

# PUBLIC ACCOUNTING REPORT

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## Eide Bailly Closes Three Mergers

*Firm's triple play makes four deals since Jan. 1.*

**Eide Bailly**/Fargo, N.D. (FY08 revenue: \$115 million; 24th on *PAR*'s 2008 Top 100; 122 partners, 612 nonpartner professionals; 13 offices) started the month of November with three transactions.

The firm entered the Colorado marketplace with the addition of **Gordon, Hughes & Banks**/Greenwood Village, Colo. (Revenue: \$11 million; 15 partners, 82 professionals; six offices.) and also expanded its Boise, Idaho and Tulsa, Okla. practices with the addition of **Keller, Young & Grover**/Boise, Idaho (three partners, five professionals) and **Magee Rausch & Shelton**/Tulsa, Okla. (three partners, 25 professionals).

The GH&B and MR&S deals are effective Nov. 1, 2008. The KY&G deal is effective Oct. 31.

The three firms add a combined total of more than \$18 million of revenue, according to Eide Bailly.

"The addition of these three practices to our firm fits with our growth strategy to expand westward," said Eide Bailly MP/CEO Jerry Topp. "More importantly, all three firms share a similar culture and service philosophy with Eide Bailly. We believe this is essential in successfully combining practices. All the deals we have done are part of our strategy of building up to 70 to 100 people in metro markets. If we have that type of presence we can do very well."

The GH&B deal gives Eide Bailly a significant presence in the state of Colorado, adding six offices to the firm's footprint: Boulder, Denver, Frisco, Golden,

See **EIDE BAILLY**, page 4

## Deloitte #1 Choice of Professors in 2008

*KPMG repeats best-ever showing.*

For the third time since 2004, **Deloitte** was named the No. 1 firm in the eyes of accounting professors, according to the results of *PAR*'s 27th Annual Survey of Accounting Professors.

Accounting professors ranked the Global Seven firms and were asked to rate the firms in nine categories: Business Outlook, Client Service, Technical Savvy, Staff Training, Compensation, Career Opportunities, Work/Life Balance, Diversity and Ethics. The accounting educators "graded" the firms on a scale of 1 (poor) to 10 (excellent).

More than 1,550 accounting educators, 1,557 to be exact, from 206 colleges and universities participated in this year's survey.

The margin of "victory" in this year's analysis over the two firms tied at No. 2, **Ernst & Young** and **KPMG**, was identical to the "gap" in 2006, .01.

By comparison, the margin between No. 1 and No. 2 was 0.10 last year, 0.01 in 2006, 0.21 in 2005, 0.03 in 2004 and 0.03 in 2003.

Observant trend watchers may have had Deloitte picked as the favorite in this year's analysis when it went out this fall.

**PricewaterhouseCoopers** and Deloitte have traded the No. 1 spot ever since Deloitte broke PwC's two-year hold on the Professor's Survey crown in 2004.

Deloitte took the top overall ranking despite not holding the sole lead in any of the nine categories graded by professors. The firm finished tied for No. 1 in two of the nine survey categories: Technical Reputation and Compensation. Deloitte held down the No. 2 spot in Staff Training and Diversity. The firm did finish the highest of all the Big Four firms in the Ethics category. Last year, the firm tied for No. 2 in the overall rankings, placing second in five of the nine ranked categories: Future Outlook, Client Service, Technical Reputation, Staff Training and Career Opportunity.

Last year's tie for No. 2 was obviously no fluke for KPMG, as the firm duplicated its highest finish ever in the annual professor rankings with another tie for second this year. KPMG topped the individually ranked firms in the Diversity category for the third year running. The firm also took the top spot in the Career Opportunity category.

**Ernst & Young** bettered last year's fourth overall finish to forge a tie for No. 2 with KPMG in this year's analysis. The firm finished tied for No. 1 in two of the nine survey categories: Technical Reputation and Compensation. Professors voted E&Y sole No. 1 in the Outlook for Busi-

See **DELOITTE**, page 6

## CH Moves into California

*Deal another step in firm's national vision.*

**Crowe Horwath**/Oak Brook, Ill. reached an agreement with **Grobstein, Horwath & Co.**/Sherman Oaks, Calif. to combine in a deal with a planned closing date of Dec. 1, 2008.

