100 2015
accountingTODAY
TOP 100 FIRMS

accountingTODAY

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Growth begets growth

Nothing succeeds like success, they say, and the continued expansion of the accounting profession and its leading firms is proof of that. Not only are the firms on our Top 100 Firms and Regional Leaders lists generally growing at a quick pace, but the number of firms that are eligible candidates seems to grow every year, as well.

And that means our report has to grow. Every year we survey more firms to include as many of the profession's leaders as we can find. This year, that meant gathering responses from 235 firms — up from just over 200 last year. And every year, we aim to include as many great firms in this report as possible. The Top 100 is obviously not an elastic ranking, but our Firms to Watch list and 10 Regional Leaders lists all have room to accommodate as many candidates as we can find, and we can expand them without lowering the standards for inclusion. Keep an eye out for the new firms we've added this year — they're often the ones that go on to make even bigger splashes in the future.

In the meantime, this year's list offers plenty of excitement, with lots of insights into the profession at large, and your peers and competitors in particular. As a reminder, here's a quick tutorial on our T100 guidelines:

- Unless otherwise noted, revenue is net revenue.
- Also, unless noted, firm revenues and offices are for the U.S. only.
- The Total Employees category is comprised of partners, professionals and all other personnel.
- Where two firms reported equal revenue, the firm with the higher percentage of revenue increase receives the higher ranking.
- "MAS" stands for "management advisory services," or consulting.

One change worth noting appears in the Regional Leaders, where, instead of giving an overall growth rate for each region, we've changed to giving an average individual firm growth rate. We haven't recast it for the prior year, so we'll have to wait until next year for it to yield that kind of insight, but we think it's still a valuable number.

As always, it's worth acknowledging the many contributions of all our team; this report wouldn't appear without the hard work of managing editor Tamika Cody, our online editor-in-chief Mike Cohn, technology editor Danielle Lee, and senior editors Roger Russell and Sean McCabe.

And with that done, we're happy to present to you the 2015 Class of the Top 100 Tax and Accounting Firms and Regional Leaders. Enjoy!

— Dan Hood
Editor-in-Chief

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More of the same, please

BY DANIEL HOOD

Every year, our editors eagerly scan the data submitted by our Top 100 Firms and Regional Leaders, looking for anomalies that point to unusual trends we can bring to your attention. In some years, that kind of discovery can form the main theme of this report.

Not this year.

This year, the trends we've noted over the past three or four years continued, with very little in the way of surprises. For the most part, this is good news, as those trends are mostly about comfortable levels of growth and a general upward rise. And even in the areas where the trends aren't so positive, their continuance has given the profession a chance to adapt and come up with coping strategies.

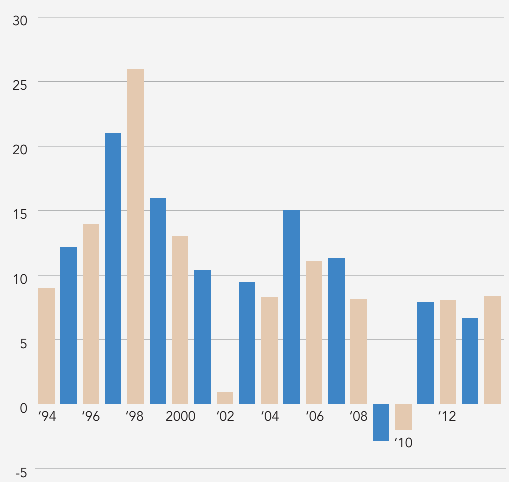
Let's start with overall growth for the Top 100: It came in at 8.44 percent, a little higher but still in line with the previous three years. It was pretty evenly distributed, though the tier of firms between \$100 million and \$1 billion outpaced the rest, with mergers playing a major role here. That group also grew, with 29 firms this year, versus 25 last year. Natural inflation and mergers will tend to swell the ranks here (they did last year, too), but strong growth strategies and the pursuit of new business opportunities play a major role, too. (*See Databank, page 5.*) And much like last year, our Firms to Watch list of those who are just below this year's threshold of \$33 million is full of strong contenders for next year's Top 100. (*See "Beyond the Top 100," page 6.*)

Among the other positive trends that continued: The number of firms reporting flat or declining revenues was the same as last year, at 10 (though it's worth noting that this year only seven were down, versus nine in our 2014 list). Similarly, nine reported growth rates over 20 percent, in line with last year's 10, and 38 reported growth above 10 percent, versus 37 last year.

