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The competitive advantage for accounting firm leaders since 1987

## IPA's Most Recommended Consultants Share Insights For 2019

Each year, respondents to IPA's annual Survey and Analysis of Firms are asked to name three consultants they have used in the past year who they'd recommend. The 2018 five Most Recommended Consultants, agreed to share some thoughts about the state of the profession and predictions for 2019.

This month, we feature insights from **Allan Koltin**, Koltin Consulting Group.

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■ 2018 MOST RECOMMENDED CONSULTANTS

Every year I'm asked my predictions for the year ahead and I always say that the M&A frenzy is over, and I'm always wrong.



**Allan Koltin**

This is the 11th year running of significant M&A activity. I've been in this industry for 38 years, and change is often overstated. I can get a little callous about it, but for the first time I believe the profession has seen a couple of major changes that are new for 2018 that will absolutely impact 2019. I compare 2018 to 2002, a game-changer year that saw the implosion of Arthur Andersen and the corporate reform legislation that followed.

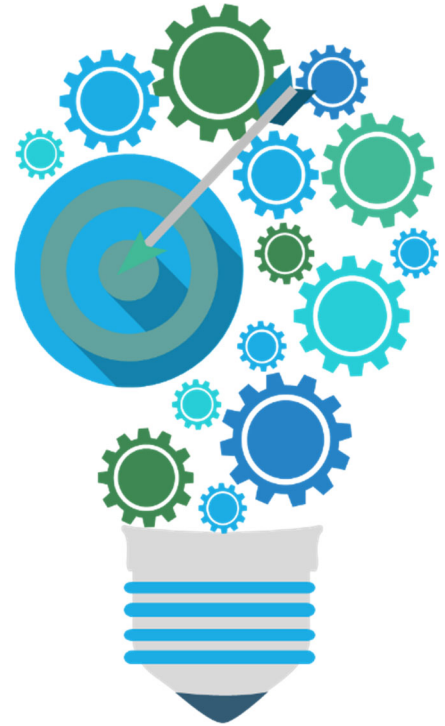
For the first time in 10 years I'm seeing many of the IPA 100 firms reduce their internal valuations through smaller deferred compensation packages or less generous buyouts to retired partners in the future. This is not because they're unsuccessful, it's because they know that the go-go years of rapid growth without heavy investments are a thing of the past. Some firms are increasing capital requirements of partners on the front-end and reducing payouts on the back-end.

Another trend is the movement of accounting services from compliance to advisory, so a vanilla accounting firm is less attractive to potential buyers unless they're in hot markets. Firms with strong niches, like wealth management or cybersecurity, generate much more interest.

Perhaps the biggest trend I see is there are more IPA 200 firms in merger discussions today than probably the last 10 years combined, and they're looking at the convergence of all these trends. With the cost involved in growing a firm over the next 10 years, firm leaders are thinking they're better off aligning with a firm that's already built out. I can unequivocally say that it has now become a buyers' market and will continue to be a buyers' market. ■IPA

## ALLAN KOLTIN

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