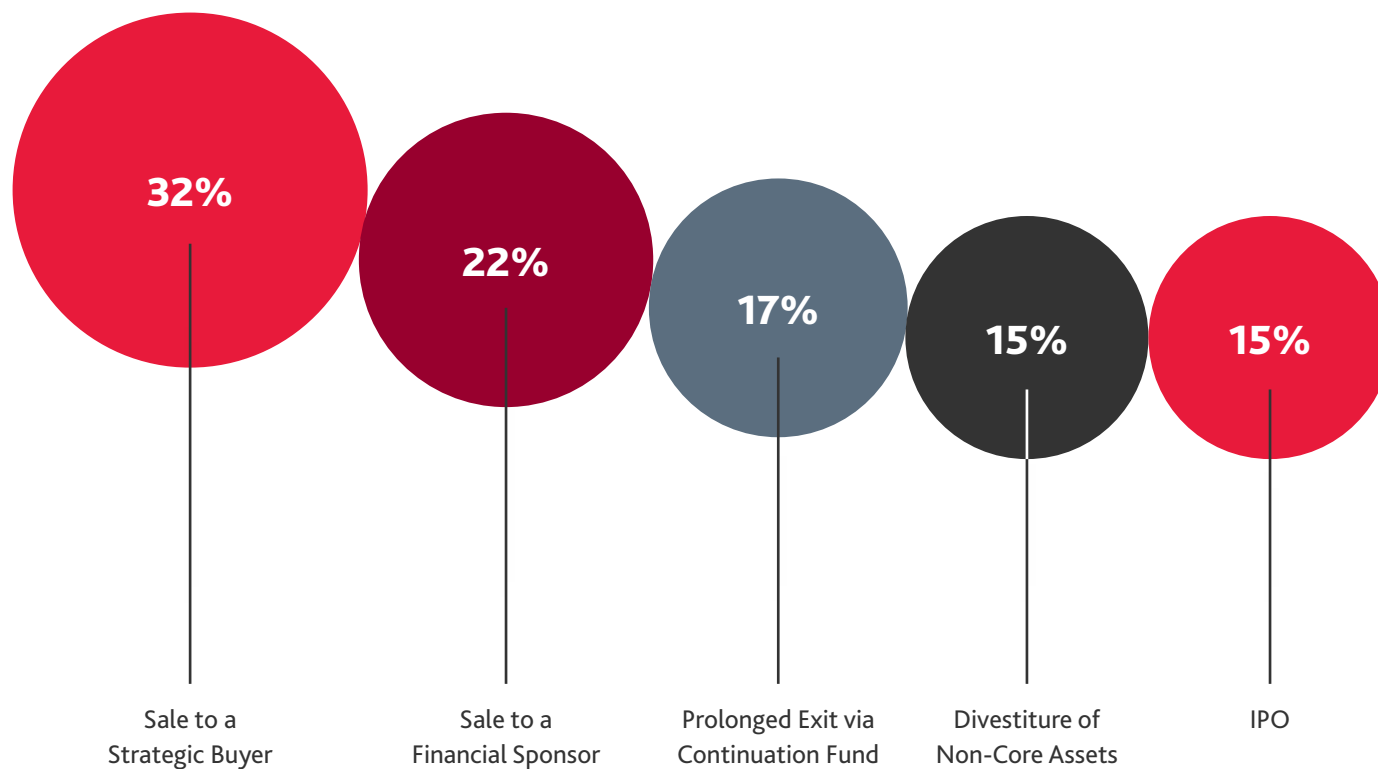
Analysis

- ▶ Professional services investors are prioritizing sophisticated pricing strategies and sales growth initiatives as value creation levers. These strategies rank highest at 28%, followed by cash-flow management and technology and digital capabilities, both at 23%.
- ▶ The results point to a balanced value creation agenda: accelerating revenue growth through pricing and sales initiatives while strengthening cash flow and technology capabilities.
- ▶ Executing these value creation strategies will require portfolio companies to have the right talent and capabilities in place, reinforcing the connection between workforce strategy and operational performance.

FINDING # 5

Strategic Buyers Lead Professional Services Exit Planning

Top path you will pursue for your exits in the next 12 months.



Analysis

- ▶ Professional services investors are maintaining flexibility across a range of exit options. Sales to strategic buyers remain the leading exit path (32%), followed by sales to financial sponsors (22%) and prolonged exits via continuation funds (17%).
- ▶ The relatively balanced distribution of preferred exit strategies suggests sponsors are preparing for multiple market outcomes rather than hedging on a single path to liquidity. As firms continue to navigate evolving market conditions, optionality remains a key component of portfolio and fund strategy.

*Totals may not equal 100% due to rounding.



BDO's Take

Methodology: BDO's *2026 Private Equity Survey*, conducted by Rabin Roberts Research, polled 400 U.S. PE fund managers and operating partners in May 2026. This spotlight reflects responses from 136 PE firms that invest in professional services.

Professional services investors are actively pursuing growth, but they are doing so with a heightened focus on diligence, talent, and operational execution. Acquisition-led deployment remains the dominant strategy, while pricing and sales growth, cash flow management, and technology investments are emerging as leading value creation priorities. Sponsors are also maintaining flexibility in exit planning, responding to a market that increasingly rewards disciplined execution and multiple pathways to value realization.

See the full picture. Explore insights from all 400 respondents in the 2026 Private Equity Survey. ►

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