



EXECUTIVE SEARCH PRACTICE

2013 LATERAL HIRING STUDY

Public Accounting & Consulting Firms

KCG EXECUTIVE SEARCH

2013 LATERAL HIRING STUDY

The stakes are high for public accounting and consulting firms. As the world of business becomes increasingly sophisticated, clients are demanding more advanced, high-value and cost-effective business solutions. To meet this demand, accounting and consulting firms must continually recruit top talent to enhance their competitive advantage with new services, drive revenue growth, and increase profit margins.

Just a decade ago, the term "lateral hire" had little meaning to most public accounting and consulting firm leaders. In today's aggressive business climate, attracting lateral partners and emerging leaders from the outside is an appealing strategy for propelling organizations forward.

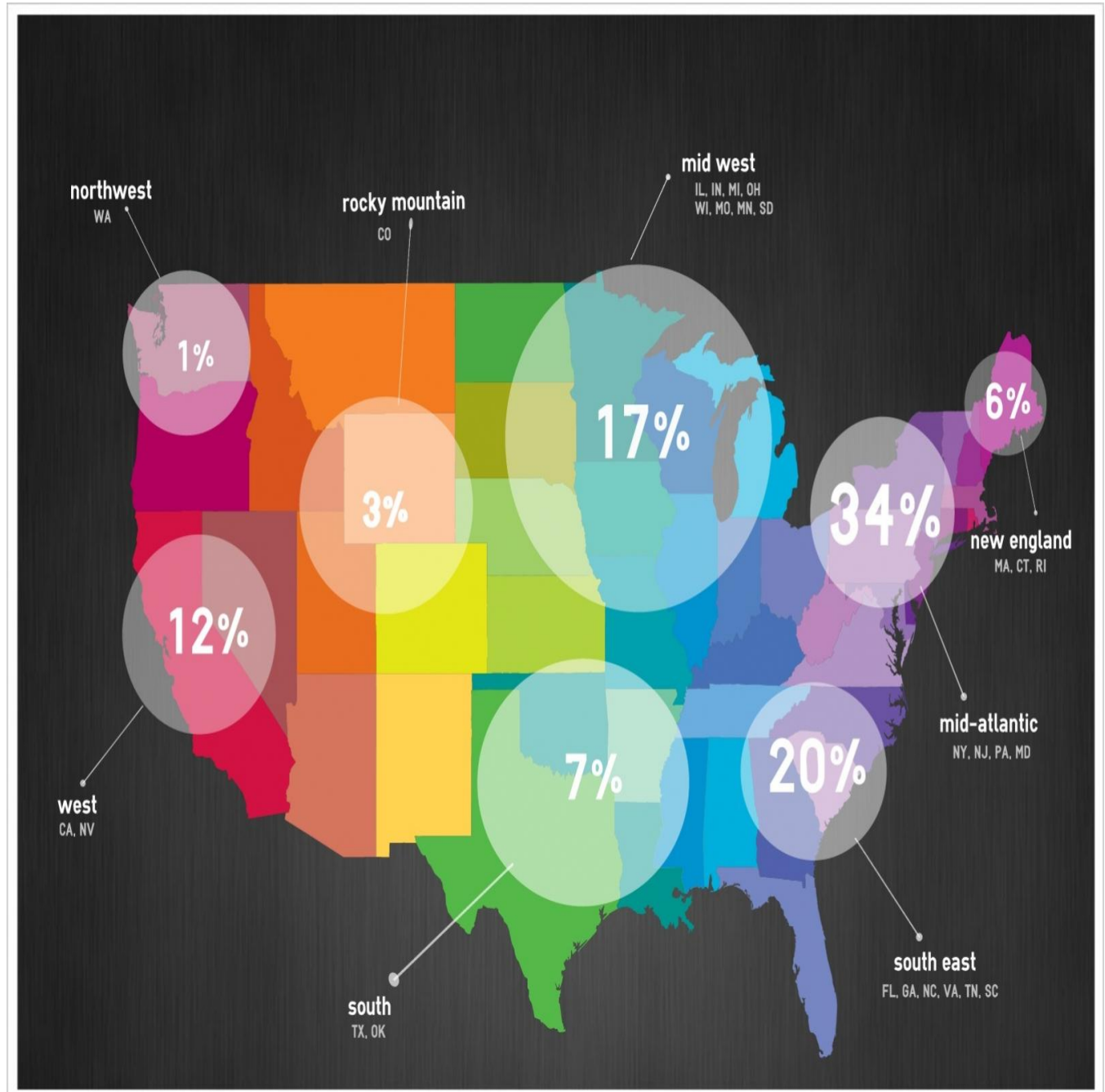
Koltin Consulting Group's Executive Search practice conducted a study of 150 lateral hires made by non-Big 4 public accounting and financial consulting firms between January 1st and October 31st, 2013. The results of the study are broken down into hires by region, service line, level of hire, gender, industry expertise, technical expertise, and firm revenue size.