Our Regional Leaders did well this year, too. We changed how we're measuring growth this year — opting for an average firm growth rate, rather than an overall regional measurement — but overall revenue was up over last year in most regions, and fully half reported average firm growth that was above the national average for the Top 100. And even those with lower average rates were still doing relatively well. (*See Regional Leaders, page 20.*)

A nice plateau

Revenue growth of the Top 100 Firms, in percent*



** Compiled from individual firm results as reported at year's end; includes some estimates*

None of that growth is automatic, of course: Among other things, it requires constant attention to markets, clients, and the kinds of services that are in demand. The Top 100 keenly pursue the right mix of clients and niches, carefully balancing what's new and exciting with what's tried and true. (*See Niches and Clients, page 10.*)

That's not the most difficult issue firms face, though — by a wide margin, that's recruiting and retaining qualified staff, as it has been for a few years. In that time, they've developed some very interesting tactics and coping mechanisms. (*See Firm Strategies, page 8.*)

MOVERS AND SHAKERS

The newly created Elliott Davis Decosimo boasts both the highest growth rate among the Top 100 (71 percent), and the biggest jump in the rankings. Formed from the merger of two Southeastern powerhouses, South Carolina's Elliott Davis and Tennessee's Joseph Decosimo, the new firm jump 23 spots.

Texas' Montgomery Coscia Greilich also made some big moves, jumping up 13 spots, while Baker Tilly Virchow Krause moved up five spots, into the rarefied air of the Top 15, with a big boost from its merger with Philadelphia Top 100 Firm ParenteBeard.

ParenteBeard was one of a handful of T100 Firms that merged off the list: New York's Rothstein Kass was taken up by KPMG, while Maryland's Watkins Meegan joined CohnReznick, and Ohio's SS&G helped BDO achieve its growth rate of almost 22 percent.

Helping to fill those spaces are the new members of our Top 100 list, like Chicago-based FGMK, which hadn't participated in our Top 100 survey before and entered at No. 41, which may be a record for a first appearance. SaxBST joined the list on the strength of a merger between Clifton, N.J.-based Sax Macy Fromm & Co. and Albany, N.Y.-based Bollam, Sheedy, Torani & Co., while a merger with Michigan-based Hungerford & Co. helped propel Yeo & Yeo to its first appearance in the T100. And Boston's Wolf & Co.'s double-digit growth in 2014 helped it trade a spot on our Firms to Watch for one on the Top 100.

Mergers wreaked major changes

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2015 TOP 100 FIRMS DATABANK

Overview

	Top 6 firms	% chg.	Firms over $100 mn	% chg.	Firms under $100 mn	% chg.	Total Top 100 Firms	% chg.
Revenue (in $mn)	46,255.25	7.96	$8,382.76	10.94	$3,598.35	8.80	$58,236.36	8.43
Partners	11,407	2.52	4,418	3.83	1,930	2.39	17,755	2.83
Professionals[1]	139,566	8.72	30,764	12.11	13,933	9.24	184,263	9.32
Total employees	181,075	7.22	42,389	9.87	19,625	7.78	243,089	7.72

Fee split	Rev. share (in $mn)	% of rev.	Rev. share (in $mn)	% of rev.	Rev. share (in $mn)	% of rev.	Rev. share (in $mn)	% of rev.
Audit & Attest	$16,204.81	37.00	$3,480.66	40.93	$1,299.66	37.33	$20,985.13	38.34
Tax	$11,634.68	27.83	$2,749.57	34.57	$1,259.71	35.05	$15,643.96	34.47
MAS (consulting)	$16,962.37	33.00	$1,694.83	19.61	$541.88	14.52	$19,199.08	17.10
Other	$1,453.39	2.17	$357.30	4.89	$430.76	13.14	$2,241.46	10.11

Notes: *Some figures may not correspond due to rounding.*

Leaders in A&A

Ranked by revenue

Top 6 firms	Rev. share ($ mn)	Fee split
1. PwC	4,806.84	41
2. Deloitte	4,323.32	29
3. Ernst & Young	3,564.00	36
4. KPMG	2,349.00	34
5. McGladrey	594.82	41
6. Grant Thornton	566.83	41
Firms over $100 mn		
1. BDO	483.14	58
2. CohnReznick	316.25	55
3. CliftonLarsonAllen	239.36	40
4. BKD	213.98	48
5. Baker Tilly Virchow Krause	209.20	44
Firms under $100 mn		
1. Kearney & Co.	67.19	74
2. Friedman	44.55	55
3. Anchin, Block & Anchin	41.36	44
4. Blum, Shapiro & Co.	37.68	55
5. The Bonadio Group*	36.93	42

