

New Software Equity Group Report, 'The AI Reset,' Examines How AI Is Changing Software Valuation and M&A Outcomes

The report examines how founders' AI decisions are influencing valuation, durability, and exit timing.

ENCINITAS, CA, UNITED STATES, March 5, 2026 /EINPresswire.com/ -- Software Equity Group (SEG), an M&A sell-side advisory firm specializing in software, SaaS, and AI transactions, has released [“The AI Reset: How SaaS Founders Can Reinvent, Defend, or Exit Stronger.”](#) a new report examining how founders' AI decisions are influencing valuation, durability, and exit timing.

The report is anchored by SEG's inaugural AI in SaaS Survey, which gathered insights from CEOs and founders, as well as private equity and strategic buyers. The findings reveal AI readiness is beginning to influence how buyers evaluate software companies. Expectations around AI capability may be evolving faster than many leaders anticipate.



Nearly 40% of CEOs surveyed said they are considering accelerating an exit due to AI-driven uncertainty, suggesting AI is already influencing how founders think about timing, reinvestment, and long-term positioning.

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Buyers are evaluating AI as an operating and product capability, not a feature, and they're rewarding SaaS companies that can prove measurable impact while discounting those that can't.”

Paul Lachance, Chief Industry Strategist at Software Equity Group

The report frames AI as a core product and operating model shift: intelligence embedded into products and workflows that improves outcomes, expands margins, and enables scalable operations.

Key Takeaways

- AI readiness is already influencing valuation outcomes: 80% of strategic and private equity buyers report paying a premium today for companies with AI deeply integrated

into core workflows, and 87% expect that premium to increase over the next year. For founders, this is a sign that AI capability is quickly becoming a valuation driver rather than a future differentiator.

- Buyers and founders are evaluating AI risk very differently: While 80% of buyers view AI-driven commoditization as the primary threat to SaaS businesses, only about a quarter of SaaS CEOs identify it as their biggest concern. This perception gap suggests that many founders may underestimate how quickly AI could erode product differentiation in competitive markets.
- Belief in AI is widespread, but execution remains uneven: Two-thirds of SaaS CEOs say AI is critical to future competitiveness, yet buyers report seeing limited meaningful AI adoption in most companies they evaluate today. For founders, the gap between intention and implementation may influence deal outcomes and buyer confidence.
- Buyer expectations for AI capability are rising quickly: While two-thirds of SaaS CEOs say AI is essential to competitiveness, buyers report seeing only limited meaningful AI adoption in many companies they evaluate today. At the same time, 61% expect acquisition targets to be meaningfully AI-driven within the next year, suggesting expectations may be evolving faster than many companies are currently prepared for.

“Our research points to a growing execution gap,” said Paul Lachance, Chief Industry Strategist at Software Equity Group. “Belief in AI is now nearly universal, but readiness is not. Buyers are evaluating AI as an operating and product capability, not a feature, and they’re rewarding companies that can prove measurable impact while discounting those that can’t.”

Drawing on survey data, transaction experience, and parallels from past platform shifts, The AI Reset outlines three strategic paths SaaS leaders must choose between:

- Reinvent: Modernize product architecture and workflows
- Enhance: Embed AI into operations to improve retention, efficiency, and valuation multiples
- Exit: Capitalize on current buyer appetite before competitive dynamics reset pricing

Why SEG Published This Report

“The AI Reset” is designed to help SaaS founders understand how AI is reshaping buyer expectations, valuation criteria, and competitive dynamics. It also looks at how those shifts are already influencing strategic decisions around reinvestment, differentiation, and exit timing.

“Every major software era has had a reset moment,” said Lachance. “AI is different because it’s moving faster and collapsing barriers to entry. That speed is reshaping competitive dynamics across SaaS, forcing founders to reassess where their products truly differentiate and how defensible that differentiation will be in an AI-driven market.”

Access the report at <https://softwareequity.com/ai-impact-on-saas>

About the AI in SaaS Survey

SEG's AI in SaaS Survey was conducted in Q4 2025 and included responses from SaaS CEOs and founders across companies ranging from under \$5M to \$100M ARR, as well as private equity and strategic software buyers. The survey explored AI adoption, perceived risks, valuation impact, and how buyer expectations are evolving.

About Software Equity Group (SEG) Research

Software Equity Group is dedicated to analyzing software, SaaS, and AI M&A activity, valuation trends, and public company performance. [SEG research](#), including the Annual and Quarterly SaaS M&A Reports, Buyers' Perspectives Report, sector-specific deep dives, and the SEG SaaS Index™, is widely used by founders, operators, and investors to understand evolving market dynamics.

About Software Equity Group

Software Equity Group is a leading M&A advisory firm exclusively focused on B2B software, SaaS and AI. Since 1992, SEG has advised growth-stage and founder-led software companies, combining deep sector expertise with a data-driven approach to achieve exceptional outcomes. Learn more and download research at softwareequity.com

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