Some quick findings:

- Increasingly, firms are spending money at the heavyweight level, with the majority of firms seeking to attract lateral partners in order to accelerate growth.
- The most lateral hires were made in the regions that are home to the largest population of Top-100 firms.
- Lateral hires made in seven states represent 60% of the total lateral hires.
- Firms can't get enough highly qualified tax talent, a complete role reversal from five years ago when the hiring surge of experienced auditors ignited by Sarbanes-Oxley was still in full effect.
- Gone are the days of the generalist, with the majority of laterals being sought out for their industry and/or subject matter expertise.

Please see the infographics below for more information on the findings.

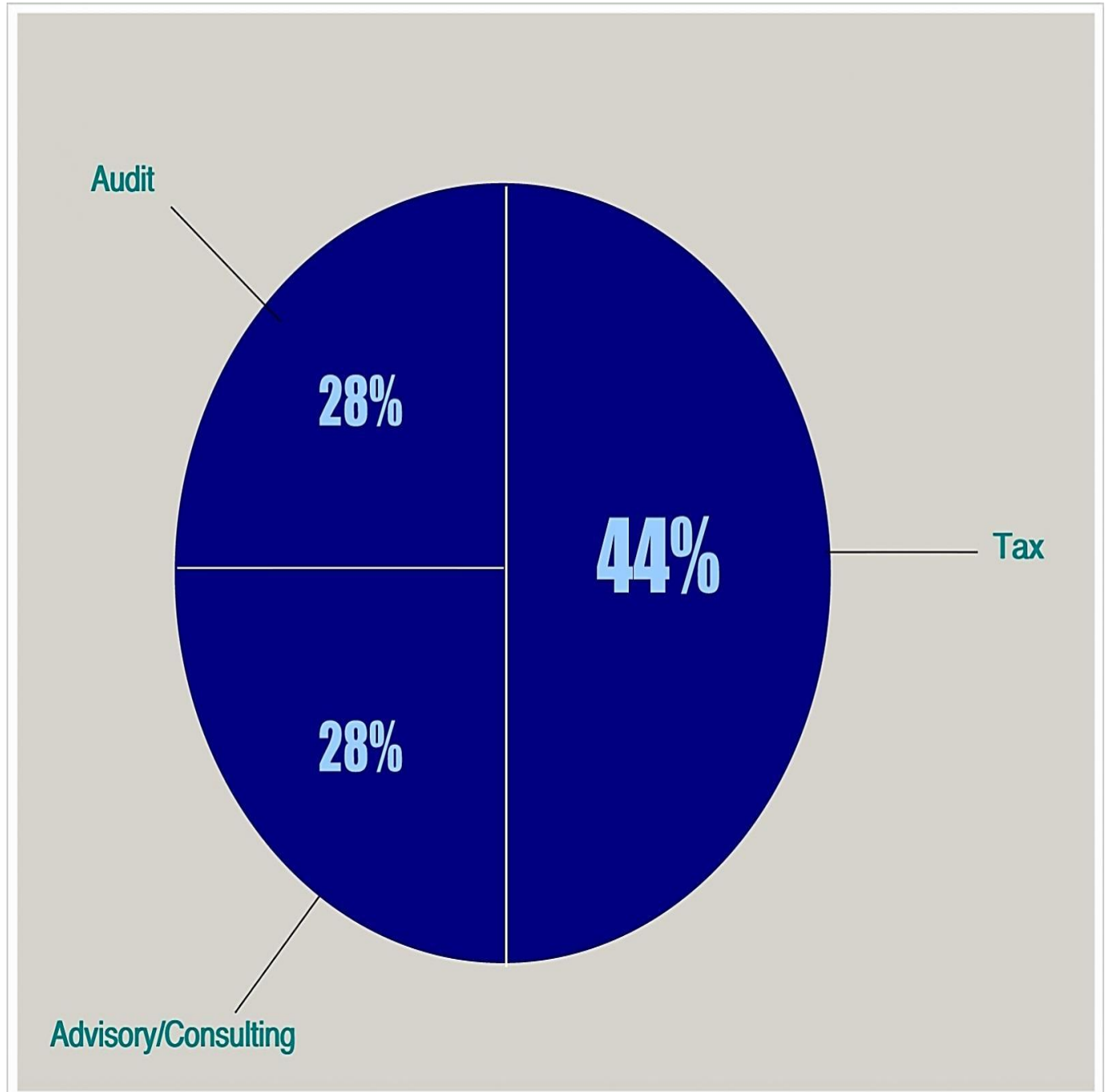
LATERAL HIRES BY REGION



* States in which the highest percentage of lateral hires were made:

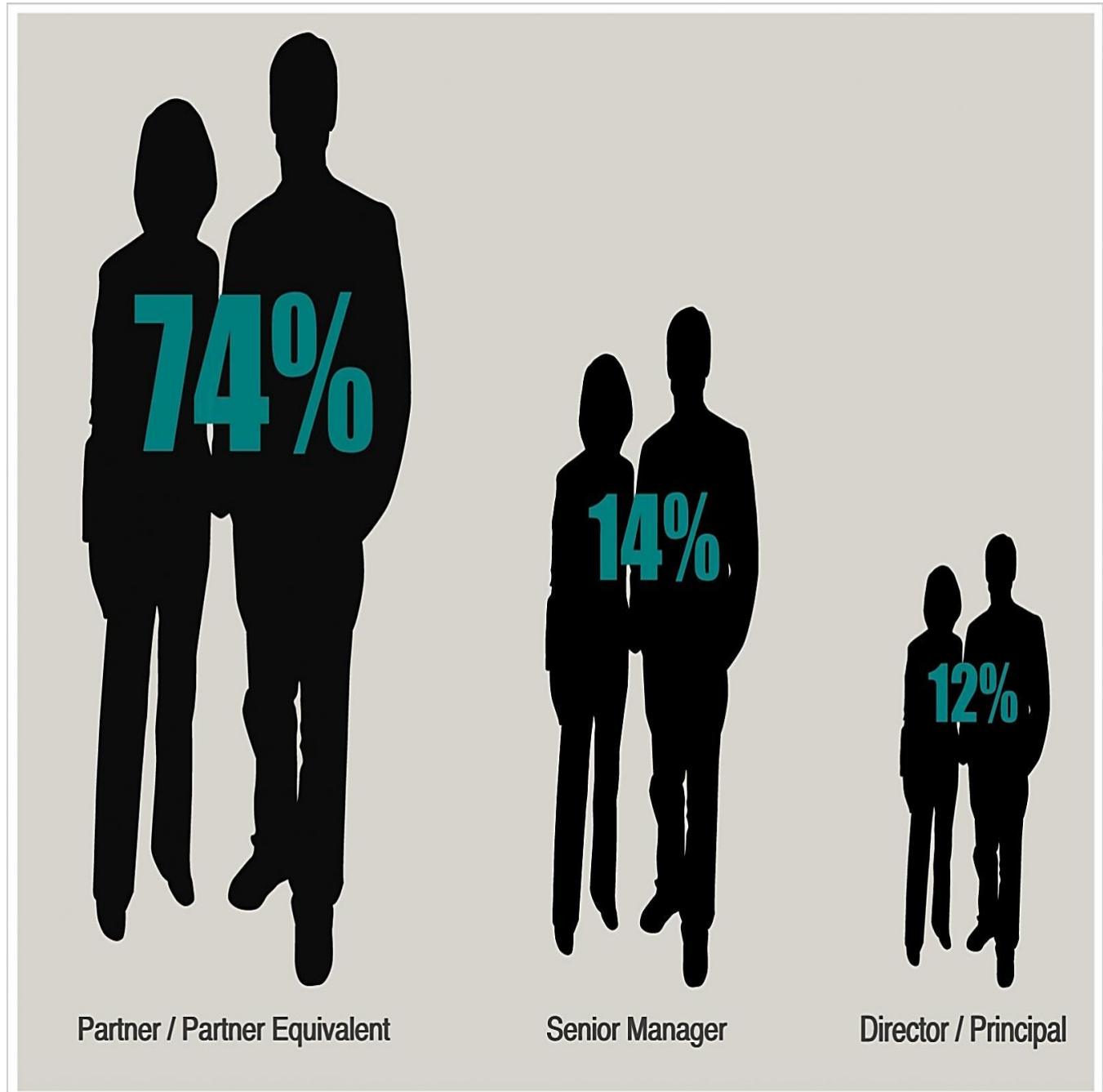
NY = 19% CA = 10% PA = 9% GA = 8% VA = 5% TX = 5% IL = 4%