Leaders in Tax

Ranked by revenue

Top 6 firms	Rev. share ($ mn)	Fee split
1. PwC	3,282.72	28
2. Ernst & Young	2,871.00	29
3. Deloitte	2,683.44	18
4. KPMG	1,875.00	28
5. McGladrey	535.42	36
6. Grant Thornton	387.10	28
Firms over $100 mn		
1. BDO	266.56	32
2. CBIZ / MHM	210.00	35
3. CliftonLarsonAllen	197.47	33
4. Crowe Horwath*	164.78	24
5. Moss Adams	158.73	37
Firms under $100 mn		
1. Holthouse Carlin & Van Trigt	77.63	78
2. Frank, Rimerman + Co.	43.50	62
3. Anchin, Block & Anchin	40.42	43
4. MBAF CPAs	38.70	45
5. Weaver	37.88	43

Leaders in MAS

Ranked by revenue

Top 6 firms	Rev. share ($ mn)	Fee split
1. Deloitte	7,155.84	48
2. PwC	3,634.44	31
3. Ernst & Young	2,772.00	28
4. KPMG	2,646.00	38
5. McGladrey	325.51	22
6. Grant Thornton	428.58	31
Firms over $100 mn		
1. Crowe Horwath*	329.57	48
2. CBIZ / MHM	210.00	35
3. Plante Moran	142.91	33
4. Dixon Hughes Goodman	104.78	31
5. BKD	93.62	21
Firms under $100 mn		
1. FGMK	52.20	60
2. Blue & Co.*	35.07	52
3. Horne	33.27	46
4. Kearney & Co.	23.61	26
5. SC&H Group Inc.	20.88	35

Pacesetters in growth

Ranked by % chg.

Firms over $100 mn.	Revenue ($mn)	% chg.
1. Elliott Davis Decosimo	109.60	70.98
2. Baker Tilly Virchow Krause	475.45	57.80
3. Citrin Cooperman & Co.	175.00	22.38
4. BDO	833.00	21.96
5. Armanino	129.48	14.75

Firms under $100 mn.	Revenue ($mn)	% chg.
1. Montgomery Coscia Greilich	42.86	27.79
2. Gallina	45.80	25.86
3. The Bonadio Group*	87.92	21.52
4. Honkamp Krueger & Co.	52.90	21.05
5. BerryDunn	51.75	20.01

Overall Top 100 Firms	Revenue ($mn)	% chg.
1. Elliott Davis Decosimo	109.60	70.98
2. Baker Tilly Virchow Krause	475.45	57.80
3. Montgomery Coscia Greilich	42.86	27.79
4. Gallina	45.80	25.86
5. Citrin Cooperman & Co.	175.00	22.38
6. BDO	833.00	21.96
7. The Bonadio Group*	87.92	21.52
8. Honkamp Krueger & Co.	52.90	21.05
9. BerryDunn	51.75	20.01
10. FGMK	87.00	17.57
11. Grassi & Co.*	46.80	17.03
12. Kearney & Co.	90.80	16.95
13. Frazier & Deeter	61.62	16.26
14. Mauldin & Jenkins	44.87	15.64
15. EKS&H	81.20	15.24
16. Squar Milner	52.00	14.79
17. Armanino	129.48	14.75
18. Eide Bailly	195.40	14.60
19. Holthouse Carlin & Van Trigt	99.52	14.50
20. Hill, Barth & King	56.00	13.59
21. Frank, Rimerman + Co.	70.16	13.25
22. CohnReznick	575.00	13.19
23. Doeren Mayhew	60.16	13.08
24. Berkowitz Pollack Brant	50.00	12.61
25. Whitley Penn	65.95	12.33
26. KPMG	6,870.00	11.89
27. Blum, Shapiro & Co.	68.50	11.75
28. Novogradac & Co.	103.34	11.74
29. Friedman	81.00	11.72
30. Wipfli[1]	180.99	11.38

Notes: ** Firm estimate or projection. All Big Four revenue figures are gross, not net. For more details, see pages 15-18.* *1 Does not include revenue from some mergers in late 2014*

OVERVIEW
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among our Regional Leaders, with strong firms leaving those rosters to hook up with others. But even as, say, Matson & Isom left the list of Regional Leaders in the West, we added strong new firms like OUM & Co., and Abbott, Stringham & Lynch. And while the merger of ParenteBeard with Baker Tilly Virchow Krause may have given the Mid-Atlantic Region's revenues a knock, it will be boosted by the addition of new firms like Sobel & Co. and Smart Devine.

In the Mountain Region in particular, mergers like the recent combination of Galusha, Higgins & Galusha with Wipfli made the addition of Hinton Burdick, Joseph Eve and Mantyla McReynolds to our list for the area all the more welcome.

Of course, these weren't the only new Regional Leaders (*see the rest starting on page 20*) — and they won't be the last, as we aim to grow the lists every year. AT

If you think your firm should be one of our Top 100 Firms or Regional Leaders, drop us an e-mail at AcToday@SourceMedia.com, and we'll add you to our survey database for 2016.