The firm is hitting the ground running in the market, as it has already relocated one partner out there, according to CH.

The deal made sense for several reasons, said CH CEO Chuck Allen, including the continuing consolidation of the Horwath name in the U.S. that started in September when CH changed its name from Crowe to Crowe Horwath, moving into California

is part of the firm's national strategy. The market in California is an market that CH has identified as one with tremendous upside in the areas of financial institutions and private equity, and last, but not least, their long-standing relationship with GH&Co. through Horwath International.

In addition to the main reasons for this deal, CH is also excited about adding GH&Co's substantial insolvency practice to the firm and leveraging the full-time efforts of a GH&Co. partner that focuses all of his time on the Asian markets, Allen told *PAR*.

See **CROWE**, page 4

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erences; and (4) the commentary  
and other materials.

## **Deloitte FAS Elects New CEO and Chairman**

**Deloitte Financial Advisory Services** elected long-time executives David Williams and Kerry Francis to the U.S. positions of CEO and Chairman of the Board, respectively. Williams, 46, replaces current CEO Frank Piantidosi who has held the position since 2003. Piantidosi will assume the role of CEO of Deloitte North America Financial Advisory. The leadership transition is part of a nomination and partnership ratification process that will be effective immediately, according to the firm. "I am honored to have been elected CEO by my peers," Williams said. "Leadership in an organization such as this is a great privilege." Williams has been with Deloitte FAS nearly seven years and has served in various leadership roles in Deloitte FAS' two major business arms—Forensic & Dispute Services and Advisory Services. Most recently, he was national leader of Deloitte FAS' Advisory Services practice. Prior to that, Williams was national leader of Deloitte FAS' Valuation Services practice and a principal in the organization's Forensic & Dispute Services practice. Since 2004, Williams has been a member of the executive committee of Deloitte FAS and the boards of both Deloitte FAS and Deloitte. Williams is based in New York City. Francis, 47, will hold a newly created position within Deloitte FAS as chairman of the board, in addition to her standing title as leader of the organization's national Corporate Investigations practice. She previously served as regional MP for Deloitte FAS' Northern Pacific region. Since 2005, Francis has been a member of the executive committee and board member for Deloitte FAS, and she will maintain those leadership positions as chairman. Francis is based in Oakland, Calif. ■

## **Professors Offer Views on Professor Shortage**

*Overwhelming majority of professors said  
academic system needs tweaking.*

More than 81% of the professors that answered the survey question on whether accounting firms are doing enough to address the looming accounting professor shortage said the firms aren't doing enough.

This year's percentage of professors who believe firms are doing enough to address the looming accounting professor shortage is up from the nearly 75% professors that thought the firms aren't doing enough.

Much like last year, an overwhelming majority of the suggestions on how to remedy the problem centered on more money in the form of scholarships or stipends to encourage more professionals to spend the four to five years pursuing the degree, and also to endow "teaching track" Ph.D.s at universities, rather than focus the bulk of the money on research programs.

A large number of the professors that didn't think the accounting firms were doing enough to address the looming accounting professor shortage cited the financial bite to obtaining a Ph.D. as an obstacle.

"Encourage professionals with five to seven years of experience to financially to go on for the Ph.D.," said one professor.

"Going for the Ph.D. means a pretty steep financial hit."

Several professors looked at solving the problem from the other side of the fence.

"Publish the salaries of recently hired Ph.D.s at research schools," said one professor. "The total package is in the \$200,000 range. I think the new [AICPA] program supporting audit and tax Ph.D. students, is great and will have a very good effect."

A solid percentage of responding professors, nearly 40%, cited the AICPA Foundation's recent commitment to supplement stipends for Ph.D. students recruited out of public accounting as a positive step forward.

Another professor said, "Many students believe that professors are low paid. If they knew that the going rate for an AACSB Ph.D. in accounting is \$170,000 to \$180,000, some would consider teaching as an option. I think more information about what educators do and what they are paid needs to be communicated."

A number of professors said the looming shortage was a problem of academia's own making.

"Higher education needs to reexamine the rewards model," a professor said. "The accounting education rewards model is

totally broken. It rewards only 'research,' yet probably not more than one accounting article has had an effect on accounting practice in the last 25 years."