LATERAL HIRES BY SERVICE LINE



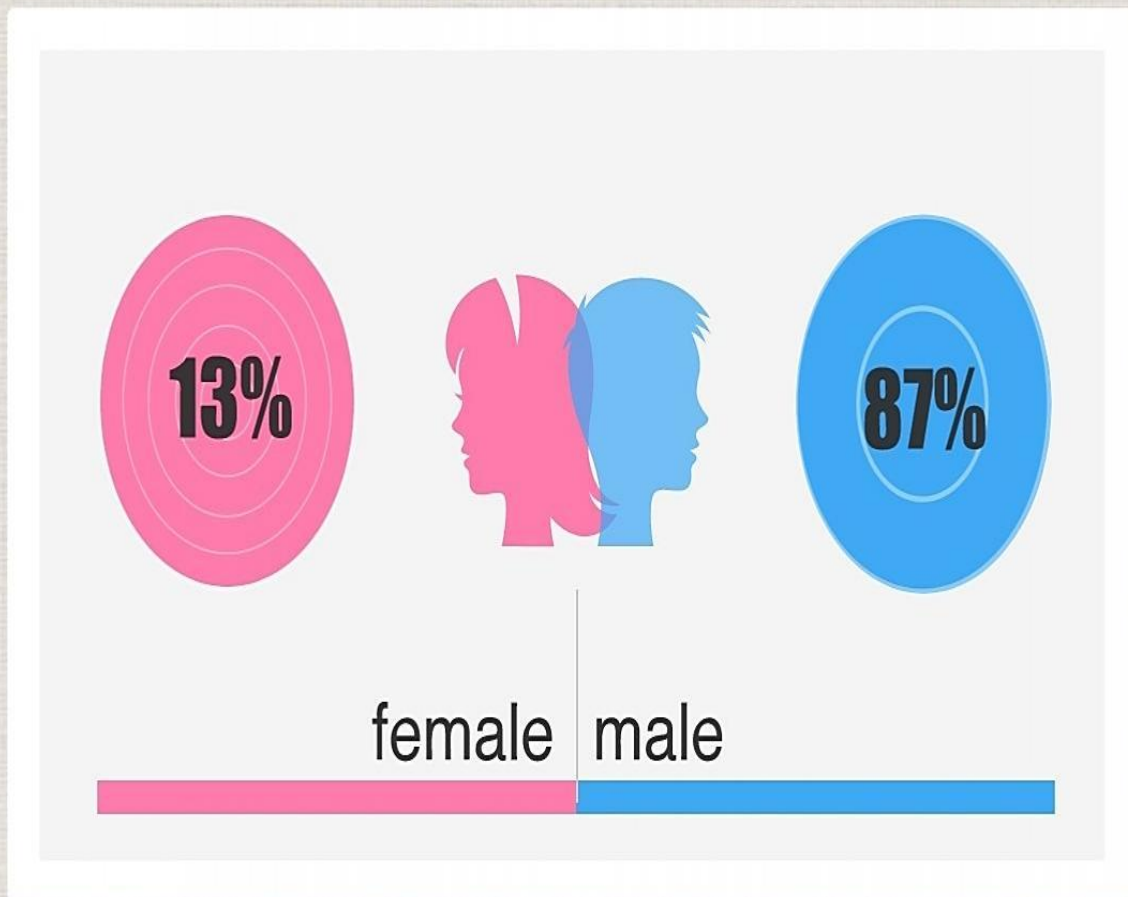
The Big 4 and national firms have been investing heavily in advisory/consulting services and the trend has spread across the industry.