BEYOND THE TOP 100: FIRMS TO WATCH

There is a perennial updraft that sweeps through our Firms to Watch list, drawing them into the Top 100 in a variety of ways — often in mergers, or in the wake of mergers, when combinations create vacancies that eager FTWs can fill. Many of the firms that are new to this year's T100, like Yeo & Yeo, Wolf & Co. and Clark Nuber, have been frequent members of this club. The question is, which among this year's list will move up next year?

Firm	Headquarters	Managing partner	Year end	Revenue ($ mn.)	% chg.	Offices	Partners	Total employees
Padgett, Stratemann & Co.	San Antonio	John Wright	July	32.61	8.45	3	16	173
Brown Smith Wallace	St. Louis	Harvey Wallace	Dec	32.60	5.16	3	21	223
Bennett Thrasher	Atlanta	Rick Bennett	June	32.49	8.73	1	27	168
Gursey | Schneider	Los Angeles	Stephan Wasserman	Dec	31.30	10.99	3	11	139
PBMares	Newport News, Va.	Alan Witt	Dec	29.78	2.97	8	33	182
Briggs & Veselka Co.	Houston	John Flatowicz	Sept	29.72	13.57	2	20	181
Baker Newman & Noyes	Portland, Maine	Eleanor Baker	Dec	29.70	7.22	4	30	191
Somerset CPAs	Indianapolis	Pat Early	Dec	28.76	7.23	1	27	186
Brady, Martz & Associates	Grand Forks, N.D.	Ronald Johnke	Sept	28.16	3.91	5	31	184
Lurie Besikof Lapidus & Co.	Minneapolis	Beth Kieffer Leonard	April	28.10	2.93	1	15	121
Jackson Thornton & Co.	Montgomery, Ala.	Ned Sheffield	Dec	27.33	4.51	5	21	183
Anders	St. Louis	Robert Minkler	Dec	27.14	5.23	1	20	149
Lutz & Co.	Omaha, Neb.	Gary Witt	April	27.10	13.39	1	28	145
Hutchinson and Bloodgood	Glendale, Calif.	Richard Preciado	Sept	26.82	5.47	4	34	116
Janover	Garden City, N.Y.	Mark Goodman	Dec	26.67	37.19	2	23	141
Peterson Sullivan	Seattle	Chris Russell	June	26.30	59.78	1	17	146
Boulay	Minneapolis	Mark DeNucci	May	24.36	5.09	1	29	149
Johnson Lambert*	Falls Church, Va.	D. Lambert / J. Prescott	Dec	24.02	4.48	8	13	147
Windes	Long Beach, Calif.	John Di Carlo	June	23.90	1.23	3	16	127
Hagen, Streiff, Newton & Oshiro	Dallas	NA	Feb	23.86	6.66	14	16	98
Green Hasson Janks	Los Angeles	Leon Janks	Dec	23.50	1.73	1	13	125
ORBA	Chicago	Mark Thomson	May	23.30	6.88	1	16	115
Mize Houser & Co.	Topeka, Kan.	NA	Dec	23.25	6.07	3	21	210
AAFCPAs	Westborough, Mass.	C. McCall / D. McManus	Dec	23.15	14.04	5	17	156
PKF Texas	Houston	Kenneth Guidry	Dec	22.79	5.75	1	10	122
Yount, Hyde & Barbour	Winchester, Va.	NA	June	22.78	1.15	7	19	124
Cain Watters & Associates	Plano, Texas	Dan Wicker	Dec	22.70	9.13	1	10	114
Keiter	Glen Allen, Va.	L. Michael Gracik	Dec	22.30	4.06	1	10	139
Perkins & Co.*	Portland, Ore.	Gary Reynolds	June	21.92	8.68	2	20	144
BeachFleischman*	Tucson, Ariz.	Bruce Beach	Dec	21.83	7.54	2	25	138
Gelman, Rosenberg & Freedman	Bethesda, Md.	NA	Dec	21.80	0.93	1	11	93
LaPorte	Metairie, La.	William "Ted" Mason	Nov	21.74	1.49	4	14	141
Windham Brannon	Atlanta	David Kloess	Sept	21.65	0.89	1	13	134
Bergan Paulsen	Waterloo, Iowa	Chris Honkomp	Dec	21.55	11.31	5	16	124

** Firm estimate* *NA Not available or not applicable*

The issue everyone's working with

BY DANIEL HOOD

The one silver lining to perennial problems is that the longer they stick around, the longer you have to formulate coping strategies — and that's certainly the case when it comes to the staff crunch currently squeezing the accounting profession.

Difficulty recruiting and retaining staff, particularly those with three to five years of experience, has been a problem for a few years now, with our Top 100 Firms regularly citing it as one of the major issues they're facing, and over time they've developed or adopted a whole host of initiatives both to draw in new staff, and to retain the qualified staff they already have.

