

accountingTODAY

SPECIAL REPORT



# INSIDE THE TOP 100 FIRMS

Chris Honkomp (l) and Loren Viere, the CEO and president, respectively, of BerganKDV — the fastest-growing large firm in the U.S.

In-depth looks at four of the **most successful** firms in the country:

▶ BerganKDV ▶ Baker Newman Noyes ▶ Bennett Thrasher ▶ Brown Smith Wallace

# In New England, an emphasis on empathy

Many firms have been pushing extracurricular activities over the years, from food drives and community involvement to general charity initiatives started internally. And for good reason: Aiding those less fortunate can help create a valuable firm culture by teaching professionals to think outside of themselves, which, in turn, can carry over to their work and clients.

So what if a firm was founded on such charitable ideas, and if altruistic deeds became an integral part of their work and services as a whole? Such is the case for Portland, Maine-based Baker Newman Noyes, a newly minted member of the Top 100 Firms whose dedication to charitable efforts has shaped the firm's philosophy for over 20 years.

The firm was founded in 1995, following a merger between Newman, Noyes & Associates and partners from KPMG Peat Marwick Portland. Since then, it has grown to include offices in Maine, Massachusetts and New Hampshire, specializing in accounting and tax services, as well as risk advisory, health care consulting, and employee benefit plans.

Managing partner Carl Chatto feels that what sets BNN apart is its strong commitment

to the community and how that strengthens its staff overall as people. "The community involvement ... keeps the staff engaged and it's something outside the normal day-to-day tax work — something you can do together as a team," he said. "That goes back to our founders 20 years ago who felt strongly about community involvement. That certainly carries forward today and I don't see that changing at all."

This community involvement in turn feeds straight back into the firm, as those who participate are able to bring the empathy that often comes from doing charitable activities to their work.

"[Community work] is an area that's good from a couple of standpoints," Chatto said. "People get involved in the community and they appreciate the opportunities that we as a firm give them to participate. And it ends up, I think, making them better employees by being a board member on a nonprofit organization [for instance], to see how that business works inside. In that setting, they're the clients, so when they come in to work, they have a better idea of how to be a client and the issues some of our clients are facing."

Indeed, communication is a large part of how Baker Newman Noyes does business — in the wake of recent mergers (including three in the course of 2015, in Manchester and Portsmouth, N.H., and in Boston), the firm has put an emphasis on sharing best practices in order to keep professionals and clients on the same page.

"The communication and collaboration we have internally let us go back out to our clients, share what we've learned from all the different observations and data that people bring to the table, whether it's, 'What are we seeing in Massachusetts and how will that affect Maine' or vice versa," added Chatto. "On the industry side, they understand that we can talk shop with clients from a particular industry, whether it's health care, banking or professional services. By having those pulled together, there's a lot of good sharing of ideas and observations, so we know what clients are dealing with in their own businesses."

## A MODEL CULTURE

Recruiting and retention issues are plaguing firms of all sizes in 2016, and BNN is striving to keep talent on board by having them be

specialists in their respective fields — again, for the sake of the clients.

"Something we found that works well with retention is when people are able to concentrate on a couple of different sectors, instead of being, individually, all things to everybody," Chatto said. "They feel more comfortable talking with our clients; they understand the issues our clients are facing."

As Baker Newman Noyes moves forward, Chatto said that the firm is committed to doing so without sacrificing the community work and communication that has granted them success thus far. With an emphasis on compassion, the firm looks to continue to stand as a model for client and firm culture.

"We're looking at building on the success we had over the last year, looking at organic growth," explained Chatto. "We're taking the team we have now and learning best practices from the firms we've merged with. They've got some great ideas and we want to be sure that we hear what they have to offer to our clients, and our marketplace, and be able to talk that through with prospective clients, [to] get them to understand our firm." AT

— Sean McCabe

# In St. Louis, SOX as a springboard

After Brown Smith Wallace was established in 1972, the public accounting firm experienced what co-founder Harvey Wallace describes as "pleasant growth over the years," but it wasn't until the Sarbanes-Oxley Act decades later that they "recognized the importance, as leaders of the firm, to be something more than what we were."

