

accountingTODAY

SPECIAL REPORT



PYA president Martin Brown (l), CEO Edward Pershing and principal Carol Carden

INSIDE THE

TOP 100

IN-DEPTH LOOKS AT FOUR OF THE MOST SUCCESSFUL FIRMS IN THE COUNTRY:

- ▶ PYA
- ▶ Frank, Rimerman
- ▶ Cohen & Co.
- ▶ CliftonLarsonAllen

In Tennessee, a steady path to success

Accounting, consulting and management firm PYA has always taken a long-term approach to business. When the firm was founded in Knoxville, Tenn., in 1983 by Big Eight veterans Ed Pershing and Doug Yoakley, it was established as both an accounting and a consulting practice, satisfying client needs that would only grow in the years since.

“From the very beginning of our foundation, clients were requesting not just attestation and compliance services, but business advisory services,” shared PYA president Martin Brown. “That made it unique, and we see how much the business advisory practice has grown. It was very unusual in the 1980s.”

Originally Pershing Yoakley & Associates, PYA rebranded into the acronym 15 years ago to avoid the perception of a narrow scope, and has broadened to the point of this year joining *Accounting Today's* list of the Top 100 Firms in the country, ranking No. 93 with \$41.62 million in revenue.

The firm prides itself on being unique in the profession, with one of its proud points of differentiation being a thorough succession plan. “We are committed to being a multi-generational firm and planning to ensure we have successful succession,” current CEO Pershing explained. “We plan years ahead regarding the need for succession. We began well over a decade ago outlining, and annually requiring partners and owners to update their personal plans regarding time horizoning toward retirement. We start reviewing the five-year horizon in more detail, and in greater specificity, at three years. Myself, and Marty serving as president, are part of the succession process.”

The plan is intended to protect and sustain a privately owned firm with a strong health care focus that has experienced almost entirely organic growth, save one merger in 2012. That year, PYA acquired Atlanta health care consultancy and accounting firm Gates-

Moore and with it, affiliate company Medical Resources Group, creating one of largest health care valuation practices in country, according to Brown. PYA has six affiliate companies in total, ranging from health care practices to technology consultancies and real estate advisory firms, all with a strong focus on the health care industry. Roughly 75 percent of PYA's client services are in some aspect of health care consulting.

From the start, PYA has cultivated a team of financial and medical experts that currently total more than 200 professionals in five offices in four states.

“Early in our history, we were seeking experienced health care professionals, and as we've grown, we've been able to develop our brand, and been able to attract exceptional graduates of major universities and health care administration programs,” said Pershing. “As we've matured as a firm, we've benefited from a focus on attracting exceptional talent and experienced professionals.”

The firm has always encouraged their experts to become thought leaders in the industry, and the opportunity to assume the role has only increased with uncertainty around health care legislation like the Affordable Care Act. Specifically, PYA professionals advise “health care professionals on how to position themselves to be successful in an environment that is rapidly changing,” according to principal Carol Carden. “We are very big on thought leadership, speaking on a national basis, are published, and serve in leadership positions — we're committed to being on the leading edge of what is going on.”

DIVERSITY IN FLEXIBILITY

Pershing credits this industry platform and PYA's clear succession plan as two factors in the firm's high retention rates, along with another “key element” of diversity. “We're a very diverse firm,” he explained. “One thing

that's very unusual is our level of female ownership — 47 percent of our owners are female. It's not something we targeted as a specific goal, but a fact that we believe in equality in all aspects. Day by day, that's been the result. We weren't targeting a specific percentage.”

Carden agreed that this leadership ratio is “unusual in the accounting world, and professional services in general.” It is rare enough that, in her role as a member of the American Health Lawyers Association Women's Leadership Council, Carden's fellow councilmembers ask about the programs and initiatives that PYA has in place to achieve that elusive gender parity. Her response is that they don't — at least not officially — but they do “have a strong culture of work-life balance,” and one that “is not specific to females.”

This balance is integral to the firm's culture of “taking the long view with employees,” Carden continued. Whether it be a male partner using flextime to coach their child's sports team or a female partner on a reduced schedule to raise children, Carden explained that they can take that time away and when they return, “They haven't lost any ground, and we haven't lost a talented resource.”

“Another key element that contributes to the amount of female ownership and succession planning is partially born out of the amount of client relationships that are consulting and business advisory relationships,” Brown added. “One of the things unique to our culture, from an owners' perspective, is that all compensation is discretionary, based on performance. So combine that with a culture in the business advisory aspect, and an important focus on ‘our' client not ‘my' client,” which helps foster a collaborative culture, he said. “When compensation is based on performance, people have to perform, and it really contributes to a good formula of everyone justifying their value to each other and working as a team.”

NOT YOUR FATHER'S FIRM

Many of the firm's young professionals are interested in getting a seat at that table, Brown reported.

“We are very excited about the fact that we have a lot of younger leaders that want to become owners in the firm. One of the things that has been a very huge component to the success of the firm is the entrepreneurial [culture], trying to serve as good, quality business advisors to help clients. We're appealing to the generations we're recruiting now, that even though we've been in business for more than 30 years, we have the feel of a startup firm. We're not afraid of tackling new projects, significant projects, and new initiatives,” Brown shared. “This is not your father's accounting firm.”

PYA has been able to promote this culture on a wider scale as the firm becomes more national. Aside from rebranding to a more “purpose-reflecting” PYA name, according to Pershing, the firm has also expanded geographically to serve clients in all 50 states.

With the help of its robust marketing department, PYA plans to keep widening its reach and name recognition, which is already prominent in the health care and banking sectors. The firm will also continue to grow revenue, but with the challenge of retaining its organic strategy and private ownership.

The decision to remain privately owned is to prevent “outsiders dictating or even influencing how we make decisions,” Brown explained. “We love our culture, it's so important to us. We're well positioned, our tactics work, and we're growing. We're not going to grow at the same pace that sometimes those that get outside capital grow, but it creates long-term, sustainable relationships.”

Pershing agreed that PYA's success can breed difficulties, but “it's the same challenges many firms face in striving for excellence.”

— Danielle Lee