"We are now in a labor-favoring employment market," noted Andy Armanino, managing partner of San Ramon, Calif.-based Armanino. "We're seeing a lot of competition for quality staff across the board and while recruitment is always a priority, there is a greater emphasis today. As our business grows, we are finding more competition for top-flight people and making Armanino an attractive firm to work for is essential to the firm's success."

To that end, the firm has adopted a host of recruiting and retention tools, including mentoring and anonymous feedback programs, training and education resources, and stronger guidance and help in taking and passing the CPA Exam, all of which are critical to creating the right kind of employees. "Growth in the business also means that there is going to be a greater need for leaders who can plan and execute strategy, and ensure that growth continues by securing new business and putting together the right teams to provide clients with excellent and effective service," Armanino explained. "The ability to produce a level of leaders that can step up to the next level of partnership is essential. Firms need to make sure that each partner can identify several people who they can see as their successor."

Matt Snow, chief executive officer of Southeastern regional powerhouse Dixon Hughes Goodman, echoed Armanino's focus on the future: "The number of professionals entering the profession for the long term is declining, and the retirement of Baby Boomers over the next few years will put pressure on the aggregate talent pool for the profession. The firms that win this war will distinguish themselves by strategically recruiting, developing and retaining the best talent, and teaching them leadership skills so they can build careers that are valuable to those professionals themselves."

> 'We are now in a labor-favoring employment market.'

DHG hired a chief people officer at the beginning of this year to position the firm to win the war Snow described, by focusing on stronger strategies for recruiting and retention, and for diversification. The new CPO will definitely want to learn something from the rest of the Top 100, who have developed a broad range of approaches to all those problems.

GETTING THEM IN

When it comes to getting new staff in the door, college campuses remain a tried-and-true starting point.

"We have a robust campus recruiting program which was completely rebranded in late 2014, with dozens of firm members involved," explained Miami-based Berkowitz Pollack Brant CEO Richard Berkowitz. "We've proactively deepened relationships with the universities' recruiting offices, accounting schools, etc., and we added a summer leadership program for top recruits that would not commit to a full summer internship." (And for more experienced staff, the firm has substantially increased the recruiting bonuses for lateral hires.)

But with so many firms recruiting on campus and offering internships, you'll need a new way to stand out. "We now have externships which offer 'shadowing' opportunities to qualified student candidates at an earlier level than the internships," said Jeffery Capron, managing partner of Maryland's Aronson.

At national firm Crowe Horwath, meanwhile, "We are planning for our third annual Learn2Lead conference," said CEO Charles Allen. "It's a weekend-long retreat where more than 200 undergraduate students are introduced to Crowe through in-person meetings and activities, designed to help students understand the career options, culture and core values at Crowe, build leadership skills and increase their personal and professional network." That's on top of the firm's videos, strategic relationships with key universities and faculty, referral bonus program, and robust alumni network.

California-based Frank, Rimerman & Co. increased the number of spots for its internship and summer leadership programs, according to marketing and communications manager Valerie Hensley, and then went one intriguing step further: "A new benefit to our recruiting offerings this year includes the addition of relocation packages to offset moving costs for recruits wanting to relocate to the beautiful Bay Area."

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THE TOP TAX FIRMS

Firm	Headquarters	Chief executive	Rev. from tax ($mn)	% from tax	Total revenue	% chg.	Offices	Total staff
PwC§	New York City	Robert Moritz	3,282.72	28	11,724.00	6.19	72	41,571
H&R BlockP1	Kansas City, Mo.	William Cobb	2,994.06	99	3,024.30	4.07	12,000+	88,000
Ernst & Young§	New York City	Steve Howe	2,871.00	29	9,900.00	8.79	80	34,000
Deloitte§	New York City	Frank Friedman	2,683.44	18	14,908.00	7.30	107	64,884
KPMG§2	New York City	John Veihmeyer	1,875.00	28	6,870.00	11.89	101	27,102
McGladrey2	Chicago	Joe Adams	535.42	36	1,470.74	7.62	75	7,062
Liberty Tax Services	Virginia Beach, Va.	John Hewitt	421.20	100	421.20	10.49	4,175	467
Grant Thornton	Chicago	J. Michael McGuire	387.10	28	1,382.51	6.12	57	6,456
Ryan*	Dallas	G. Brint Ryan	354.08	91	389.10	-0.33	59	1,989
BDO	Chicago	Wayne Berson	266.56	32	833.00	21.96	52	4,041
CBIZ / Mayer Hoffman McCann*	Cleveland	C. Spurio / B.Hancock	210.00	35	600.00	4.17	103	2,914
CliftonLarsonAllen	Minneapolis	Denny Schleper	197.47	33	598.40	6.18	29	3,799
Andersen Tax	San Francisco	Mark Vorsatz	167.58	100	167.58	15.50	18	698
Crowe Horwath*	Chicago	Charles Allen	164.78	24	686.60	3.31	29	3,094
Moss Adams	Seattle	Chris Schmidt	158.73	37	429.00	6.45	20	2,176
Marcum	New York City	Jeffrey Weiner	158.01	41	385.40	10.08	17	1,248
Baker Tilly Virchow Krause	Chicago	Timothy Christen	156.90	33	475.45	57.80	29	2,468
CohnReznick	New York City	T. Marino / K. Baggett	155.25	27	575.00	13.19	26	2,674
BKD	Springfield, Mo.	Theodore Dickman	138.20	31	445.80	6.55	34	2,203
Dixon Hughes Goodman	Charlotte, N.C.	Matt Snow	114.92	34	338.00	9.03	29	1,714
Plante Moran	Southfield, Mich.	Gordon Krater	112.60	26	433.07	5.29	20	2,066
EisnerAmper	New York City	Charles Weinstein	110.18	39	282.50	2.02	6	1,168

