
M&A SoCal 2026: What the Middle Market Was Really Talking About

AI, capital, risk, leadership — and why human connection matters more than ever

M&A SoCal brought together more than 1,200 leaders from across private equity, investment banking, lending, corporate development and the broader advisory community for conversations about the forces reshaping the middle market.

The subjects were wide-ranging: M&A, artificial intelligence, due diligence, capital markets, the economy, risk, talent, innovation and leadership.

Yet across those conversations, a remarkably consistent story emerged.

The middle market is not waiting for the old normal to return. It is adapting to a new one.

The extraordinary deal environment of 2021 increasingly looks less like a benchmark and more like an anomaly. AI is moving rapidly from experimentation into the daily mechanics of dealmaking. Diligence is becoming deeper even as technology makes portions of it dramatically faster. Capital providers are finding more creative ways to solve problems.

And amid all that change, something else became increasingly clear: the more powerful our technology becomes, the more valuable the things it cannot replace may become — judgment, curiosity, trust, experience, relationships and human connection.

For a community built around **relevant connections**, that may be the most important message of all.

What follows are some of the ideas we heard at M&A SoCal 2026 — and what they may tell us about where the middle market is going next.

Panel discussions are summarized in accordance with the Chatham House Rule. Keynote remarks are attributed to the speakers.

Executive Summary

2021 is no longer the benchmark. The market continues to recalibrate around more disciplined valuations, greater scrutiny and a persistent gap between buyer and seller expectations.

Preparation has become a competitive advantage. Sellers increasingly need to arrive at market with more work already completed, while buyers are demanding greater visibility before committing capital.

AI has entered the actual deal workflow. It is already being used to review deal materials, interrogate data rooms, extract information and accelerate diligence. In some cases, work measured in days is now being measured in minutes.

Faster does not necessarily mean better. As AI accelerates the mechanical portions of dealmaking, accountability and experienced human judgment become more — not less — important.

The talent model will have to evolve. As repetitive work is automated, firms will need to become more intentional about apprenticeship, mentorship, curiosity and developing judgment.

The economy is resilient, but structural questions remain. Consumer balance sheets provide support, while demographics, labor availability, skills and productivity present longer-term challenges.

Leadership — and people — may be the common denominator. From building the next generation of commercial aviation to Delta's focus on its people, innovation and customer experience, the keynotes reinforced a message heard throughout the conference: technology and capital can enable extraordinary things, but people ultimately make them happen.

And across all of it was perhaps the most fundamental truth about M&A itself:

Deals happen between companies. Trust happens between people.

1. The M&A Market Isn't Going Back to 2021 — and Perhaps It Shouldn't

One of the clearest messages from the dealmakers in the room was that waiting for 2021 to return is the wrong frame.

That period was described as a perfect storm rather than a sustainable baseline. Deal activity has improved, but the market remains constrained by a persistent disconnect between buyers and sellers.

Sellers may still be anchored to valuation expectations formed during a very different market, while buyers and their investment committees are placing greater emphasis on current performance, visibility and risk.

Yet this was hardly a pessimistic room.

Instead, the conversation suggested a market becoming **more selective, more creative and more disciplined**.

Healthcare, industrials and business services remain active. Consumer businesses are reentering the market as valuation expectations adjust. Technology remains highly competitive, but buyers are asking a new set of questions: Is a business AI-enabled? Is it AI-resilient? Or could AI fundamentally threaten its value proposition?

Meanwhile, stress in portions of the credit markets is creating another source of opportunity, including greater use of minority investments, structured equity and bespoke financing solutions.

The implication for dealmakers is important:

A slower market does not necessarily mean a worse market. It means a market in which quality matters more.

And so do preparation, credibility and trust.

2. “Ready for Market” Now Means Something Very Different

Another striking theme was how much work increasingly happens **before** a business formally comes to market.

Sell-side preparation that might once have taken approximately six weeks can now involve extensive market studies, voice-of-customer work, compliance reviews and third-party diligence before a process begins.

