

As Accounting Industry Consolidates, Wipfli Growing and Expanding Expertise by Being a Good Partner

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When Wipfli LLP announced this month it was acquiring a small suburban Chicago accounting firm with expertise in serving hedge funds, it made perfect sense.

Wauwatosa-based Wipfli, already doing work for banks, credit unions, mortgage brokers and other segments of the financial services industry, now, with the [addition of Patke & Associates](#), will be better able to cater to hedge funds, too.

“While we had been operating to some degree in the hedge fund world, Patke was a firm that specialized there, and to pick up that knowledge, those skills, by having them combine with us, we believe it’s going to be a win-win,” Kurt Gresens, Wipfli’s new managing partner, said in an interview at the firm’s Wauwatosa headquarters.

That strategy — acquiring smaller firms with strong areas of expertise or in markets where Wipfli wants to establish or solidify its presence — has been a key to the firm’s remarkable growth.

In the past seven years, more than 30 firms have joined Wipfli, bringing their special know-how into the overall firm and expanding or enhancing what Wipfli can offer to clients.

In recent times Wipfli has added, among others, firms with expertise in the construction industry, healthcare, tribal governments and the gambling industry, and nonprofit organizations. This summer, it hired an information technology risk executive to handle its growing cybersecurity practice in the Chicago and eastern Wisconsin markets.

The mergers and businesses brought into the Wipfli fold have helped boost the firm's annual revenue to \$363 million, putting it at No. 19 among the largest accounting firms in the U.S. Wipfli, founded 89 years ago in Wausau by Clarence J. Wipfli, has more than 2,300 employees and 260 partners in about 50 offices. And there is more growth on the way.

“Wipfli has always been a well-respected firm, but in the past several years it has gone far beyond being just a successful regional player,” said Daniel Hood, editor-in-chief of the industry magazine Accounting Today. “It has quadrupled its revenue, and it has expanded way outside its home base through a long string of mergers with multiple accounting firms from all over the country.”

Industry consultant Allan Koltin, who has worked with Wipfli on multiple acquisitions, said smaller firms are attracted to Wipfli as a merger partner for at least a couple of reasons.

Although Wipfli now is big, a competitive edge over some other larger firms is its culture and enduring values, he said.

“Despite their size, they have kept that family feel, that family culture,” Koltin said.

Koltin said the fact that for the last decade Wipfli has been investing in nontraditional accounting services — things like technology that can quickly perform auditing tasks or cybersecurity consulting to keep clients safer from computer hacks and breaches — also has made Wipfli an appealing firm with which to merge.

“Because of all the disruption and change going on in the industry, firms are looking to do more in the areas of consulting, advisory, outsourced services and industry specialization,” said Koltin, chief executive of Koltin Consulting Group Inc. in Chicago. “For a firm smaller than them, it’s a choice between, ‘Do we want to invest all the money, take the time and the risk that we’ll get it right, or do we just want to sign onto Wipfli’s playbook?’ You put those two things together and it’s a very powerful combination.”

The accounting industry is in a period of consolidation, in part because some clients want more from a firm than the traditional compliance services of audits and tax returns. Value-added offerings like wealth management, human resources help and cybersecurity testing and detection allow clients to get those services from a firm they already know.

“The accounting, the CPA, profession is undergoing a transformation of sorts, largely led by technology and technology’s impact on us and our clients,” said Gresens.

Among services Wipfli is providing to clients is education on the blockchain payment system and what it might mean to them in the future.

Gresens, the 50-year-old son of dairy and ginseng farmers from central Wisconsin’s Marathon County, [succeeded Rick Dreher as managing partner](#) in June. Dreher was a driving force behind much of Wipfli’s growth.

Gresens, a University of Wisconsin-Madison graduate who now works primarily out of Wipfli’s Green Bay office, has been a partner at Wipfli since 2006 and most recently was on the leadership team as overall practice partner. He has nearly three decades of industry experience and has been on the board of directors since 2013.

Asked about key concerns as the top leader of Wipfli, Gresens pointed to making sure the firm transforms itself and its professionals at a rate fast enough — especially with ever-advancing technology — to give clients what they want from their accounting and consulting firm.

“The accountant of 25 years ago — or even 10 or five years ago — isn’t going to be the CPA and consultant of the next five years,” Gresens said.

A long-standing corporate citizen, Wipfli has raised its profile through partnerships with efforts such as TitletownTech, a Green Bay initiative with an accelerator, capital fund and a technology development program, and Milwaukee’s Summerfest Tech, where regional startups are able to showcase the talent and innovation of the Midwest.

Koltin said that with Wipfli’s standing in the industry and the trend of consolidation, growth appears inevitable.

“They are currently the 19th-largest firm in the country,” he said. “I could see them breaking into the top 15, probably in the next two or three years. They’ve got that kind of traction behind them.”

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