Notes: P Figures compiled from public company reports. * *Firm estimate or projection* NA *Not available/applicable*
§ *Gross revenue* 1 *Staff figures include seasonal workers* 2 *Reported fee split as both dollar amount (given here) and percentage*

STRATEGIES
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One area where the needs of individual firms meet up with the needs of the profession as a whole is in the area of diversity. "We recognize the great need for highly skilled talent," explained KPMG chairman and CEO John Veihmeyer. "Diversity has long been a strategic priority for our firm as the markets and clients we serve are dynamic and diverse. It is critical that KPMG reflects that same diversity. We work closely with universities, our main workforce pipeline, to promote learning and skillsets our professionals need, and emphasize the importance of global and diverse perspectives and technological savvy. One such example is a program we started last year called 'Global Advantage' that provides global mindset and leadership skills training to a group of college juniors at a location abroad."

St. Louis-based RubinBrown is committed to diversity as well. "We actively participate, support and have strong alliances with several minority organizations," said chairman James Castellano. "We are proud to have one of our partners serve as a National Director for the National Association of Black Accountants. We are also involved with several organizations that promote diversity advancement, including the Diversity Awareness Partnership and the Regional Business Council's Young Professionals Network, which attracts and retains young minority talent to our region and provides these future leaders unique opportunities for networking, professional development and community involvement."

Finally, one of the most important elements of a successful recruiting and retention policy is on display at California's Holthouse Carlin & Van Trigt: "People are our No. 1 priority, and given the improving economy, the improved conditions within our industry, and our growth, the competition for attracting and retaining top talent was the among the key initiatives for 2014 and will continue for 2015," explained MP Phil Holthouse. "Through the efforts of our recruiting leadership, we adopted the attitude that recruiting is everyone's responsibility. Our best access to top talent resides with our team. We increased our referral program, and partners are very engaged in the recruiting process."

KEEPING THEM THERE

HCVT also recognizes that as soon as the

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recruiting ends, the battle for retention begins.

"One of our key initiatives was to enhance our on-boarding of new hires and provide increased training," said Holthouse. "We revised our new hire checklist and increased our commitment to new hire training. Our new hires are receiving eight days of orientation and training before they arrive at their office. Our goal is to give our new hires all the tools to be successful … . Our recruiting team has a formal three-month check-in plan to make sure our team member is comfortable and confident and to determine if there are any training gaps and adjust accordingly."

New York State's The Bonadio Group is another firm that carefully manages the transition from recruit to new employee — and beyond. "Every new employee

> 'Our best access to top talent resides with our team.'

who joins Bonadio is assigned both a performance coach and mentor," according to CEO and MP Thomas Bonadio. "The role of a mentor is as the 'been there/done that' person, to provide day-to-day cultural, norm-related guidance to a new hire. The mentor is expected to reach out to the new hire before they start by inviting them to lunch or another social activity so that there is some familiarity and relationship-building in advance of their first day. A performance coach also is assigned to the new hire, but this individual is a higher level than the new hire — typically a manager level or higher, and is responsible for their career progression/guidance. The performance coach is responsible for meeting at least quarterly throughout the year with the employee and is expected to stay in tune with how the employee is doing from a performance perspective; in fact, the performance coach is responsible for providing the employee their annual performance review."

In contrast to recruiting, there is almost an unlimited number of ways to engage your staff and keep them happy in their work — but there are a select number that recur again and again. Among them:

- A training and learning culture, often involving a "firm university;"
- Employee committees or councils, with actual powers and responsibilities;
- Women's initiatives;
- Mentoring programs;
- Staff surveys;
- Staff retreats and regular meetings with firm leadership; and,
- Leadership development and soft skills training.

