



Interviewee: Ari Fuchs, Managing Director, The DAK Group / Interviewer: Dan Ferrisi, Commercial Integrator

CI Exclusive: The DAK Group's Ari Fuchs Reveals 2025 Predictions

With 2025 signaling new innovations and trends in the commercial AV industry, Commercial Integrator sits down with Ari Fuchs, managing director of The DAK Group, to gain more insight into possible M&A growth, the rise of artificial intelligence and other advancements in the new year.

Read the interview below to learn more about what lies ahead for the commercial AV sector in 2025!

Commercial Integrator: On a top-line level, what is your assessment of the economic and business climate for commercial AV professionals at the dawn of a new year?

Ari Fuchs: The outlook for the AV and security integration market is highly optimistic. Businesses I've spoken with are sharing encouraging feedback, reflecting renewed confidence across the industry. With election uncertainty behind us, greater clarity around interest rates and capital flowing more freely than this time last year, decision-makers are more confident — a positive sign for both the broader market and the commercial AV sector.

Rapid advancements in technology continue to create opportunities for integrators and end users to innovate and improve. We're also seeing integrators expand their offerings, particularly in digital signage and managed services such as remote monitoring, staff augmentation, design and engineering services and traditional break-fix contracts.

With these trends in motion, the industry appears poised for above-average growth this year, and we're eager to see how the market evolves.

Commercial Integrator: In 2024, we saw quite a bit of headline-grabbing M&A activity in the commercial sector, including with major brands like QSC and Snap One. What's driving M&A activity right now?

Ari Fuchs: M&A activity in the commercial integration industry is being driven by several key factors. Organizations across sectors such as corporate, education, healthcare, retail, and entertainment are increasingly demanding comprehensive, integrated AV and IT solutions. To meet this need, companies are consolidating expertise through acquisitions, enabling them to deliver full-service offerings.

Another major driver is the shift to recurring revenue models. Businesses with strong managed services portfolios, including remote monitoring, staff augmentation and maintenance contracts, are highly attractive to buyers due to their stability and predictable income streams. Additionally, the rapid pace of technological advancements in areas like AV-over-IP, AI, IoT and collaboration platforms is pushing firms to acquire innovative companies to remain competitive and provide cutting-edge solutions.

The industry's fragmented nature also contributes to the surge in M&A activity. With many small and regional

players, larger integrators and private equity firms are seeking to consolidate the market, thereby achieving scale, geographic expansion and increased market share. Economic conditions and capital availability further support this trend, as greater clarity around interest rates and market stability has increased decision-maker confidence and unlocked funding for acquisitions.

Global Expansion

Global expansion is another significant factor, as companies aim to strengthen their presence in key regions or enter new markets to meet growing worldwide demand for AV solutions. Meanwhile, businesses prioritizing digital transformation — such as investments in hybrid work environments, digital signage, and immersive experiences — are creating new opportunities for integrators to expand their offerings through acquisitions.

Finally, the AV integration industry is poised for above-average growth, with increasing demand and technological innovation making it an appealing sector for both strategic and financial investors. In particular, we're seeing meaningful demand from strategic buyers in adjacent verticals who recognize the growth trajectory of the commercial AV market and are eager to offer AV competencies to their customers. This convergence is further driving consolidation, as companies seek to scale, innovate and adapt to the growing and evolving needs of the market.

Commercial Integrator: In the coming months, do you expect to see M&A activity accelerate or decelerate? What factors are influencing your projection?

Ari Fuchs: I anticipate M&A activity accelerating further in 2025, building on a strong close to 2024. With the pandemic behind us, supply-chain challenges largely resolved and businesses operating on a more normalized basis, the market is primed for growth. Certainty around the cost of capital, increased financing availability, significant dry powder among private equity sponsors and strong corporate war chests focused on strategic acquisitions are driving this momentum.

It's also worth emphasizing the robust availability of capital and the growing appetite among institutional investors for consolidation opportunities. Additionally, the mission-critical role of commercial AV solutions for enterprise and mid-market customers is attracting new strategic buyers from adjacent verticals. These players are beginning to recognize the importance of offering AV solutions to their customers or risk larger AV providers encroaching on their market territory.

