

By
Michael Cohn

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Baker Tilly merges in Montgomery Coscia Greilich

Top 15 Firm Baker Tilly Virchow Krause LLP is expanding its presence in Texas by adding Montgomery Coscia Greilich LLP, a Dallas-based Top 100 accounting and advisory firm, effective June 1, 2019.

The combination with MCG promises to bolster Baker Tilly's footprint in Texas, particularly the Dallas-Fort Worth region. The firm currently has offices in four of the biggest cities in Texas: Houston, Dallas, Austin and Fort Worth.

Last fall, the firm expanded to Houston by merging in MiddletonRaines+Zapata. In August, Baker Tilly merged in RGL Forensics, a global financial investigations and forensic accounting firm. Earlier this month, Baker Tilly also added the municipal advisory firms H.J. Umbaugh and Associates, CPAs, LLP, and Springsted Incorporated, in a three-way merger, gaining several Texas employees who worked for Springsted.



Baker Tilly's Chicago office
Courtesy of Baker Tilly

“Texas, at large, is a market that we have had our eyes on for quite some time,” Baker Tilly CEO Alan Whitman told *Accounting Today*. “Our first entry in Texas was an office that we greenfielded in Austin. We did a merger effective in November with MRZ in Houston. Dallas, being one of the largest markets in Texas and in the entire country, was certainly a big part of our continuing strategy execution. We had a small presence in Irving through the RGL merger, but full service is what we’re looking at for the MCG merger. With those 300-plus people, it gives us a very nice presence in the greater Dallas-Fort Worth marketplace.”

The 300 new team members include 29 partners. Firmwide, Baker Tilly has approximately 3,150 team members and 300 partners. Financial terms of the deal were not disclosed. However, MCG earned \$60 million in annual revenue, while Baker Tilly earned \$578 million for the year ending May 31, 2018, but is projecting \$750 million for the current fiscal year after all the mergers from the past year. Baker Tilly, based in Chicago, ranked No. 14 on *Accounting Today's* 2018 list of the Top 100 Firms, while MCG ranked No. 77.

Baker Tilly sees MCG’s expertise in assurance, tax services, sales and use tax, and consulting services matching up with its own industry specializations in manufacturing and distribution, private equity, health care, real estate and international services. No changes are planned right now for the Dallas and Fort Worth offices of both Baker Tilly and MCG.

“There is genuine respect and a strong cultural alignment between MCG and Baker Tilly,” MCG managing partner Gary Boyd said in a statement. “Each firm has an entrepreneurial spirit that brings together exceptional talent and complementary skillsets with a focus on people and a commitment to maximizing client value.”

Koltin Consulting Group CEO Allan Koltin advised Baker Tilly on both the MCG and MRZ mergers. “I’ve been consulting to accounting firms for close to four decades and can’t recall a firm that grew as fast organically as MCG,” he stated. “Equally impressive is the outstanding talent and leadership they have been able to attract. Baker Tilly is well on their way to becoming a national powerhouse — while keeping their entrepreneurial culture and passion for serving clients. These fundamentals shared by MCG are ultimately what brought the two firms together.”

Whitman plans more M&A for Baker Tilly going forward. “We do have aspirations to continue executing our strategy,” he said. “The ultimate goal is to be relevant and sustainable long into the future. We certainly have aspirations to expand and to build out a full national firm. I don’t want to mention any specific geographies, but we certainly want to continue our expansion into the major markets throughout the U.S.”