

# CPA/OCFO Firm Transformations: Private Equity, ESOPs, Wealth Management, & Global Firms

## TRANSFORMATION ARCHETYPE



"The Mother Ship"



"The Roll-Up"



"Wealth Management"



"Ownership Transition"



"Megamergers"



"The Carve Out"



"Non-PE-Owned CPA"

## DESCRIPTION & DYNAMICS

- *Private Equity*: A Top 25 CPA firm sells a majority stake (~50-70%) of the business to PE
- *Private Capital*: A Top 25 CPA firm sells a minority stake and retains decision-making
- Acquisitions by a platform (often PE-owned) of smaller, typically regional, players (~\$10-100M)
- Bolt-on assets are consolidated into the platform to achieve multiple arbitrage at exit
- The sale of a CPA firm's Wealth Management business to PE to raise capital to drive growth while preserving firm independence
- *ESOP*: Ownership transfer to employees to retain independence and create tax advantages
- *International Networks*: A multi-firm structure to pool resources to expand coverage
- The merger of multiple Top 25 CPA firms of similar sizes, enabling instant scale
- The sale of divisions or subsidiaries to reward shareholders and invest profits back in growth
- A less frequent option used by CPA firms, the sale of CPA firms to wealth managers or other buyers to reduce downside risk in the buyers' core business

NOT EXHAUSTIVE - SEE NEXT PAGE





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## CPA/OCFO FIRM PLATFORMS

Grant Thornton	NMC	CRI	Centerbridge
bakertilly	H&F	O'CONNOR DAVIES	INVESTCORP
EISNERAMPER	TOWERBROOK	FRAZIER & DEETER	GENERAL ATLANTIC
CITRIN COOPERMAN	NMC → Blackstone	STOUT	Audax Private Equity
armanino	Further Global	pwc	CLAYTON DUBILIER & RICE
Cherry Bekaert™	PARTHENON CAPITAL	AlixPartners	INVESTCORP
Aprio	Charlesbank	KROLL	STONE POINT CAPITAL
SIKICH	BainCapital	CFGI	CVC CAPITAL PARTNERS
CohnReznick	Apax	ACCORDION	Charlesbank
schellman	LIGHTYEAR CAPITAL	DoerenMayhew	Audax Private Equity
SMITH+HOWARD	BROAD SKY PARTNERS	ATA	COPLEY   EQUITY   PARTNERS
Prosperity	UNITY	Ryan	ARES
Cohen & Co	LOVELL MINNICK PARTNERS	SUMMIT PARTNERS	UHY
WILLIAMSMARSTON	KELSO	elliott davis	FLEXPOINT
SAX	COBEPA	FORD	

## PE ROLL-UP OF CPA FIRM DEALS

ASCEND	ALPINE
Crest Professionals Alliance	
Franklin Alliance	MAIN ST LEGACY PARTNERS
sorren	DFW CAPITAL PARTNERS
TRINITY HUNT PARTNERS	springline
F3 FAMILIES FOR FAMILIES	
TPG	
occams elevate	
ARCHER LEWIS	STOIC LANE
Platform Accounting Group	
Bridgepoint Alliance	Liberty Partners

## WEALTH MGMT-OWNED

bergankov	CREATIVE PLANNING
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## CPA DIVISION/SUBSIDIARY SALES

Crowe	TPG	KPM CONSULTING	INVESTCORP RENOVUS
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## CPA-OWNED WEALTH MGMT. FIRMS

RSM	Choreo™
BDO	Choreo™
Cherry Bekaert™	Choreo™
SEQUOIA	EideBailly
Warren Averett	WEALTH PARTNERS CAPITAL GROUP
WIPFLI CPAs and Consultants	CREATIVE PLANNING
ML&R Maxwell Locke & Rittler	CREATIVE PLANNING

## CPA FIRM OWNERSHIP/STRUCTURE CHANGES

BDO	Adopts ESOP Model	forvis mazars
GRASSI	Adopts ESOP Model	Global

## CPA MEGAMERGERS

CBIZ	MARCUM ACCOUNTANTS + ADVISORS	bakertilly	MOSSADAMS
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BKD	DHG
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