

Hunt Scanlon Mid-Year M&A Report

2025 Human Capital Markets



Egon Zehnder Acquisition Signals Rising Consolidation Among Recruiters

Consolidation among executive search firms has been hyper-accelerating for the past 36 months. “Buyers are actively seeking specialized, scalable, niche platforms that bring sector-specific depth, embedded client relationships, and strong brand recognition,” said HSV managing director Drew Seaman. “They want growth.”

Egon Zehnder’s acquisition last week of The Prince Houston Group is a landmark transaction that validates this consolidation trend. “It also signals rising optimism around human capital M&A and the investment value of professional services firms,” said Scott A. Scanlon, CEO of Hunt Scanlon Ventures which served as Egon Zehnder’s buy-side advisor. “This transaction is a big bet on growth in U.S. markets.”

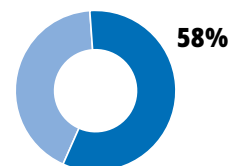
Strategic Inflection Point

The Prince Houston Group, a leading asset and wealth management executive search boutique serving family offices, hedge funds, endowments & foundations, and insurance organizations, expands Egon Zehnder’s U.S. financial services practice by adding a highly specialized team with deep sector knowledge and strong client relationships. Prince Houston joins a global platform that offers broader reach and impact as well as an expanded leadership advisory platform.

“This acquisition is part of our strategy to grow organically as well as through carefully selected expansion opportunities that align with our values and long-term vision,” said Michael Ensser, global executive chair of Egon Zehnder.

Market Consolidation in Focus

58% of executive search firms are considering M&A activity.



“Executive search is at a strategic inflection point,” said Mr. Seaman. “Leadership has emerged as *the* primary driver of enterprise value, and firms that recruit or advise on it are increasingly seen as fundamental to corporate growth and transformation.” The transaction marks HSV’s second deal in the asset and wealth management space in two years, further cementing its presence in a vertical that continues to attract outsized buyer interest.

German Herrera, managing partner of Egon Zehnder U.S., said the acquisition “allows us to deliver even more nuanced insights and tailored talent strategies” to clients across the investment landscape. “That seems to be the big win in what both parties have called a ‘perfect fit,’” said Mr. Scanlon.



Key Trends Emerging Mid-Year 2025

1. Cautious Optimism is the Market's Default Setting

Despite a strong start to the year, executive search firms continue to exhibit a balanced view of the market. Clients are initiating searches, but decision-making has slowed and contracts are taking longer to close. Search firms are managing their talent resources conservatively, hiring selectively and avoiding overextension, as they monitor how trade, interest rates, and policy shifts might impact client confidence in Q3 and Q4. Optimism remains, but it is tempered by a pragmatic focus on near-term visibility.

2. Sector Performance is Highly Uneven

A clear sector divide is emerging across the executive search industry. Financial services, private equity, and healthcare continue to perform well, generating steady or growing search volume. Meanwhile, education, nonprofit, manufacturing, and public-sector-driven segments are facing budget tightening, delayed hiring, or paused mandates. This divergence highlights the value of sector specialization and portfolio diversity, with search firms leaning into strong verticals while diversifying exposure to mitigate volatility.

3. Interim, Fractional, and Advisory Demand is Climbing

The appeal of flexible talent models has grown considerably in 2025. Search firms are expanding their interim and advisory offerings in response to client needs for agile solutions, particularly in leadership transitions, restructuring phases, or project-specific scenarios. Fractional executives are being used more frequently in transformation roles, while leadership advisory services like coaching, succession planning, and board consulting are also gaining traction. These adjacent offerings are no longer optional; they are fast becoming core growth levers.

4. AI is Now a Core Strategic Priority

Search firms are no longer testing AI; they are implementing it. In candidate identification, client reporting, pipeline management, and business development, AI-powered platforms are being woven into recruitment firm infrastructure. With 70 percent of survey respondents to a recent Hunt Scanlon poll already using AI tools and another 20 percent exploring implementation, the shift is well underway. Firms are prioritizing speed, precision, and operational scale, and AI is enabling all three.

2025 Market Summary & Outlook

EXECUTIVE SEARCH TRENDS

Strong Start to the Year, But With Emerging Friction:

Forty-two percent of search firms reported an increase in revenue during Q1 2025 compared to Q1 2024, while 30 percent said performance was flat. Only 28 percent saw a decrease. Although momentum was evident in early 2025, signs of softening emerged in Q2 as hiring decision timelines stretched and economic caution took hold.

