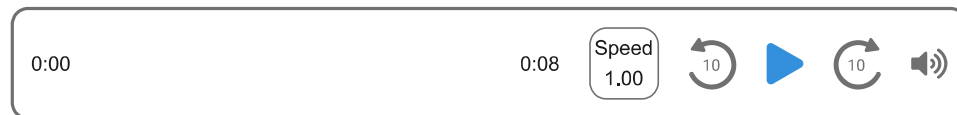


# Accounting firm mergers take off in Indiana, with more expected in 2025

December 12, 2024 | [Daniel Carson](#)

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Accounting firm mergers and acquisitions in central Indiana have reached what one Indianapolis attorney called an “unprecedented pace,” and he and other attorneys expect 2025 to continue this year’s trend of consolidation and new deals.



Josh Hollingsworth

Josh Hollingsworth, a partner in Barnes & Thornburg’s Indianapolis office, said accounting firm mergers were relatively infrequent in central Indiana 10 to 20 years ago.

Now, a new emergence of heightened private equity investment has changed the M&A landscape and ratcheted it into unprecedented territory, Hollingsworth said.

Those private equity firms are seeking out accounting firms as platform investments and add-ons.

In June, Allan Koltin, CEO of Chicago-based Koltin Consulting Group Inc., which specializes in the accounting and financial services industries, told the Indianapolis Business Journal that for the first time ever, CPA firms desperately needed capital.

The first private equity investment in an accounting firm came in 2021, he said, when New York City-based EisnerAmper LLP accepted an investment from New York City- and London-based TowerBrook Capital Partners LP.

Since then, private equity has invested in more than 20 firms nationally — either in accounting firms or those firms’ related wealth management companies.

Hollingsworth said accounting firms are also looking internally and gauging what size they need to be to remain competitive in the market.

“A lot of smaller accounting firms are saying, ‘we need to get bigger,’” Hollingsworth said.

Expectations were high entering 2024 that M&A activity — in general and in the

The Journal of Accountancy reported that Grant Thornton's new M&A Pulse Survey this year asked 238 M&A professionals — including investment bankers, private equity investors, M&A attorneys, and in-house corporate development team members — to survey the M&A landscape.

Among the survey's findings were:

- 81 % expect deal volume to increase over the next six months, including 10% forecasting a significant increase.
- Three-fourths of M&A professionals said they executed fewer deals over the past year in response to interest rate increases, but 68% expected rates to decrease over the next six months.
- 47% planned to increase the size of their M&A teams over the next six months, another telltale sign of what's to come.

Hollingsworth said businesses that contract with Indiana accounting firms have changed the way they operate, which in turn has forced those firms to change as well.

He pointed out that most businesses are active in all 50 states and internationally, which wasn't always the case 30 to 40 years ago.

Accounting firms, to keep up with the businesses they represent, are looking to boost their staffing numbers and invest in better technology.

"You have to have a sophistication level that you didn't need to have years ago," Hollingsworth said.

## Accounting mergers in Indy

There were several high-profile accounting firm mergers announced this year involving Indianapolis businesses.

The Indianapolis Business Journal reported that Indianapolis-based Greenwalt CPAs Inc. is set to merge with Cincinnati-based accounting firm Barnes Dennig & Co. Ltd. effective Jan. 1.

Greenwalt, which traces its origins to 1945, has 35 employees.

Barnes Dennig was founded in 1965 and has 180 employees total at four offices, including 15 employees.

Following the merger, Greenwalt will operate under the Barnes Dennig name.

IBJ also reported that Indianapolis-based Katz, Sapper & Miller, one of the city's largest accounting firms, announced plans in May to acquire Cassady Schiller CPAs & Advisors, a 70-person firm based in Cincinnati.

The acquisition marked a significant expansion for KSM, which now has 564 total employees, including 360 based in Indianapolis. The firm also has offices in Evansville, Fort Wayne, New York City and Oklahoma City.

Brian Heaton, a partner in Krieg DeVault's Carmel office, said the amount of accounting firm deals and activity in Indiana was the highest he'd ever seen.

Heaton described Indianapolis as a strong, middle-market location for accounting firms,

“If I have clients that have accounting issues that need to be taken care of, I don’t have to direct them out of market,” Heaton said.

Daniel Spungen, senior counsel at Amundsen Davis’ Indianapolis office, said that in conversations with area accountant friends, the feedback he’s received is that the amount of firm mergers has gone up significantly.



Daniel Spungen

Spungen pointed to several factors for the increased Central Indiana activity, including private equity investment, firms’ desire to expand into different geographic regions and the need to offer clients more services.

The Amundsen Davis attorney stressed that technology upgrades and talent acquisition and retention are expensive for accounting firms and provide additional motivation for mergers.

He said accounting firms, like law firms, are either getting bigger through consolidation or looking to go smaller through boutique structures.

In terms of the Indianapolis market, Spungen sees a trend of bigger regional and national accounting firms looking to gain a foothold in Central Indiana.

With economic growth in the city and Indiana projected to continue, the Indianapolis market presents an opportunity for bigger firms to gain cost-effective access through acquiring established accounting firms here, Spungen said.

### **More to come in 2025**

Heaton said he expects 2025 to continue to be an active time for accounting M&A activity in the state.

He said some state firms are seeking partnerships, with others navigating succession plan issues.

The Krieg DeVault partner noted he’s seen a lot of 2025 “pre-activity,” with some firms already signing letters of intent for mergers.

With interest rates coming down and the 2024 presidential election decided, he and other M&A attorneys are expecting big things in the coming year.

Spungen has similar expectations for 2025.

“I expect it to continue,” Spungen said.

With the cost of capital decreasing, he expects accounting firm mergers to increase next year.

One thing Spungen is keeping an eye on is private equity firms and how long they maintain ownership positions in accounting firms.

Spungen said there generally comes a point, usually between 7 to 10 years after