Many businesses carry operating histories complicated by COVID disruptions, supply-chain challenges, inflation, labor constraints and geopolitical uncertainty. Buyers increasingly expect sellers to explain those inconsistencies before going to market.

The burden of proof has moved forward.

That same theme surfaced in the discussion of M&A claims.

Years of actual claims experience are providing a richer feedback loop into diligence. Rather than simply diligencing what firms have traditionally diligenced, transaction professionals can increasingly ask a more useful question:

Where have deals actually gone wrong?

Financial statement issues remain an important source of material losses, while claims originally modeled to resolve within approximately 18 to 24 months have in some cases continued for seven years or longer. That experience is influencing underwriting — and can help deal teams direct diligence toward the areas most likely to produce actual losses.

The lesson is deceptively simple:

Better diligence isn't necessarily more diligence. It is knowing where to look.

And increasingly, technology can help.

3. AI Has Moved From the PowerPoint to the Deal Room

Perhaps the most consequential shift evident at M&A SoCal was how little the AI conversation sounded like an AI conference.

The discussion wasn't primarily about models.

It was about **work**.

Deal professionals described using AI to review NDAs and CIMs at scale, identify missing information, interrogate virtual data rooms, extract information from contracts and financial statements, prepare investment committee materials and summarize portfolio-company reporting.

Those are not theoretical use cases. They are pieces of the deal lifecycle that professionals perform every day.

One example captured the magnitude of the change: work that previously could occupy a team of five to seven associates for several days was described as taking one person using an AI tool roughly three minutes.

That is more than incremental productivity. It has the potential to change the cadence — and perhaps eventually the economics — of the deal process itself.

But another idea came through just as strongly:

Faster does not automatically mean better.

Someone still needs to translate information into a risk assessment. Someone still needs to determine whether an issue affects purchase price. And an investment committee or board still needs to know where an answer came from.

The emerging model therefore wasn't **AI instead of people**.

It was closer to this:

AI does more of the searching, extracting, organizing and first drafting. People remain responsible for the conclusion.

4. The Real AI Advantage May Not Be the Model at All

If sophisticated firms ultimately have access to many of the same increasingly capable AI models, simply **having AI** will not constitute much of a competitive advantage.

What may differentiate firms instead is their **proprietary data, institutional knowledge and ability to ask better questions**.

Private equity firms, investment banks, lenders and advisors possess years — sometimes decades — of investment committee memoranda, diligence reports, market studies, transaction documents and closed-deal experience.

Historically, much of that knowledge has lived in individual professionals or disconnected systems. AI potentially changes that equation.

The competitive asset of the future may not simply be the platform a firm licenses, but the knowledge the organization has accumulated and its ability to make that knowledge accessible at precisely the right moment.

But there is a deeper point.

Two professionals can have access to the same information and reach very different conclusions. Experience provides context. Curiosity produces the better question. Relationships can surface information that never appears in a data room. Trust allows people to have the candid conversation that changes the outcome of a transaction.

AI democratizes information. It does not automatically democratize wisdom.

5. What Happens to the Next Generation of Dealmakers?

That leads directly to one of the most important questions raised during M&A SoCal:

If AI can perform in minutes work traditionally assigned to junior professionals, **what happens to apprenticeship?**

One perspective was cautionary. Building a model from scratch, reading every contract and knowing every line of an analysis was not merely grunt work. It was part of how generations of analysts and associates developed pattern recognition.

Another perspective was more optimistic. If AI eliminates repetitive work, younger professionals can be exposed earlier to higher-order analysis and more sophisticated questions.

Both perspectives ultimately led toward essentially the same conclusion:

Curiosity becomes more important.

Young professionals will need to understand the business, ask why, challenge outputs and connect individual pieces of diligence to the larger investment thesis. Firms, meanwhile, may need to become more intentional about preserving human-to-human mentorship.

Because there is another form of knowledge that cannot simply be downloaded.