Optimism for H2, But Not Without Reservations:

Sixty-seven percent of search firms expect continued or improving performance in Q3 and Q4. That said, concerns remain around trade policy, budget tightening, and macro volatility—particularly for firms exposed to education, nonprofit, and manufacturing sectors.

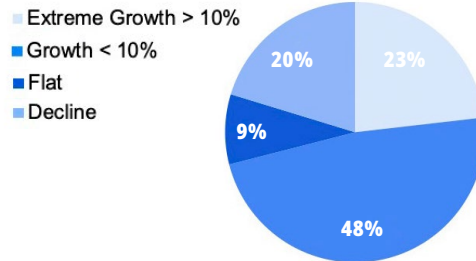
AI Adoption Moves Into the Mainstream:

Seventy percent of search firms surveyed said they are currently using AI tools, primarily for candidate sourcing, pipeline management, and business development. Another 20 percent reported being in exploration mode. Firms expect AI to significantly enhance speed, precision, and competitive differentiation.

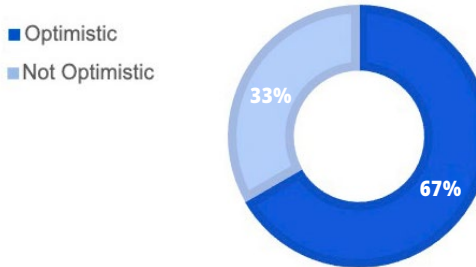
M&A Sentiment Points to Ongoing Consolidation:

Market consolidation remains a dominant theme, with a wide range of firms evaluating or executing on M&A opportunities. According to a recent Hunt Scanlon survey, 58 percent of respondents said M&A is something they are actively considering, while 15 percent indicated they are currently seeking opportunities to acquire other firms. An additional 29 percent reported that they are considering M&A in the next 3-5 years. This diversity of intent underscores a dynamic and opportunistic market environment, where both buyers and sellers are looking to capitalize on timing, strategic fit, and performance windows.

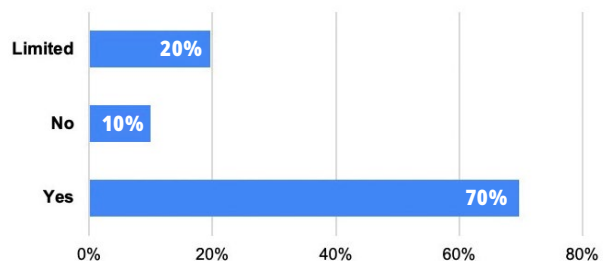
Q1 PERFORMANCE



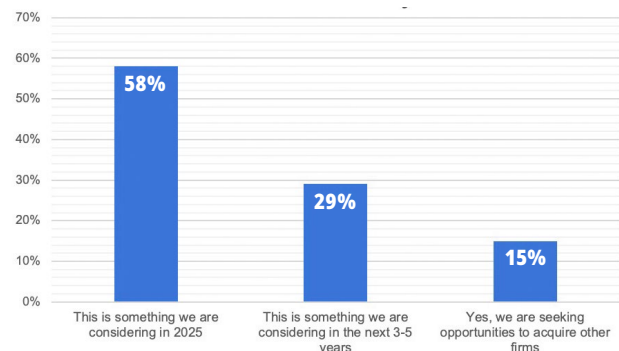
2ND HALF OF 2025 BULLISHNESS



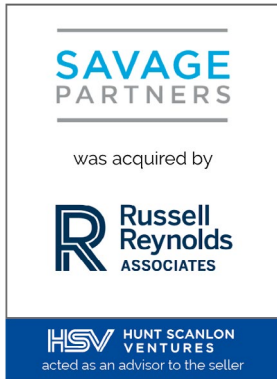
CURRENT USE OF AI TOOLS



2025-2030 M&A ACTIVITY OUTLOOK



Hunt Scanlon Ventures Representative Case Studies



Russell Reynolds Associates Acquires Global Tech Search Firm

Client

Savage Partners is a boutique executive search firm specializing in placing senior leaders within growth equity and private equity-backed software companies across North America. Known for its deep domain expertise and high-impact execution, the firm has earned a strong reputation among founders, investors, and growth-stage operators in the enterprise technology ecosystem.

