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HAPPY NEW YEAR

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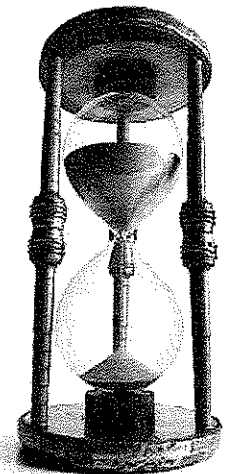
At The Dawn Of A New Decade, Succession Planning Looms Ever Larger

How many leaders out there are “too busy” to worry about succession planning? Everyone knows it’s unavoidable, but the time to start the process is way before it’s necessary, experts say. Consider these statistics from the AICPA’s James Metzler, Vice President for Small Firm Interests:

- In 1993, 40% of the AICPA population was over the age of 40; in 2008, that number rose to 70%.
- 63% of firms surveyed in the AICPA’s 2008 succession survey said they expect at least one partner to retire in the next five years, with half of that number saying they expect *MORE* than one partner to retire. In 2004, 56% expected at least one partner to retire.
- In 2004, 86% said they would transition leadership internally; in 2008, that number dropped to 79%.
- In 2004, 25% of firms had a written succession plan; in 2008, 35% had one. “That’s still not very good,” Metzler says. “Our succession readiness is not great, but it is a very flexible profession.”

Industry observers urge leaders to stretch themselves to implement plans to hand over the reins three to five years *before* they envision retiring. The stakes are high, and evidence so far shows that doing nothing is no longer an option. The days of being a good technical worker, not necessarily a good business owner, are gone.

Not so long ago, owners could work until they wanted to retire, and then sell the firm for top dollar. **Allan Koltin**, President & CEO, PDI Global, Inc., predicts that in 10 years the market will be flooded with sellers, giving buyers the upper hand. That means firms interested in selling need to make themselves an attractive business opportunity; firms that want to continue thriving into the next generation need to groom potential leaders now. After all, staff is the main asset.



& Co., an independently owned and operated company that specializes in working with government entities and projects set aside for minority-owned businesses.

Minneapolis-based **LarsonAllen** (FY08 net revenue of \$201.1 million) expanded its presence in Pennsylvania, with the acquisition of **Third Age Inc.**, of Exton, Pa. Third Age offers research, marketing, planning and other consulting services and has 15 staff, including five principals. LarsonAllen will integrate the firm into its health care practice.

Houston-based **MaloneBailey LLP** (FY09 net revenue of \$12.4 million) acquired the New York firm of **Kempisty & Co.** (nine staff). **Philip Kempisty**, MP of K&Co., will join MB as a partner, focusing on the development of the firm's Chinese market. "This expansion is part of our plan to strengthen our position as a market leader in the SEC practice area," says MB MP **Wesley Middleton**. "We believe this office establishes a significant presence for MB in the New York area, allowing us to better serve our clients and providing a platform to expand our reach deeper into the SEC audit, tax and privately held company audit areas," he says. This is the first move east for MB. In December, MaloneBailey changed its name from Malone & Bailey.

Calgary, Alberta-based **Meyers Norris Penny** (FY08 revenue of \$280 million) acquired **Willis Associates** of Vernon, British Columbia on Dec. 1. The insolvency practice of Willis will continue operating as Willis Associates.

Aurora, Ill.-based **Sikich LLP** (FY08 net revenue of \$43.9 million) acquired the marketing and design firm **Icon Digital Design & Illustration** of Naperville, Ill., on Dec. 1. "In today's economy it's more important than ever for companies to invest in marketing," says Sikich MP Jim Sikich. "This merger will enable us to expand the depth and breadth of marketing services we offer to our clients," he adds. Icon partners **Scott Kolbe** and **Mike Stout** joined as partners. Kolbe and Stout, along with their seven-member staff, will continue to work from the Naperville office under the Sikich name.