"What we were was fine," Wallace said of the firm he founded as a local St. Louis shop with Jeff Smith, but with the passage of the 2002 anti-fraud regulations, "Doors opened for us to do business with public companies in St. Louis as well as large private companies. We kind of jumped on that, and attracted very talented people to help us with those services and in the areas where we didn't have expertise. We made investments, and they continue to pay off"

Specifically, BSW hired six senior-level management people, three of whom are now partners, and made a strategic decision to only seek engagements with the decision-makers of a company. Now, BSW has

277 people, 30 partners, and this year joined our Top 100 Firms list with \$39.77 million in 2015 revenue. The firm continues to offer audit, accounting and tax services to a variety of industries, with specializations in broker-dealers, captives, government, health care, insurance companies, nonprofits, real estate and retail. It also offers value-added consulting services that include employee benefit plan audits, captive insurance company services, IT audit, and specialty tax services like family wealth planning and property and international tax.

Most of BSW's growth over its 44 years has been organic, with a few acquisitions more recently, including the merging in of Creve Coeur, Mo.-based Bergman, Schraier & Co. last December.

Realizing an early potential to "develop a million-dollar practice," according to Wallace, "We attracted individuals who could bring talent and potential business in the firm ... It was a double strategy of internal growth and attracting luminaries. It was not

growth by the acquisition of firms, but the acquisition of people."

## NEW GENERATIONS

BSW's people-first strategy is bolstered by a partner-readiness program that was implemented in 2012. "We had gotten to the point where enough people in the organization kept asking, 'What does it take to get to the next level?'" shared BSW managing partner Tony Caleca. "We implemented a program with the criteria of what partners need to have from a capability perspective." The selective 24-month program aims to improve participants' specialized skill sets with the goal of transitioning them into a partner role.

Caleca completed a recent transition himself, assuming the MP role in January when Wallace stepped down after more than seven years at the helm. In 2014, Wallace and the partner group agreed that they wanted a change in leadership, prompting them to hire a consultant to interview each partner about the skills they were seeking in their next MP.

The process was necessary, as the only other MP before Wallace had been his co-founder Smith, who held the position for 25 years. The group agreed to elect future managing partners to two-year terms, with no limit on the number of terms. They then unanimously elected Caleca, who joined the firm as an intern in 1991 and became a partner in 2002, to the position. Wallace will continue on the firm's executive committee and serving clients, with no plans to retire.

"Our success is primarily predicated on the fact that ... we remain very nimble with our decision-making at the top," Caleca said. "We place a significant focus on culture ... When we send out an e-mail to every employee in the firm, the addressee is 'the Brown Smith Wallace family.' It's innate in how we communicate to every single one of our employees."

Both Caleca and Wallace emphasize the firm's focus on work-life balance. "We respect individuals and respect their family," Wallace said. "It's a tough business — it's not an easy

See SPRINGBOARD on 13

## Springboard

FROM PAGE 12

business some times of the year. We do everything we can to make sure people still do their jobs but have time for family.”

BSW also recently beefed up its benefits, offering paid maternity leave and increased personal time off based on years at the firm, including unlimited vacation for managers and principals.

The additions were made to attract and retain Millennials valuing more workplace flexibility, an important strategy as BSW’s “absolute, No. 1 challenge is to bring new talent in,” according to Wallace.

BSW stays in contention with its Impact program, an intensive, two-day program exposing college accounting students to the profession. The program has been “wildly successful,” according to Caleca, with 15 current employees having experienced it. “Not everyone can remain in public accounting, but we believe we’ve changed that paradigm for many individuals who didn’t think they could commit to public accounting,” he said.

The firm’s retention strategy includes BSW University, comprising nearly 90 courses offered to everyone in the firm and select clients and community members. The curriculum focuses on soft skills and personal development, with topics like effective questioning skills, social media, and savvy socializing.

### BUILDING COMMUNITIES

Relatedly, BSW developed The Bridge, a special event series “designed to connect today’s female business leaders to tomorrow’s female business leaders,” Caleca explained. The firm has sponsored four of the women-only events to date, catering to more than 1,000 local professional women.

The firm also hosts events in St. Louis’ vital and growing startup community.

While the firm widely markets these events to the community at large through various means, including social media—the firm even has an Instagram account—employees’ families have a special channel to receive this and other BSW-related news.

“Just to make sure that families

are part of the Brown Smith Wallace experience,” Wallace explained, “we started an annual report to put together for employees’ families ...

the way students come home with a note. We mail it to the homes of all the employees because their families are tied into the success of

the firm and those individuals. We want them to understand what’s happening at Brown Smith Wallace, through the years, to paint a picture

of who we are as an organization and recognize our employees. We’re very proud of it.” AT

— Danielle Lee

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