

M&A INDUSTRY REPORT

# Business Services

FOCUS is a leading national M&A brand for the lower middle market. With over 40 years of experience, a global footprint, and hundreds of successful deals across myriad industries, FOCUS continues its mission to redefine the banker/client relationship.

Q4 2024



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## OVERVIEW

# The business services M&A market experienced a slowdown in Q4 2024, with deal activity declining from 243 transactions in Q3 to 164 in Q4.

The decline in the number of transactions in the business services industry in the 4th quarter is largely due to the remaining challenges with inflation, labor shortages and lingering political uncertainty.

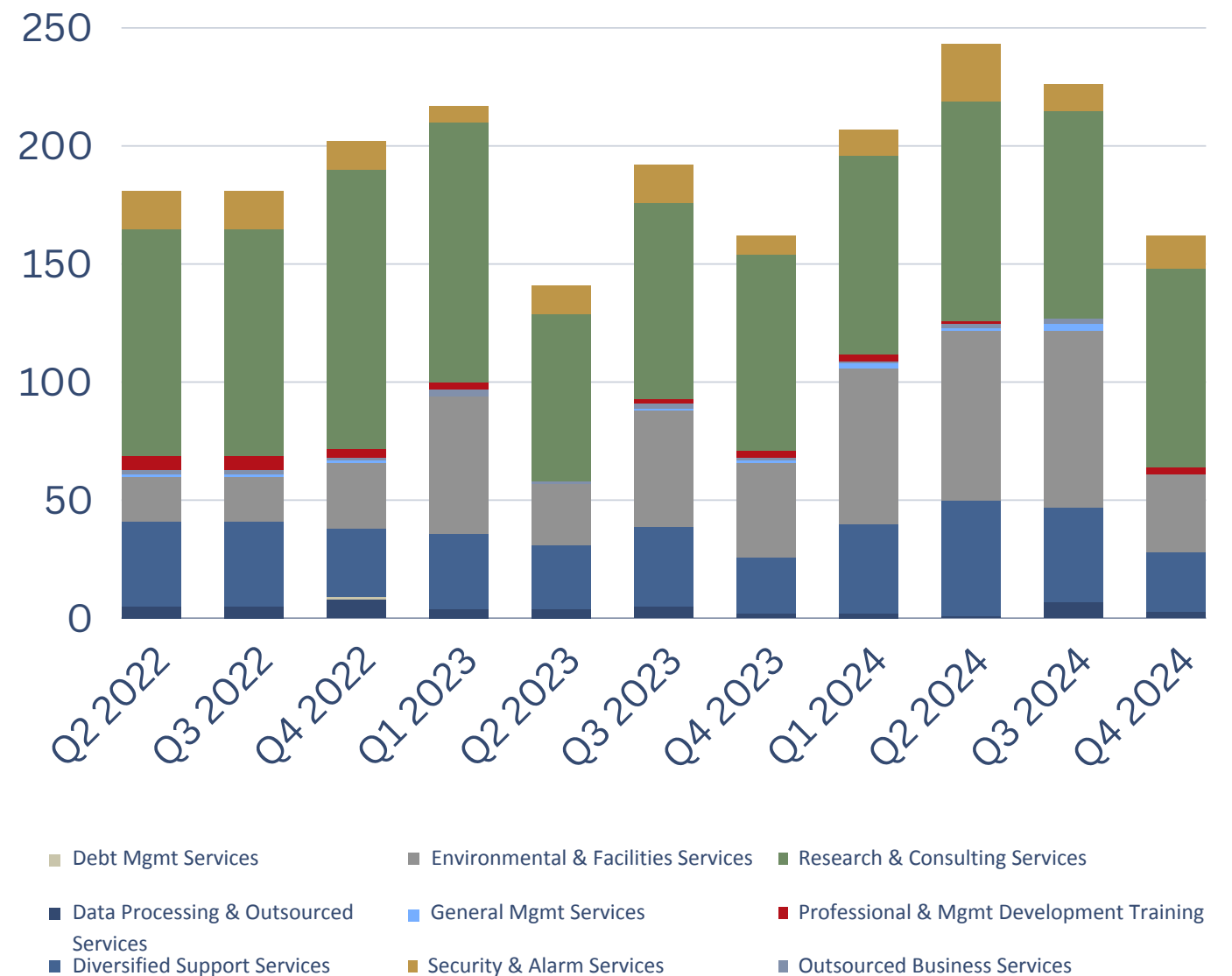
Despite the drop in activity, key trends persisted, such as significant interest in research and consulting firms which maintained strong multiples and consistent acquisition volume from strategic buyers. Valuations in high-growth subsectors like IT services and human capital management remained resilient, supported by strong private equity and strategic buyer interest.