One professor said schools should require as much quantitative research, "allow for a teaching Ph.D."

Another professor said, "there is too much emphasis on doctoral degrees; not enough on practitioners with experience and teaching expertise."

One professor said "there should be more effort/publicity focused on undergraduates with regard to academics as a career."

"Of course, if the phony argument that a Ph.D. is needed to teach accounting were done away with, there would be more than enough qualified, experienced, caring people with an MBA/CPA to fill the shortage," he said.

Yet another professor said "experience should be allowed to count for accreditation purposes."

Several professors suggested practitioners get more involved with academia in some form or fashion.

One professor offered up the idea of "reverse faculty internship program."

"Maybe it could work as an arrangement between companies and universities for practitioners to have a chance to teach and participate in research workshops," she said.

There should be more effort/publicity focused on undergraduates with regard to academics as a career.

Schools placing too great of an emphasis on publication in Top 3 journals at Ph.D.-granting institutions and in granting tenure, were key problems in the shortage, according to one professor.

"In the early 1990s, many schools purposely shut down the number of accounting Ph.D.s because they thought there would be too many," he said. "The supply chain is lengthy and it takes time to correct."

Another professor echoed the research demands placed on professors as needing a revamp.

"The incentive structure needs to be altered," he said. "There is too much emphasis on research at the expense of teaching. Research is good, but not when the bar is raised so high that it is difficult to do it along with quality teaching. Also, it is difficult to get published not because there is a lack of good research, but because the review process is focused on rejecting an article, not how to transform an article."

Several professors thought it wasn't research in general that was the problem, but the type of research.

"An inappropriate emphasis on financial accounting/capital markets research is creating a major problem," said one professor. "We need to move away from this obsession and explicitly encourage greater diversity in research."

Twenty-five percent of responding professors cited grueling workloads as a major problem.

"Schools need to take care of their assistant professors with lighter teaching loads so they can be successful," one professor lamented. "My current employer gets this, my previous employers did not!"

Several professors pointed the finger at the universities.

"I believe universities need to expand the sizes of the Ph.D. programs and the number of students admitted," one professor said. "It appears to me that programs are artificially limiting the supply of new Ph.D.s."

Another professor echoed the thought.

"States could force their universities to admit and graduate more doctoral accounting students," one said. "A number of schools that used to have large programs do not want to graduate Ph.D.s unless they will go to teach at big name universities. AACSB is even threatening accreditation of some doctoral programs that do not teach capital markets and other mainstream research. AACSB rules for doctoral programs are overly restrictive. An unwritten rule appears to be to limit the supply, even while pleading a major need. AACSB needs to see how disciplines in massive oversupply manage to graduate so many students."

The percentage of professors that answered the question on whether the firms were doing enough to address the shortage said it wasn't a firm problem to solve was nearly identical to last year's: nearly 10%

"I don't think it's a problem of the accounting firms," said one professor. "It is likely an internal problem that academia has to resolve. Ph.D. programs have gotten too long, five or more years. Firms support these schools financially. They can put pressure them to reduce the length of a Ph.D. program to three years if they want continued support."

Nearly 30% of survey respondents thought Ph.D. programs were too long.

**Editor's Note:** Percentages based on the answers of 1,119 respondents to the survey question that asked accounting professors: "In your opinion what could be done, that isn't currently being done, to address the looming shortage of accounting professors?" ■

## M&A February through October 2008

### October

**The Bonadio Group**/Pittsford, N.Y. (FY08 revenue: \$30.4 million; 95th on *PAR*'s 2008 Top 100; 27 partners, 165 nonpartner professionals [NPP]; five offices.)

Dorfman-Robbie/Albany, N.Y.

**WebsterRogers**/Florence, S.C.

Bryan, Truesdale, Adkins & Williams/Summerville, S.C.

### September

**Rodefer Moss & Co.**/Knoxville, Tenn.

Melhisier Endres Tucker/ New Albany, Ind.

### August

**Eide Bailly**/Fargo, N.D. (FY08 revenue: \$115 million; 24th on *PAR*'s 2008 Top 100; 122 partners, 612 NPP; 13 offices.)