Beyond that, though, there are intangible efforts that usually fall under the general rubric of "culture," and these can make a big difference.

"At McGladrey, one of our goals is to create an environment where people know their work has meaning — an environment where they feel valued and cared about, are engaged and excited to work, feel passionate about their projects, and understand how adding value to our clients and our organization enhances their careers," explained national public relations director Terri Andrews. The firm works toward this goal with some very specific steps: "Each employee has a career advisor who helps guide him or her throughout their career. We encourage and empower our employees to communicate with their career advisors or team leaders regularly. By understanding their challenges, skills and aspirations, we create a culture that respects the individual."

One of the initiatives at Ohio's Hill, Barth & King is to make sure the right people are in the right spot. According to CEO Christopher Allegretti, the firm is "overhauling our marketing strategy to better define and develop roles and responsibilities as specifically suited to certain skill sets and work styles. By aligning job scope with team member capabilities, wants and needs, we can improve job satisfaction, performance and retention."

Assuming that you can keep staff members for at least a little while, they'll start wondering what awaits them further down the road, and giving them some idea of the different paths they can pursue in their career with your fim can be crucial.

"In terms of succession planning, we've incorporated a plan for our firm that identifies future leaders and incorporates change, opportunities and transition over a two-year period so that when necessary they may step into that role seamlessly," said Ron Soluri, managing director of Buffalo, N.Y.-based Freed Maxick. "This also enables the firm to grow leaders in other areas to assume the transition of the department heads that are moving into the role of the Office of the Managing Director."

Of course, if you want staff to stay, one way to go about it might be to ask them what would induce them to do so. That (along with a number of other retention tactics), is what managing director and CEO William Balhoff said Louisiana-based Postlethwaite & Netterville does in its "stay interviews." These are the opposite of exit interviews: Before a high-potential staff member even begins to think about leaving, you sit them down to talk about what would make them stay, which in itself acts as an incentive.

Whichever retention tactics your firm decides to use, in the end the most important thing is to start thinking now about ways to keep a hold of your current staff — because you can bet that other firms have had time to think of lots of ways to lure them away. AT

Attest, M&A show widest growth

BY DANIELLE LEE

Proving that accounting firms are in demand for more than just tax work, the 2015 Top 100 Firms reported growth in several other niche services, including the top two areas of attest and mergers & acquisitions, according to this year's 80 responding firms.

The 84 percent reporting increased business in attest services marked a 9 percentage point increase over 2014, crowning it as this year's No. 1 area of niche growth. In the second spot, M&A rose four spots over last year, with 74 percent of firms tracking growth.

While state and local taxes remained in the third spot it occupied last year, it fell 8 percentage points, with 74 percent of firms reporting more business. International taxes also took a dive, from the previous year's top spot to fifth, down 12 percentage points to 71 percent of firms seeing an uptick in activity.

The jump in attest work can be attributed to the widening pool of companies providing outsourced control-based services, according to Brad Smith, partner at Mountjoy Chilton Medley and leader of the Kentucky firm's assurance practice. Those companies include service centers, cloud computing, application service providers and other technology-based companies that require nontraditional reports and attestation work to remain competitive.

"Our growth there has been pretty explosive over the last 18 months," he shared.

Carol Carlile, managing director of practice development at Los Angeles-headquartered Holthouse Carlin & Van Trigt, credits the CPA firm's M&A expansion to its practice leads, tax partner Andy Torosyan and audit partner Mike Thielman. "What really contributed to our success is that the partners are very focused, and staying connected to our referral sources for the middle-market companies that go to us for the buy side or sell side of the transaction," Carlile explained, adding that the firm has an especially deep expertise on the sell side.