Commercial Integrator: What strategies, if any, seem the likeliest to empower AV professionals — especially integrators and dealers — to enjoy greater profitability and growing business valuation in 2025? What advice would you give?

Ari Fuchs: Refocusing goals on building recurring revenue offers several advantages, including financial stability, predictable cash flow and stronger long-term client relationships. It enhances business value by demonstrating resilience, helping companies navigate market fluctuations and boosting profitability. This approach also aligns with the industry's shift to service-based solutions.

Additionally, addressing customer concentration is crucial. By proactively growing the share of wallet with existing clients and cultivating new relationships, businesses can reduce risks associated with over-reliance on a small customer base, ultimately enhancing long-term business value.

Additionally, as customers increasingly embrace a “one throat to choke” approach or, as I prefer, the “one chest to pin a medal on” mindset — consider expanding your offerings to include ancillary services that they may currently source from other providers. These could include access control, surveillance, low-voltage intrusion and fire alarms, sound masking and paging, structured cabling, smart building technologies and related IT services.

By diversifying your portfolio in this way, you can capture a larger share of on-premise technology spending and position yourself as an indispensable partner to your customers. This, in turn, enhances your enterprise value and strengthens your competitive edge.

Commercial Integrator: What do you expect will be the single biggest inhibitor of business success in the commercial AV market in the coming 12 months? What, if anything, seems to be throttling integrators' growth?

Ari Fuchs: I believe the single largest challenge to the commercial AV market is the shortage of skilled labor. There is a lack of qualified AV technicians, engineers and designers with expertise in areas such as systems integration, programming and advanced technologies like AV-over-IP and unified communications. The rapid evolution of the industry demands workers with hybrid IT and AV skill sets, but I don't believe training programs have kept pace.

Retention is another major issue, as high turnover rates are driven by burnout, better opportunities in other

industries and limited career progression. Competitive wages in adjacent fields like IT, security and construction also attract skilled professionals away from AV roles. Furthermore, there are significant gaps in training and upskilling. The complexity and rapid advancement of AV technology require ongoing education, yet many companies struggle to provide sufficient training or certifications. Smaller firms, in particular, may lack the resources to invest in developing their teams, leaving them at a disadvantage.

Commercial Integrator: What's your boldest prediction or hottest "hot take" for 2025? Do you have any surprising or contrarian views you'd like to share?

Ari Fuchs: My boldest prediction for 2025 is that artificial intelligence (AI) will become the single most transformative force in AV integration, surpassing even the shift to AV-over-IP. AI-powered systems will enable predictive maintenance, real-time content personalization and advanced automation, fundamentally changing how AV solutions are designed, deployed and managed.

One surprising take: the traditional role of the AV integrator will rapidly evolve or risk becoming obsolete. With the convergence of AV, IT and AI, end users will increasingly demand integrators who function as strategic technology partners rather than just hardware and installation providers. Integrators who fail to embrace this shift, offering consultative services and ongoing managed support, may find themselves squeezed out by IT firms or AI-driven platforms that can handle these tasks more efficiently.

Contrarian view? The industry's obsession with pushing the newest, shiniest technologies will backfire unless paired with tangible ROI for customers. Budget-conscious businesses will focus less on having the latest gear and more on scalable, user-friendly solutions that directly address operational pain points. Integrators who prioritize simplicity, usability and long-term value over novelty will come out ahead.

Commercial Integrator: Finish this sentence: "2025 will be the year that the commercial AV industry..."

Ari Fuchs: 2025 will be the year that the commercial AV industry sees a major IT or cloud services giant acquire a leading AV integration firm or manufacturer. This move would signal the full convergence of AV and IT, as these companies aim to expand their dominance in unified communications, hybrid work solutions and smart-building technologies.

Such a deal would not only redefine the competitive landscape but also accelerate the integration of AV into broader IT ecosystems, further blurring the lines between traditional AV integrators and IT service providers. This consolidation would likely drive smaller firms to specialize or partner strategically to remain competitive, reshaping the industry's structure as we know it.



**About
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Ari Fuchs is a managing director & chief quality officer of The DAK Group an investment bank specializing in the M&A of privately held companies and based in Ridgewood, NJ.