Situation

As the tech sector's demand for top executive talent continued to accelerate, Savage Partners sought to align with a global platform to scale its reach and service delivery. The firm engaged Hunt Scanlon Ventures to identify a strategic partner that would complement its strong market positioning and extend its capabilities worldwide.

Outcome

Hunt Scanlon Ventures advised Savage Partners on its acquisition by Russell Reynolds Associates, one of the world's leading leadership advisory firms. The transaction deepened Russell Reynolds' capabilities in growth-stage tech recruiting and strengthened its U.S. footprint in software and innovation-driven sectors. For Savage, the deal represented a transformative opportunity to serve clients on a global scale while retaining its core team and high-touch service model. This deal marked HSV's second major transaction in the growth equity and software recruiting vertical.



Egon Zehnder Expands U.S. Financial Services Platform with Strategic Acquisition

Client

Egon Zehnder is a premier global leadership advisory and executive search firm with 67 offices across 36 countries. Known for its deep sector knowledge and collaborative approach, Egon Zehnder advises some of the world's most influential organizations on leadership transformation, succession, and top executive placements.

Situation

To strengthen its U.S. Financial Services Practice and deepen its asset and wealth management capabilities, Egon Zehnder sought to acquire a highly specialized firm with strong client relationships and deep sector expertise. Hunt Scanlon Ventures was retained as the firm's exclusive buy-side M&A advisor to identify and evaluate potential acquisition candidates aligned with Egon Zehnder's long-term strategy and cultural values.

Outcome

Hunt Scanlon Ventures advised Egon Zehnder on its acquisition of The Prince Houston Group, a boutique executive search firm based in New York with a strong reputation across asset and wealth management, hedge funds, private equity, insurance, and family offices. The Prince Houston Group brings a high-integrity, bespoke approach to executive search that complements Egon Zehnder's global culture. The acquisition strengthens Egon Zehnder's U.S. financial services capabilities and immediately expands its reach into key subsectors. For The Prince Houston Group, the deal unlocks global scale and an expanded leadership advisory platform — while ensuring continuity of client service and alignment in philosophy.



HSV Invests in AI-Powered Talent Intelligence Platform HelloSky

Client

HelloSky is a next-generation AI-powered talent intelligence platform purpose-built for executive search. Unlike staff-level recruiting tools, HelloSky is engineered specifically for high-stakes, leadership-level hiring—offering advanced capabilities in candidate mapping, behavioral analytics, and executive search precision.

Situation

As AI adoption accelerates across the human capital sector, HelloSky emerged as a purpose-built solution tailored to the needs of executive search firms, venture capital, and private equity investors. The company surpassed \$1 million in ARR, assembled a top-tier executive team, and prepared to scale its go-to-market strategy. To help catalyze this growth, HelloSky launched a \$5.5 million seed round aimed at deepening its engineering capabilities and expanding commercial traction.

Outcome

Hunt Scanlon Ventures participated in HelloSky's oversubscribed seed round, joining a strategic group of investors from the executive search and broader AI ecosystem. The partnership reflects HSV's belief that AI-native tools like HelloSky will define the future of executive recruiting. With advanced features like SmartRank, dynamic market mapping, and seamless ATS integrations, HelloSky is already redefining how leadership talent is identified, ranked, and connected—all on one unified platform. HSV's investment supports HelloSky's mission to empower recruiters with smarter tools and deliver greater efficiency, precision, and scalability across the search industry.

Getting Deal Ready

Preparing for a transaction doesn't happen overnight. Our clients that achieve the best outcomes, whether they're looking to scale, recapitalize, or exit, are those that align strategic planning with operational readiness well in advance. Below are a few key areas of focus for leadership teams considering a liquidity event in the next 12–36 months:

- **Align personal and business timelines.** Consider how a transaction, including earnouts and post-deal equity periods, fits into your long-term goals.
- **Institutionalize your business.** Build a leadership bench and reduce reliance on a small group of top performers to de-risk the organization in the eyes of potential acquirers.
- **Drive growth and protect margins.** Most deals are valued on EBITDA, not top-line revenue. Focus on sustainable margin improvement and disciplined financial management.
- **Diversify your client base.** Firms with strong client retention and recurring business models command premium valuations.
- **Strengthen your operating infrastructure.** Ensure your financial and operational systems are modern, auditable, and ready for buyer diligence, from contracts and financials to reporting and CRM.