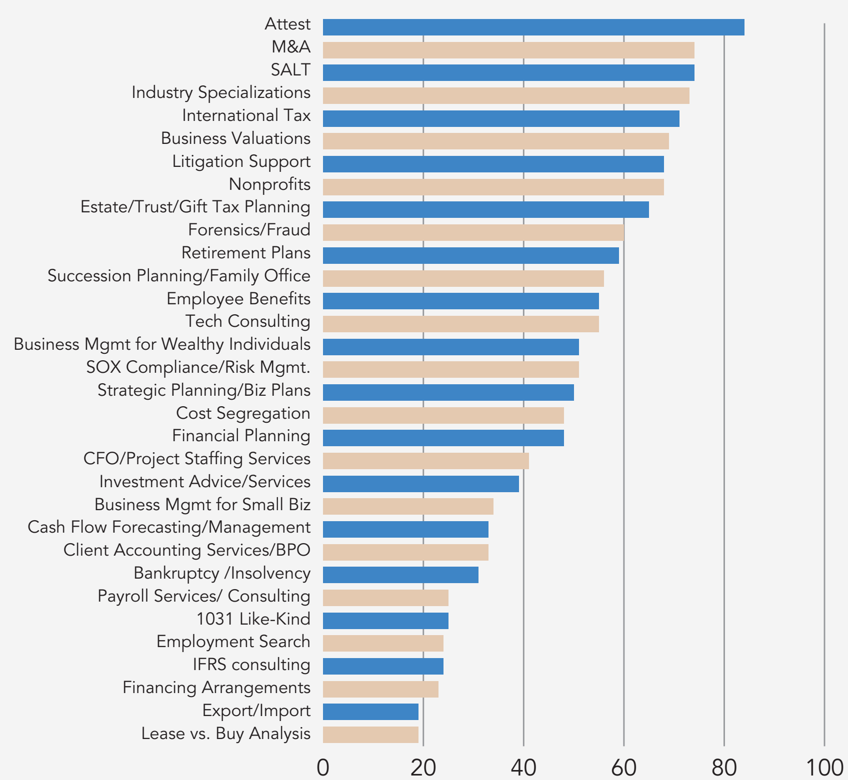
The experience of that team, comprised of many Big Four veterans, also extends to the dynamics of the California market, which has recently seen a lot of transactional activity in the e-commerce, retail distribution and aerospace industries. Specifically, Holthouse Carlin & Van Trigt focuses on the diligence and structuring of buy-side transactions and on pre-sale diligence, value optimization and structuring on the sell side, along with the reporting for both.

CohnReznick offers many services in its M&A niche, including an in-house investment bank that creates financing opportunities. The New York-based firm guides its primarily middle-market clients through the many steps of the process, from a decision tree of transaction options, through advisory preparation for the deal, due diligence, and assistance in closing the transaction.

The firm has about 50 full-time M&A staff across the country devoted to growing their market share, which boosted them 20 to 25 percent over the past year and has them on track to grow at an even higher rate next year.

Top niche services

Percentage of firms increasing their business in these areas (of 80 firms responding)



"Our business strategy is to be associated with liquidity," said CohnReznick partner and national practice and growth director Dom Esposito. "Clients are always looking for liquidity and growth. It's integral in everything we do."

The hot transactional market and encroaching waves of retirement also help. "Baby Boomers are looking for exit strategies," HCVT's Carlile shared.

THE HOT CLIENTS

Manufacturing remained the top high-growth client category in 2015, dropping only a couple of percentage points to 80 percent of firms reporting an increase in that clientele. Midsized businesses also retained their position right behind manufacturing at 79 percent, and real estate clients were a steady third, a growth source for 75 percent of responding firms.

Firms reported a slight uptick in technology clients, keeping that category in the fourth spot and up two percentage points. Below that, both construction and non-profit organization clients increased two percentage points over last year, with 68 percent of firms tracking growth for each.

The rest of the top 10 client categories — individuals, professional services, large businesses and pension plans — didn't deviate too wildly from last year, though pension plans recorded a 7 percentage point increase over 2014.

For Texas CPA and consulting firm Whitley Penn, their boom in midsized business clientele is the latest in a cyclical pattern. In a healthy economy, explained managing partner Larry Autrey, the firm can service clients that outgrow small firms but can't afford Big Four billing rates.

"We fit there right in the middle," he explained. "There's a big gap with a lot more business in the medium-sized to the large companies. Our strategy is to have bookkeepers to do outsourced bookkeeping, from when they are a startup to having an outsourced accounting department. We carry them all the way until they are public."

Workforce demographic shifts also factor into Whitley Penn's self-described "sweet spot" of midsized business clients, with the second generation taking over mom-and-pop shops and expanding them and even opening offices overseas.

"A small firm can't do that for them, so they have to move to the next level," Autrey continued. "If they need a mature, international firm handling it, we've got all the same expertise [as a Big Four] and it's fertile ground for a firm like us."

When the economy dips, however, the larger firms are willing to offer discounts to pick up more business. "It goes in cycles, where the [Big Four] shuck the low end, which happens to be the high end for us."

In the real estate space, New York-based Margolin, Winer & Evens has maintained its own sweet spot for 50 years, though recent business development efforts have kicked their results up a few notches.

"In the last couple of years, we've made a tremendous effort in increased activity in the events that we've sponsored and run, with moderators, speakers and quite a number of articles that have heightened our stature in the real estate community," shared managing partner Teddy Selinger.

In addition to the thought leadership, the very nature of the business and its spike in transactions have led to new opportunities, with clients adding new properties that become new entities and additional revenue. "The increased activity in the real estate business community leads to additional clients and significant activity on the part of the clients, to expansion and repositioning of assets, resulting in significant advisory work," Selinger added. AT