Tidwell Group and **Frost Cummings**, both of Birmingham, Ala., are merging their practices in early 2010. As reported in August, just twenty-two months after merging their 50-person practice into Bethesda, Md.-based **Reznick Group**, MP **Barry Tidwell** announced that he would leave Reznick to form the new firm, Tidwell Group.

Fort Worth, Texas-based **Weaver** [formerly Weaver & Tidwell] (FY09 net revenue of \$58.1 million) acquired **Edelman Arnold** of San Antonio on Jan. 1. This marks the second expansion for Weaver in the San Antonio market. Weaver's San Antonio office will have 41 employees, including 28 professionals, after the merger. In late 2008, Weaver acquired the San Antonio firm of **Polansky McNutt Perry & Co.** ■IPA

People In The News

Jim Alajbegu has joined Edison, N.J.-based **Amper, Politziner & Mattia** (FY09 net revenue of \$119.9 million) as a partner in the firm's international tax services group. Prior to joining Amper, Alajbegu was part of Ernst & Young's international tax services practice in New Jersey.

for KPMG's Western region. The firm also appointed **Kathy Hopinkah Hannan** to the newly-created position of national MP of diversity and corporate social responsibility.

Houston-based **MaloneBailey LLP** (FY09 net revenue of \$12.4 million) named **Wesley Middleton** as the new MP. The firm also named founding partner **John Malone** as its SEC practice leader. "Wesley is the right person to lead the firm in this next phase of our growth from a strategic and administrative perspective" says Malone.

San Francisco-based **Novogradac & Co.** (FY08 net revenue of \$55 million) admitted **Stacey Stewart** to principal in the firm's Dover, Ohio, office.

Bethesda, Md.-based **Watkins Meegan** (FY08 net revenue of \$41 million) named **Sean Roddy** to COO. Roddy will oversee the firm's strategic growth and development. ■IPA

Firms In The News

Carmel, Ind.-based **Blue & Co.** (FY08 net revenue of \$37.3 million) has formed a new entity, **Align, LLC**. Align will provide an integrated suite of tax and accounting services offered within a highly advanced technology platform – providing clients with 24/7 web-based access to their financial documents and data. Align plans to expand into the Kentucky market in mid-2010.

Greenwalt Sponsel & Co., Indianapolis, has changed its name to **Greenwalt CPAs**. The firm has 50 personnel, including eight partners. As reported in the December issue of IPA, co-founder and name-partner of GS&Co., **Tom Sponsel**, left the firm to form a new firm in Indianapolis, **The Sponsel CPA Group**.

Fremont, Calif.-based **Ireland San Filippo** (FY09 net revenue of \$19 million) officially changed its name to **Sensiba San Filippo**. The name change is a key milestone in the firm's transition under new leadership – MP **John Sensiba** officially took on this role in early 2008. With the addition of Steve San Filippo in 1980, the firm changed its name to Ireland San Filippo. In 1999, founding partner **Bill Ireland** retired. Sensiba says in a recent article that "the [firm] will look to expand into San Francisco and Oakland, Calif."

Former name-partner, and founding partner of *Ireland San Filippo*, **Bill Ireland** and former ISF partner, **Maurice Eckley** have formed **Ireland Eckley LLP**. Ireland founded ISF in 1975; Eckley became a partner in 1992 and left in June 2009. Ireland and Eckley are among close to 300 accounting operations forming a new practice in 2009 according to the *San Jose Business Journal*. The **California State Accountancy Board**, alone, reported receiving 276 applications between Jan. 1 and Nov. 30, the *Journal* reported.

Falls Church, Va.-based **Johnson Lambert & Co.** (FY08 net revenue of \$21.2 million) is expanding its niche services to its Chicago-area practice. The firm opened the Chicago office in June, with principal **Andrea Wright** at the helm. The firm will expand services to include associations and non-profit organizations and employee benefit plans. Wright will transfer from the firm's Virginia office to the Chicago office in June 2010. ■IPA