It comes from sitting beside someone who has done this before. Asking why. Watching how they handle a difficult conversation. Seeing when they push and when they listen. Learning how a relationship built over years can solve a problem that another spreadsheet cannot.

That may be one of AI's great ironies:

As knowledge becomes cheaper, judgment — and mentorship — become more valuable.

6. The Economy: Resilient Today, More Complicated Tomorrow

The economic conversation similarly resisted a simple bull-or-bear conclusion.

There are meaningful sources of resilience in the U.S. economy. Consumer debt relative to disposable income remains comparatively low, while millions of homeowners refinanced into historically low fixed-rate mortgages. Older Americans also control a disproportionate share of home equity and financial assets, creating an important wealth effect.

But underneath that resilience sit more difficult structural questions.

The discussion highlighted falling fertility, labor availability, immigration, skills and productivity. The U.S. fertility rate was cited at roughly 1.6, below the approximately 2.1 replacement rate needed to sustain the population without immigration.

Technology and AI can improve productivity, but the discussion cautioned against assuming productivity alone can offset every demographic challenge.

For the middle market, workforce availability is no longer simply an HR question.

Talent, automation, training and productivity are increasingly strategic questions — and therefore investment questions.

A company unable to recruit, train and retain the people required to execute its growth strategy has a valuation problem, whether or not that problem appears explicitly in its financial statements.

The business community itself may have a role to play. Workforce development and education cannot simply be treated as somebody else's problem when employers ultimately depend upon the skills those systems produce.

Once again, underneath the technology and economics sits the same fundamental asset:

people.

7. Building the Future: Tom O'Leary

The keynote lunch offered a different lens on many of these same questions.

In conversation with **Trent Bryson of Bryson Financial, Tom O'Leary, CEO and co-founder of JetZero**, discussed the ambition — and complexity — of building the next generation of commercial aviation.

The conversation ranged from capital formation and manufacturing to certification, supply chains and the challenge of scaling an organization around a genuinely disruptive idea.

It also exposed something that applies far beyond aerospace:

Scaling an idea is not the same thing as inventing one.

Capital must be raised. Factories must be built. Supply chains must work. Regulatory milestones must be achieved. And thousands of people may eventually need to execute against a mission initially carried by a comparatively small founding team.

Somewhere along that journey sits one of the great challenges faced by every rapidly growing company: **how do you preserve the willingness to challenge assumptions as the organization becomes larger and more institutionalized?**

That question should sound familiar to private equity investors. It arises every time an investor backs an entrepreneur and attempts to institutionalize a growing business without eliminating the qualities that made it exceptional.

The lunch keynote offered another variation on a theme heard throughout M&A SoCal:

Growth requires capital. Sustainable growth requires culture, execution and the willingness to keep questioning what comes next.

Even the most audacious innovation only becomes real when a group of people decides to build it together.

8. Ranjan Goswami: The People Who Make Delta Fly

The conference's breakfast keynote conversation between **Jalal Taby of Fifth Third Bank** and **Ranjan Goswami, Chief Marketing and Product Officer of Delta Air Lines**, brought many of the themes heard throughout M&A SoCal together — technology, innovation, customer experience, leadership and, above all, people.

Delta is already operating from a position of strength.

And that, Goswami suggested, can itself become dangerous.

He pointed to once-iconic companies and brands that lost their positions over time and discussed the risk of complacency inside successful organizations. Delta's **“Keep Climbing”** philosophy captures the opposite mindset. The aspiration was never simply to become the biggest airline. It was to keep becoming **better**.

But perhaps the most important part of the Delta story isn't an aircraft, an airport lounge, an algorithm or even a balance sheet.

It's the people.

An airline may be one of the clearest examples of an enterprise in which no individual can deliver the product alone. Pilots depend on flight attendants. Flights depend on ground crews. Ground crews depend on maintenance, operations, reservations, customer service and thousands of other colleagues working together across an enormously complex network.

Every flight is, fundamentally, an act of teamwork.