Murrell, Hall, McIntosh & Co./Oklahoma City.

**Cross, Fernandez & Riley**/Tampa, Fla.

Beckert, Price & Rowse/Winter Haven, Fla.

### July

**Squar, Milner, Peterson, Miranda & Williamson**/Newport Beach, Calif. (FY07 revenue: \$36.2 million; 78th on *PAR*'s 2008 Top 100; 27 partners, 175 NPP; four offices.)

Thomashow, Brown & Paialii/Los Angeles (two partners, 15 total staff.)

**Sikich**/Aurora, Ill. (FY07 Revenue: \$37.9; 73rd on *PAR*'s 2008 Top 100; 31 partners, 260 NPP; six offices.)

Millikin Benning Kleckler & Kobischka/Rockford, Ill. (25 Total staff.)

**J.H. Cohn**/Roseland, N.J. (FY08 Revenue: \$221.4; 16th on *PAR*'s 2008 Top 100; 129 partners, 718 NPP; nine offices.)

Frederic Kantor & Co./New York (One partner, 35 professionals.)

**BKD**/Springfield, Mo. (FY08 Revenue: \$353.9; 10th on *PAR*'s 2008 Top 100; 230 partners, 1,323 NPP; 27 offices.)

The Hanke Group/San Antonio, Texas

**Amper Politziner & Mattia**/Edison, N.J. (FY08 Revenue: \$113.0; 25th on *PAR*'s 2008 Top 100; 85 partners, 525 NPP; eight offices.)

Goldenberg Rosenthal/Jenkintown, Pa.

**Amato, Fox, and Co.**/Tonawanda, N.Y. (25 total staff.)

James Amato and Co./Tonawanda, N.Y.

Fox and Co./Tonawanda, N.Y.

**Wolter & Raak**/St. Charles, Minn. (22 total staff.)

Bruce L. Swanson/St. Charles, Minn.

This chart covers deals that have an effective date through October. It is possible to have months on the chart at various times that do not have any deals and are intentionally left out. It is also possible for those months to be updated in subsequent issues as *PAR* is notified of a deal.

**Editors Note:** Acquiring or surviving firm in bold. Deal is included in month it became effective, not necessarily the month it was announced. Parenthetical information referring to *PAR* is the issue a story was published in regarding the transaction.

**Source:** *PAR* research

## T&B Joins HA&W

Deal gives HA&W a significant boost in SEC market.

One year after **Habif, Arogeti & Wynne's** first-ever accounting firm merger, the firm consummated a second deal.

**Tauber & Balsler/Atlanta** (60 total staff) is joining HA&W/Atlanta (FY07 net revenue: \$45.2 million; 63th on *PAR's* 2008 Top 100; 31 partners, 189 nonpartner professionals; two offices) in a deal that has an effective date of Nov. 1.

The deal adds additional depth to their Atlanta office and built upon the SEC niche the firm added to in last year's deal with **Miller Ray Houser & Stewart/Atlanta** (25 total staff).

"Adding the personnel from Tauber & Balsler allows us to extend our range of expertise in the areas of forensic accounting, litigation support and SEC-registered companies," said HA&W MP Dan Simms. "This is an extension of the vision we have. Prior to last year, our growth had traditionally been organic. In both deals, we felt it made sense as the best way to achieve our goals to hire the specific talent."

In addition to giving a significant boost to the firm's growing SEC practice, Simms told *PAR* it will also help the firm's litigation practice because T&B's practice was focused on a totally different segment of that market than HA&W targeted.

HA&W and T&B plan to consolidate offices into HA&W's new much larger offices the firm finished moving into earlier this month.

After getting everyone moved in, the firm will still have 25%-30% of its approximately 104,000 square feet of space available.

T&B has developed specialized expertise working with family business, not-for-profit organizations, public companies and real estate firms, and their range of client engagements includes work for law firms, financial institutions, insurance companies, government agencies, privately owned businesses and high-net-worth individuals, according to HA&W.

