









- 1  **Mergers of Accounting Firms: The Who, What, Why, When and How**
- 2  **THE DRIVERS THAT HAVE CREATED MERGER MANIA**
 - The reduction in traditional accounting services
 - Technology
 - Cross selling of services
 - Baby boomers aging
 - Staffing issues
 - Economy
- 3  **HAVE A GOAL PRIOR TO MERGING**
 - Bigger is not always better
 - Be wary of mergers for pure overhead reduction
 - Having a specified purpose for a merger helps in identifying the target and helps you relate to deal structures that accomplish your plan
- 4  **STANDARD GOALS OF MERGER**
 - SUCCESSION
 - GROWTH OF BILLINGS
 - ADDITION OF TALENT
 - CROSS SELLING
 - ADDING A NEW MARKETPLACE
 - BUILDING AN INTERNAL SUCCESSION TEAM
- 5  **MERGERS FOR SUCCESSION**
 - Have agreed upon time tables for the role reductions of the retiring partners
 - Have everything in place before you start:
 - Terms
 - Transition plan
 - The capacity to takeover the retiring partners
 - Space, staff, firm name
 - Two Stage Deals
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- 6  **GROWTH OF BILLINGS**
 - Treat as an acquisition
 - Capacity to take on the workload
 - Synergies or increases in costs
 - Continuity to retain clients or pass on deal
 - Cash flow
 - Treatment of A/R, WIP
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- 7  **ADDITION OF TALENT**
 - Bringing a book of business
 - Bringing a niche
 - Bringing excess capacity
- 8  **CROSS SELLING**
 - You're selling their clients
 - They're selling your clients
 - Compensation
 - Licenses
 - Commitment from partners and staff to take a pro active role in marketing

- 9 **ADDING A NEW MARKETPLACE**
 - To cross sell
 - To attract additional staff/partners
 - To attract new clients
 - Technology making this easier
 - Having strong communication, plans, routines, and guidelines key to success
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10 **Attracting the Best Talent**

11 **Pointers for Finding Talent**

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14 **Partnership Agreements**

- A living document
- Caps on buyout dollars
- Limits on multiple partners retiring
- Death, disability
- Vesting versus age
- Reducing time not income or control
- Replace the role not the body

15 **DE-MERGER CLAUSES**

- When is it appropriate and not appropriate?
- How long can they be invoked?
- Allowing partners to leave with clients
- Handling of:
 - > original clients > new clients
 - > firm name, > staff,
 - > liabilities > leases

16 **DUE DILIGENCE**

17 **DUE DILIGENCE**

18 **DUE DILIGENCE**

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