M&A activity in 2025 is expected to increase as a result of lower interest rates, expected easing of regulatory restrictions on businesses due to the newly elected Republican Executive and Legislative branches of government, and the significant amount of dry powder that private equity will need to invest. Industry consolidation is expected to continue in many of the business services sub-sectors like infrastructure services, waste management, consulting and environmental remediation.

**MARKET ACTIVITY**

## Business Services M&A Activity

- The 4th Quarter of 2024 experienced a 27% overall decrease in transaction volume compared to Q3 2024. However, it remained on par with the 4th quarter of 2023 with a total of 165 transactions.
- Two subsectors that saw the biggest decrease in activity were Environmental and Facilities Services that decreased by 53% from 75 transactions in Q3 to 35 transactions in Q4; and Diversified Support Services that resulted in a decrease in transactions of 38% in the last quarter.
- Despite the overall decline in activity in Environmental and Facilities Services, some larger players are actively engaging in acquisitions including publicly traded Waste Connections, Inc. that acquired Royal Waste Services for \$39 Million in October 2024. So far this year, the company has acquired over \$700 million in annualized revenue, according to company CEO Ron Mittelstaedt.
- M&A activity for the Research and Consulting subsector remained strong with 84 transactions in the 4th quarter a slight decrease from 88 transactions in Q3. Aprio, the 25th largest accounting and tax advisory firm, expanded its reach in CA with the acquisition of KKB, and in the Mid-West with the acquisition of two Chicago based accounting firms KRD and Burkett & Beattie, Inc.



## NEWS & INSIGHTS



### Bob Lipton Joins to Expand M&A Services to the Legal Community

Bob Lipton has extensive experience advising businesses on mergers and acquisitions, growth strategies, and operational efficiencies within the HCM space. His deep understanding of the challenges and opportunities, coupled with his commitment to delivering exceptional client outcomes, aligns perfectly our mission.

[Click here to read now](#)



### While You're Waiting for the Tide to Turn

Given the importance of trailing twelve months (TTM) financial performance in determining M&A valuations, waiting can be a reasonable strategy, but by doing more than waiting owners can reap benefits now and at the time of a future sale.

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### Conor Miller Joins FOCUS Bringing Cross Industry Experience

Conor brings a proven track record of delivering transformative outcomes for clients and guiding complex transactions to successful completion. He has advised entrepreneurs on maximizing their exit strategies, specializing in buy-side and sell-side engagements to achieve optimal results.

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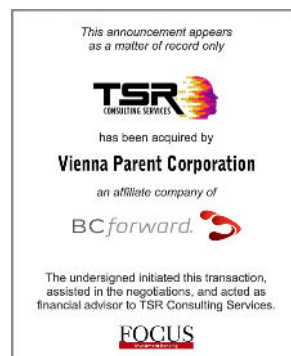
## CASE STUDY: TSR ACQUIRED BY AN AFFILIATE COMPANY OF BCFORWARD

### Process & Overview


TSR Consulting Services (“TSR”) has been acquired by Vienna Parent Corporation an affiliate company of BCforward. Vienna Parent Corporation, a special purpose entity newly formed by Justin Christian (“Vienna Parent”), through its wholly owned subsidiary, Vienna Acquisition Corporation (the “Purchaser”), has successfully completed its cash tender offer to purchase all of the outstanding shares of common stock of TSR (NASDAQ:TSRI). FOCUS represented TSR in this transaction.

TSR was founded in 1969, reported Revenues of \$101mil per its 2023 Form 10-K, and is a wellrecognized national provider of information technology staffing solutions. Christian is the CEO and founder of BCforward, one of the largest Black-owned professional services and workforce management solutions firms in the United States. Currently, BCforward employs more than 5,000 people globally and serves multi-national clients in the finance, life science, technology, healthcare and government sectors.