**Eide Bailly**, continued from page 1

Grand Junction and Vail. GH&B MP James Lyons will serve as the partner-in-charge of Eide Bailly's Colorado practice. Other GH&B partners joining Eide Bailly in the deal are: Penelope Banks, James Boak, Sheryl Brake, Brian Callahan, Dave DeZutter, Bob Drury, Thomas Froehle, Kim Higgins, Rex Hughes, Peggy Jennings, Celia Johnson, Richard Kendall, Lloyd Sweet and recently-promoted partner Eric Budreau.

### HA&W Turns in Double-Digit Growth Every Year Since 2004

FYE: Dec. 31	2007	2006	2005	2004
U.S. Net Rev. (\$mil)	45.2	31.8	28.0	24.0
% Change	42.1%	13.6%	16.7%	12.7%
Equity Partners	24	17	15	17
Nonpartner professionals <sup>1</sup>	196	131	111	99
Offices	2	1	1	1
SEC Clients <sup>2,3,4</sup>	1	0	0	0
<b>Revenue Splits<sup>5</sup></b>				
AA(%)	49	45	47	45
Tax(%)	33	32	32	35
MCS(%)	8	6	7	9
Other(%)	10	17	14	11
<b>Revenue Indicators</b>				
Rev./Equity Partner	\$1,883,333	\$1,870,588	\$1,933,333	\$1,411,765
Rev./Nonpartner Professional <sup>1</sup>	\$230,612	\$242,748	\$252,252	\$242,424
Nonpartner professional/Equity Partner <sup>1</sup>	8.2	7.7	7.4	5.8

<sup>1</sup> Figures include non-equity partners and professionals. <sup>2</sup> The 2008 SEC figure is from *PAR's* 2008 Top 100. The 2007 SEC audit client figure is from *PAR's* 2007 Top 100. <sup>3</sup> The 2006 SEC audit client figures listed excluded any registrant who is a non-tickered subsidiary/affiliate and the parent was counted, a non-tickered asset backed security, a non-tickered blank check company, a non-tickered fund or trust, an entity that filed chapter 7 bankruptcy, or an entity that did not file a form with the SEC in 2006 or 2005 and/or terminated its registration with the SEC. In determining an SEC audit client count, AuditAnalytics.com included all SEC disclosures as of Aug. 8, 2006. <sup>4</sup> SEC client data for 2005, 2004, 2003 and 2002 is firm reported. <sup>5</sup> May not equal 100 because of rounding.

Along with boosting the SEC and litigation practices, the deal puts HA&W ahead of pace in its goal to hit a headcount target of 450 to 500 in Atlanta.

"In terms of personnel and revenue this puts us ahead of where we thought we would be," Simms said.

The firm has a headcount in the neighborhood of 350 to 375 factoring in the T&B transaction.

The firm has produced a nice run of double-digit growth (*See chart, above.*), but Simms said he is targeting organic growth in neighborhood of 8% to 10% for FY08 given the current economic conditions.

Simms told *PAR* when the firm hits its Atlanta revenue and headcount target it may start looking at additional geographic markets, but didn't rule out an additional deal in Atlanta down the road.

"We like our position in the market as the largest local firm," he said. "We are looking at additional opportunities. But we aren't interested in doing a deal for size's sake. We are trying to position ourselves for future growth."

"Our expansion into Colorado gives us the opportunity to expand some of our largest practice areas, including health care, financial institutions and insurance, into a new market," Topp said.

The deal worked from every angle Eide Bailly looked at it according to Topp.

"We had an existing relationship with them providing them with leadership training as well as referring SEC engage-

See **EIDE BAILLY**, page 5

Simms pointed to T&B joining HA&W as an example of the kind of leverage the firm was looking to add.

"They are a natural fit with many of their practices and in culture," he told *PAR*. "We really know them, they know us, and this made perfect sense to both of us."

While HA&W is obviously happy at the growth prospects of T&B joining the firm, conversely, competitors anxious to keep pace with the firm are probably just as disappointed.

Accounting M&A guru Allan Koltin, President and CEO of PDI Global/Chicago said the Atlanta market is pretty much done in regards to large accounting transactions.

"We will still see tuck-in deals and smaller transactions because of succession issues along with challenges faced by smaller firms trying to get to the next level, but I think the remaining independent firms that are of a significant size [over \$10 million] in that market have made it pretty clear they want to be independent so far." ■

**Crowe**, continued from page 1

"We are excited about the potential for our clients with Asian operations," Allen added.