That idea is deeply embedded in Delta's culture. The company describes its people and culture as its strongest competitive advantage.

That commitment was tested dramatically during the pandemic. At a moment when Delta had to become roughly 50% smaller in a matter of months, the company got through the crisis without

furloughing a single employee. Instead, tens of thousands of Delta people voluntarily took unpaid leaves — some for as long as two years — while the company continued their benefits.

Culture is easiest to talk about when business is good.

Culture is revealed when business is hard.

And when the good times returned, Delta continued another longstanding practice: sharing the company's success with the people who created it.

In 2026, Delta distributed approximately **\$1.3 billion in profit sharing** to employees based on its 2025 performance — equivalent to more than four weeks of additional pay on average. Since 2015, Delta has shared more than **\$11 billion** in profits with its people.

The message is tangible:

If employees create the success, employees should participate in the success.

That people-first philosophy also helps explain Delta's approach to technology.

Delta Concierge is bringing generative AI into the customer journey. Yet perhaps the most revealing example Goswami shared wasn't what the technology could do. It was what happened when the technology determined that it **shouldn't** handle an interaction.

The system recognized that a customer would be better served by a Delta employee and handed the interaction to a human being.

The goal isn't automation for automation's sake. It is using technology to help people deliver a better experience — including recognizing when the best technology is another person.

The same willingness to think differently can be seen elsewhere across Delta, from its Pennsylvania refinery to investments and partnerships with companies including Joby and Wheels Up, reflecting a broader vision of travel that extends beyond airport to airport toward **address to address**.

Los Angeles sits directly inside that strategy. Delta has made significant investments at **LAX** and is a founding partner of **LA28**, positioning the airline around one of the most important global moments in Los Angeles' future.

But the technology, investments and innovations ultimately return to the same place:

people.

We spend a great deal of time in M&A analyzing EBITDA, leverage, multiples, technology, market share and competitive advantage. All of those things matter.

But businesses are ultimately built, operated and transformed by people.

Technology can amplify a great team. Capital can empower it. Leadership can give it direction.

None replaces it.

And perhaps that is why Delta's “**Keep Climbing**” message resonated so strongly. Being ahead is not the same as having arrived. Success creates an obligation to keep improving — and the people who got you there are not simply a cost of doing business.

They are the business.

The Thread Connecting It All: Human Connection

Perhaps the most important takeaway from M&A SoCal 2026 wasn't contained in any single panel.

It was happening all around us.

A buyer deciding whether forward EBITDA is credible. An investment banker deciding whether a company is ready for market. An associate deciding whether an AI-generated answer makes sense. An investment committee deciding whether a risk changes price. An entrepreneur deciding how to preserve culture while scaling.

Each requires information and analysis. Increasingly, each will be supported by extraordinary technology.

But the most consequential decisions still require something more:

judgment.

And judgment rarely develops in isolation. It is shaped by experience, mentorship, conversations, relationships and a willingness to listen to people who see the world differently.

That is why AI and apprenticeship matter. It is why Delta's commitment to its people matters. It is why culture matters when an entrepreneur begins scaling a company. And it is why trust and reputation remain so important when a transaction becomes difficult.

It is also why organizations like ACG exist.

We talk frequently about **relevant connections**. Those words can sound simple. They aren't.

A relevant connection can become a conversation. A conversation can become trust. Trust can become a relationship. And sometimes that relationship becomes the introduction, the idea, the investment, the partnership or the transaction that neither person could have created alone.

Technology will make finding information easier. AI will make many of us faster. Data will make us better informed. Capital will continue to make extraordinary things possible.

But none of those things replaces the moment when the right people find one another, listen to one another and decide to build something together.

The future of the middle market will be shaped by extraordinary technology and extraordinary capital. But ultimately, it will still be shaped by people — the people we trust, the people we learn from, the people we introduce to one another and the people with whom we choose to build.

That is the power of relevant connections.

And that is why, even as the tools change, our work remains fundamentally human.

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