LATERAL HIRES BY LEVEL



While rising stars may exist in-house, for most firms the waiting period between grooming potential talent and that talent developing into high-performers simply takes too long.

LATERAL HIRES BY GENDER



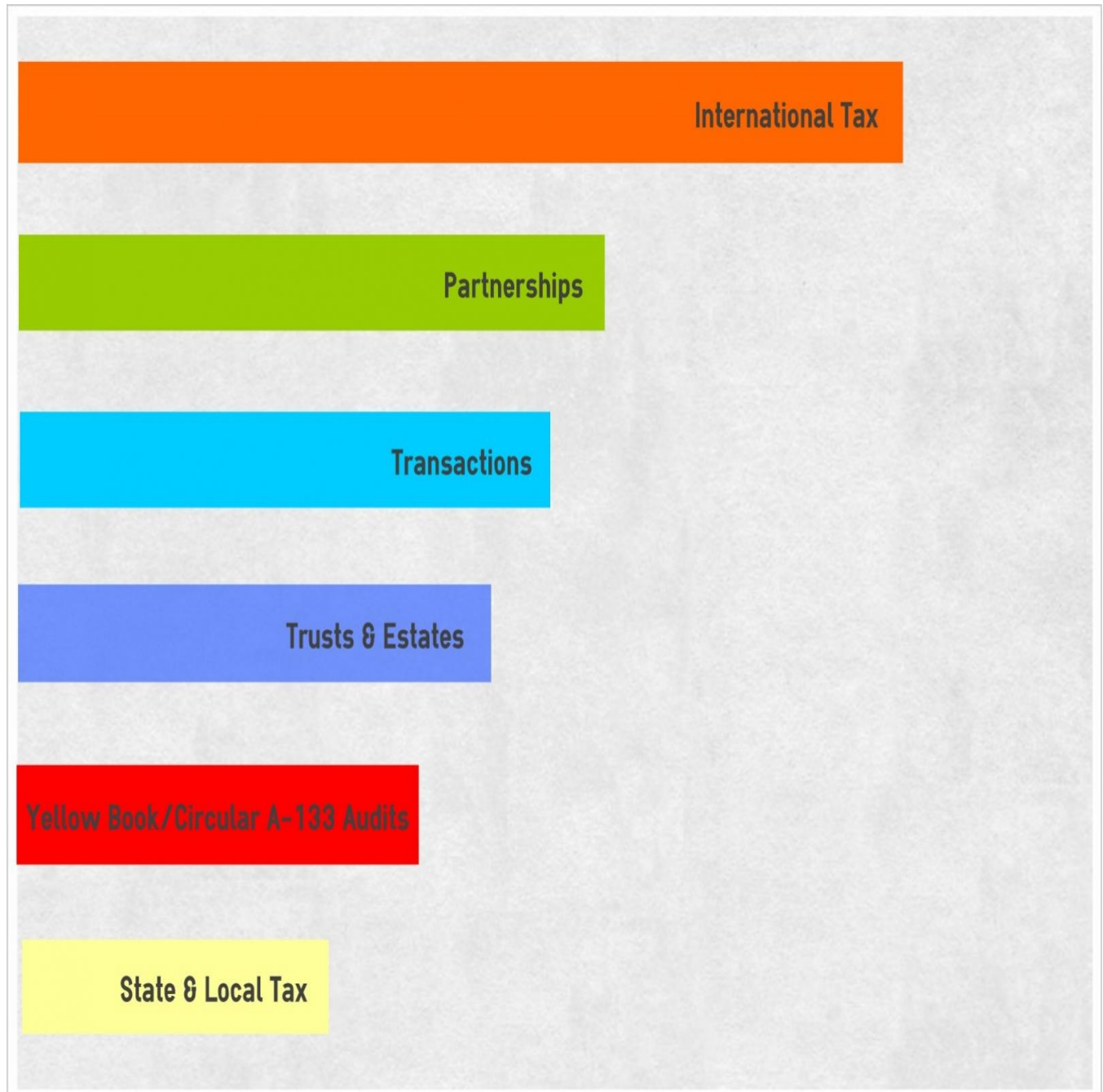
The percentage of lateral hires by gender is almost exactly equal to national statistics on female to male partners.