Why the Human Capital Sector is Ripe for M&A in 2025

- 1. Mission-Critical Talent Is Driving Valuation**
Leadership is now seen as a core lever of enterprise value — and firms that recruit or advise on it are increasingly essential to the C-suite and investors alike.
- 2. The Sector Has Proven Resilient During Uncertainty**
Despite macro volatility, search and talent advisory firms have demonstrated durable demand, especially in sectors like private equity, healthcare, and financial services.
- 3. Buyers Are Prioritizing Scale, Tech, and Specialization**
Strategic acquirers and sponsors are targeting firms with platform potential — specialized verticals, scalable delivery, and embedded technology.
- 4. Recurring Revenue and Embedded Clients Create Stickiness**
Long-standing client relationships, embedded RPO and interim services, and high retention rates are making these firms attractive investment targets.
- 5. The AI Revolution is Creating Platform Differentiation**
Search firms that integrate proprietary AI tools and data platforms are capturing attention from acquirers looking to modernize through acquisition.
- 6. Private Equity Dry Powder is Fueling Transaction Demand**
Sponsors are actively seeking leadership-focused platforms to deploy capital, drive consolidation, and create long-term enterprise value.
- 9. Founder-Driven Firms Are Reaching a Strategic Crossroads**
Many firms founded during the post-GFC growth wave are now ready to scale or exit — and with valuations supported by solid revenue performance, the timing is right.

In an increasingly Competitive Deal Environment, Hunt Scanlon Ventures Offers Distinct Advantages

- We have a **singular focus on the human capital markets.**
- Our dedicated team brings a **boutique, high-touch approach** to every M&A engagement.
- **We unlock the true value of our clients** by taking the time to understand their unique characteristics and needs.
- **Our senior leadership team and founding partners are fully engaged** on every assignment and personally oversee each transaction from the very first 'pitch' call to the successful close.
- Our M&A team is passionate about establishing **trust and a deep partnership** with founders who are often facing the most critical career and financial decision of their lives.
- From our founding partners to our associates, we are dedicated to serving our clients with speed, accuracy, and discretion – **we are committed to integrity, outstanding performance, and providing an unrivaled M&A experience.**
- Hunt Scanlon Ventures offers a **full range of critical solutions**, including M&A strategy development, valuation analysis, pitch decks and investment memorandums, capital raising advice, and exit planning.
- Hunt Scanlon is well-known across the Americas, Europe and Asia where **our consulting team has held deep relationships for more than 35 years.**

Who We Are

Hunt Scanlon Ventures is a leading M&A advisory firm focused exclusively on the global human capital market. We represent both buy-side and sell-side clients across a wide range of human capital verticals, including executive search, culture and leadership consulting, interim and on-demand talent solutions, RPO, HR technology, and executive coaching.

Our firm advises strategic acquirers and private equity sponsors on their acquisition strategies, while also supporting founders and leadership teams seeking to exit, scale, or recapitalize.

In addition to advisory services, Hunt Scanlon Ventures invests in top-tier talent platforms as a limited partner, often co-investing alongside venture capital managers in the sector.

While U.S.-based, our team has built a strong international footprint and manages engagements in the U.K., Hong Kong, Chile, Mexico, and across Europe. With over 35 years of experience and deep-rooted relationships, we combine proprietary market intelligence with strategic execution to deliver exceptional results for our clients.

Visit us at: huntscanlonventures.com

Meet the Team



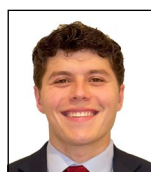
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Other Recent Transactions

 **BESPOKE** partners

was acquired by

 **AEA**
GROWTH

HSV HUNT SCANLON
VENTURES
acted as an advisor to the buyer

 **hti**

was acquired by

true
LLR Partners

HSV HUNT SCANLON
VENTURES
acted as an advisor to the seller


 **ASPEN LEADERSHIP GROUP**
Supporting Exceptional Careers in the Nonprofit Sector

was acquired by


 **ZRG** A Global Talent Advisory Firm


 **RFE**
INVESTMENT PARTNERS

HSV HUNT SCANLON
VENTURES
acted as an advisor to the buyer

 **Alta**
ASSOCIATES
EXECUTIVE SEARCH

was acquired by

 **DIVERSIFIED SEARCH GROUP**
PURPOSE. PROGRESS. PERFORMANCE.

 **SHOREVIEW**

HSV HUNT SCANLON
VENTURES
acted as an advisor to the seller

