

Accounting enters its private equity ‘flip’ era

Firms once led by decades-long partnerships may change hands every three to seven years. What does that mean for the industry?



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It’s been five years since private equity funds first made inroads into public accounting. In that time, the profession [has been reshaped](#). Since 2021, when EisnerAmper first made a deal with TowerBrook Capital, PE funds have taken ownership of around 24 of the top 100 CPA firms in the US, including at least 10 of the top 30.

Many of those PE-backed accounting firms have subsequently gone on [acquisition sprees](#): The International Federation of Accountants estimates that consolidation in the accounting field has increased fourfold since 2021. And PE has since turned its attention from the largest firms to what broker Allan Koltin, CEO at Koltin Consulting Group, calls the “middleweights”: firms with revenues between \$75 and \$400 million.

Since PE firms typically hold investments for only three to five years (maybe seven at the outside), the early investors in PE firms are now looking to exit—at a profit, of course. In January 2025, Citrin Cooperman executed [the first “flip”](#) from one PE owner to another, changing hands from New Mountain Capital to Blackstone. This year, [Schellman “flipped”](#) from Lightyear Capital, which bought into it in 2021, to Goldman Sachs Alternatives.

More “flips” are on the horizon. “As we look to the future, there’s going to be more in 2027 than 2026, and there’s going to be a lot more in 2028,” Koltin told CFO Brew.

Second time around. What will this second round of PE ownership mean for the industry? The first generation of PE owners, in many cases, shepherded accounting firms to [astonishing growth](#). But that group was entering a new industry, where the path to revenue gains through acquisitions and operational improvements were more clear. The second generation may find value creation arduous work.

High valuations, driven by “a little bit of a frenzy” among PE firms anxious to enter the market, may leave second generation PE owners struggling to pay catch-up, Jennifer Wilson, partner and cofounder of ConvergenceCoaching, suggested on the *Accounting Today* podcast.

She expressed concerns “that we’ve had sort of almost a bidding war to buy firms or to invest in firms,” which has “ratcheted up valuations to a place that it’s going to be difficult for PE to grow the thing enough and squeeze enough profit to get the ROI...And I am concerned that that could lead us to some awkward places where PE can’t execute a flip, and then what do they do?”

Frequent “resets.” Though it’s too early to tell whether the second round of PE investors in accounting firms will be able to drive additional value and exit profitably, one way to get a sense of what might happen is to look at other service professions. Insurance brokerages, wealth management firms, and consulting and advisory firms have had PE investment for decades, Koltin said.

And for some of those industries, a change in ownership every time a PE firm exits and another takes over is no big deal. Forensic and bankruptcy consultancy AlixPartners is on its fourth flip, for instance, and is rumored to be pursuing an IPO. “That’s sort of what we think the future is” for accounting, Koltin said.

Frequent flips have their advantages, Christopher Stipe, managing director at financial consulting firm Accordion, told CFO Brew. Often, he said, each is marked by a change in strategy. He likens them to “four-to-six-year sprints.” The end of a hold period, he said, can bring a refresh: “That tends to be the right timeline to bring your head up for air and say, ‘Hey, let’s hit the reset button on this strategy. We’re a different company than we were four years ago.’”

Neither the first nor the subsequent rounds of PE ownership are “easy, per se,” but each brings “a different flavor of growth,” Stipe said. The first round, he said, often focuses on leadership: “It’s a lot of getting the right management team in place, kind of bringing them up the maturity curve, helping them understand how to manage larger and larger teams.” The second round might “capitalize” on the first by expanding to different regions, introducing new service offerings, or increasing brand building and marketing.

In the first hold period, “everybody wears many hats,” Stipe said, while in the second, “you can start to get differentiated.” During a third hold period, he added, firms might consider global expansion.

New owner, new strategy. Though it’s early days, the first “flippers” seem to be following this pattern, where different PE owners bring different strategies. Schellman, for instance, focused on growth through acquisition and technological and operational improvements during its first hold period with Lightyear Capital, CEO Avani Desai told CFO Brew.

In its partnership with Goldman Sachs Alternatives, the firm is looking to expand into other countries, as well as into “new verticals like hospitality and retail and financial services and healthcare,” and to invest further “in areas like AI assurance,” Desai said. Goldman, she believes, has the clout (“even my mom knows who Goldman Sachs is,” she noted) and the expertise to help Schellman achieve its goals. “They provide resources and data and guidance and review of what we want to do in certain areas where we want to pull a growth lever,” she said.

As Private Equity Wire noted, when New Mountain capital put Citrin Cooperman up for sale, the accounting firm was “seen as a [lower-risk investment](#), given its successful transition away from the traditional partnership model and substantial investments in technology under New Mountain’s ownership.” Blackstone, the world’s largest PE firm by assets under management, bought a stake in Citrin for approximately 15x EBITDA, outpacing the 11x EBITDA New Mountain paid for its share.

Culture wars. Though this is heady stuff, the PE flip era still gives rise to many questions, among them: Are frequent ownership changes healthy for a profession where firms have traditionally been led by partners with decades-long tenure and lengthy relationships with clients?

PE ownership has already been detrimental to the ethos of some accounting firms, critics have argued. “One of the cultural shifts is a real hard emphasis on top-line growth,” Wilson stated on the *Accounting Today* podcast, where she also expressed concern that too many acquisitions in too short a time can erode firm culture.

“You don’t have time to integrate. You just run to the next one,” she said. “It’s like a bunch of disparate, different businesses under one roof that may not really know each other.” More than a third of accountants (35%) are “not at all open” to PE ownership, a December 2025 [Accounting Today survey](#) found.

Koltin acknowledges that PE owners' influence acts as a "continual cultural change" upon accounting firms. He disagrees, however, with the narrative that PE investors are only in it for the money.

He views PE owners as partners and advisors rather than Wall Street wolves. They act as "a resource enabler" that can "take some of the loose parts of your business and put discipline around them," he said. And they "will look at things if they're not profitable and ask the hard questions like, 'Why do you keep doing it?'"

Desai said that Schellman has preserved its culture throughout ownership changes, though it's taken some intentionality. "We want people to be here 20-plus years. We are very focused on the employee experience," she said. During talks with Lightyear, she and her leadership team let the PE firm know that "there's going to be some nonnegotiables" such as preserving remote work and perks like the annual retreat.

The efforts seem to have paid off: Schellman's attrition is "less than 4%," Desai noted.