LATERAL HIRES BY INDUSTRY EXPERTISE



Other highly sought after industry expertise: Construction, Manufacturing, Hospitality and Insurance.

LATERAL HIRES BY TECHNICAL EXPERTISE



Other highly sought after technical expertise: Quality Assurance, Forensic Accounting & Litigation Support.

LATERAL HIRES BY FIRM SIZE (\$ millions)

<u>FIRM SIZE</u>	<u>SERVICE LINE (%)</u>			<u>LEVEL (%)</u>		
Revenues (\$ millions)	Audit	Tax	Consulting	Partner/ Equivalent	Senior Manager	Director/ Principal
\$3-10M	38	38	24	59	28	13
\$10-25M	13	60	27	73	7	20
\$25-50M	36	41	23	68	14	18
\$50-100M	9	55	36	67	29	4
\$100-250M	37	37	26	68	16	16
>\$250M	29	39	32	76	3	21

Our Executive Search group has been featured in Accounting Today and CPA Practice Management Forum. Recent articles include:

- [Free Agency: The Pathway to Great Lateral Talent](#)
- [Talent Acquisition: What it is, why you need it, what is involved, and where to start.](#)
- [Accelerate Growth by Attracting Partners and Future Leaders](#)
- [Your Firm's Unique Attitudes](#)
- [Retaining Top Performers](#)
- [Choose Wisely When Hiring a Search Firm to Recruit for Key Positions](#)

KCG Executive Search

Increase Your Momentum. In today's global business environment, success is driven by the talent, vision and leadership capabilities of partners and other senior executives.

Public accounting and consulting firms count on Koltin Consulting Group's Executive Search Practice to help them hire lateral partners, practice leaders, emerging leaders and operational department-heads. All of our consultants have received experience and top-notch training from best-in-class global and regional executive search and management consulting firms. Your firm benefits from the strengths of Koltin Consulting Group's entire team. At the same time, as a boutique executive search firm, you receive the personal touch and attention of a dedicated partner from start to finish. The result: a true collaboration between our firm, our clients and our candidates.

We work in your world on a daily basis. Our in-depth knowledge of the industry and the specific challenges you face, combined with our understanding of who and what makes an effective leader ensures that you hire exceptional people that fit your culture, meet your client's needs, and fuel your growth.

Recently completed searches include:

International Tax Partner
 Audit Director – Not-for-Profit Industry
 National Director of Sales
 Principal – Transaction Advisory Services
 Tax Director – Financial Services Industry
 Trust & Estates Practice Director
 Audit Leader – Consumer & Retail Industry

Valuation & Litigation Support Partner
 Tax Department Leader
 Office Managing Partner
 Director of Human Resources
 Tax Partner – Real Estate Industry
 Senior Director – Transfer Pricing
 Director of Marketing

To retain Koltin Consulting Group's Executive Search Practice, or to learn more about our services, visit our website: www.koltin.com/ExecutiveSearch/.

Feel free to share this study with your partners and members of your leadership team, or include the study in your association magazine or newsletter.

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