### Transaction Results



BCforward acquired a sufficient number of TSR shares to consummate the second step merger. The total consideration payable to TSR’s shareholders represents a 73.8% premium to TSR’s closing price on May 14, 2024. Upon completion of the merger, TSR became a privately held company controlled by Vienna Parent and BCforward. Tom Salerno, TSR CEO, and his management team will continue to run the TSR business as part of BCforward.



*FOCUS ran a thorough and detailed process which brought us multiple offers and they were able to find the best partner for us in Justin Christian and BCforward.*

**Thomas Salerno,**  
**President and CEO of TSR**

## DEALS

# Recent Transactions


*This announcement appears as a matter of record only.*




has been recapitalized by




The undersigned initiated the transaction, assisted in the negotiations and acted as financial advisor to General Informatics.




*This announcement appears as a matter of record only.*



has been acquired by



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Queen Consulting Group.



*This announcement appears as a matter of record only.*



has acquired




a wholly owned subsidiary of  
**Zensar**


The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Business Integra.




*This announcement appears as a matter of record only.*




a portfolio company of




has acquired




The undersigned assisted in the negotiations and acted as exclusive financial advisor to Cantey Tech Consulting.



*This announcement appears as a matter of record only.*




has been acquired by




The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Avar Consulting, Inc.




*This announcement appears as a matter of record only.*




has been acquired by



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Stonebridge Consulting.




*This announcement appears as a matter of record only.*




has been acquired by


**Vienna Parent Corporation**  
an affiliate company of




The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to TSR Consulting Services.




*This announcement appears as a matter of record only.*




has been acquired by




The undersigned assisted in negotiating the transaction and acted as financial advisor to IO Integration.




*This announcement appears as a matter of record only.*




has been acquired by



a portfolio company of



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Sage Management.



*This announcement appears as a matter of record only.*



has been acquired by



a portfolio company of



The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to The Network Support Company, LLC.



**OUR TEAM**

## Who We Are



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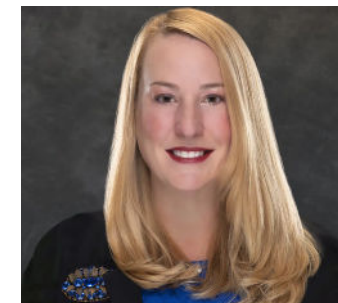
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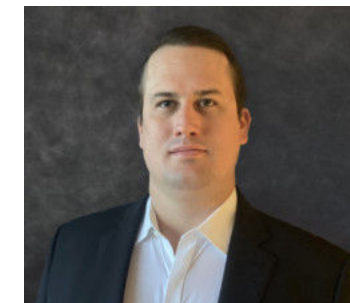
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## IN THE MARKET

### **Accelerate (Sell Side)**

Business consulting business to high tech & startup companies.

### **Engage (Buy Side)**

Accounting firm looking for acquisition targets.

### **Delivery (Sell Side)**

Multi-line dealer of lawn equipment.

### **Gladiator (Sell Side)**

Telecom/Skilled Trade and IT Staffing Services.

### **Hornet (Sell Side)**

Commercial and municipal electrical contracting services company.

### **Monument (Sell Side)**

Operates in the internet service providers, website hosting & Internet-related services industry

### **Diligence (Sell Side) *Signed LOI***

Financial services firm.

### **Amplifier (Sell Side)**

Merchandising and fixture installation company.

### **Surface 2 (Sell Side) *Signed LOI***

Specializes in creating renowned equestrian surfaces.

## ABOUT FOCUS BANKERS

### **FOCUS Investment Banking is a trusted name in M&A advisory services with a nationwide footprint and a global reach**

Experience matters, especially when it comes to navigating the intricacies of your market. We bring senior-level experience and relatable expertise to every deal. From strategic planning to negotiations, we leverage a deep understanding of your industry to deliver customized solutions that drive the maximum value for your business.



**DOWNLOAD THE FOCUS BUSINESS SERVICES INFORMATION SHEET**



**Top 5  
Investment  
Bank 2022**