GH&Co. was founded in 1966 and had offices in Sherman Oaks and Costa Mesa.

CH's most recent deal, prior to the deal with GH&Co., was the combination with **Carter, Belcourt & Atkinson/Tampa** in December 2007. In July 2007, the firm combined with **Enterprise Financial Consulting Group/Mt. Laurel, N.J.** ■

## Public Accounting Report's 27th Annual Professor's Survey — 2008

### Accounting Professors Rank The Profession's Largest Firms

Firm	2008 Rank	2007 Rank	2006 Rank	2005 Rank	Overall Score	% Change Versus 2007	Future Outlook	Client Service	Technical Reputation	Staff Training	Compensation	Career Opportunity	Work/Life Balance	Diversity	Ethics
Deloitte	1	2	1	2	7.30	-2.9	7.48	7.42	7.62	7.62	7.31	7.55	6.57	6.86	7.16
KPMG	2	3	4	4	7.29	-3.1	7.48	7.39	7.56	7.60	7.30	7.56	6.62	6.99	7.03
Ernst & Young	2	4	3	3	7.29	-2.9	7.54	7.43	7.62	7.63	7.31	7.55	6.51	6.85	7.12
PricewaterhouseCoopers	4	1	2	1	7.26	-5.0	7.51	7.44	7.59	7.61	7.29	7.49	6.44	6.79	7.09
Grant Thornton	5	5	5	5	7.19	-1.2	7.30	7.41	7.34	7.23	7.08	7.33	6.89	6.80	7.29
RSM McGladrey/McGladrey & Pullen <sup>1,2</sup>	6	6	7	7	6.90	-1.9	6.86	7.00	6.89	6.88	6.82	6.97	6.80	6.65	7.22
BDO Seidman	7	7	6	6	6.85	-1.3	6.75	6.94	6.77	6.78	6.83	6.97	6.77	6.63	7.19

**Editor's Note:** Scores are based on a scale of 1 (poor) to 10 (excellent). <sup>1</sup> RSM McGladrey and McGladrey & Pullen are affiliated through an alternative practice structure. <sup>2</sup> RSM McGladrey and McGladrey & Pullen have an alternative practice structure. Though separate and independent legal entities, the two firms work together to serve clients' business needs. RSM McGladrey is not a licensed CPA firm **Source:** PAR research

## Public Accounting Report's 27th Annual Professor's Survey — 2008

### Tax Professors Rank The Profession's Largest Firms

Firm	2008 Rank	Overall Score	Future Outlook	Client Service	Technical Reputation	Staff Training	Compensation	Career Opportunity	Work/Life Balance	Diversity	Ethics
Ernst & Young	1	6.90	7.09	7.12	7.22	7.30	6.90	7.12	6.05	6.61	6.70
KPMG	2	6.82	6.96	6.88	7.02	7.25	6.98	7.12	6.09	6.62	6.51
PricewaterhouseCoopers	3	6.80	6.98	7.00	7.15	7.27	6.85	6.96	5.95	6.44	6.56
Deloitte	4	6.79	6.76	6.89	7.05	7.20	6.94	7.06	6.01	6.61	6.60
Grant Thornton	5	6.65	6.84	6.82	6.78	6.69	6.45	6.73	6.43	6.39	6.69
BDO Seidman	6	6.46	6.48	6.53	6.31	6.44	6.40	6.59	6.32	6.34	6.76
RSM McGladrey/McGladrey & Pullen <sup>1,2</sup>	7	6.37	6.29	6.43	6.33	6.38	6.32	6.41	6.32	6.22	6.63

**Editor's Note:** Scores are based on a scale of 1 (poor) to 10 (excellent). <sup>1</sup> RSM McGladrey and McGladrey & Pullen are affiliated through an alternative practice structure. <sup>2</sup> RSM McGladrey and McGladrey & Pullen have an alternative practice structure. Though separate and independent legal entities, the two firms work together to serve clients' business needs. RSM McGladrey is not a licensed CPA firm **Source:** PAR research

## Public Accounting Report's 27th Annual Professor's Survey — 2008

### Audit Professors Rank The Profession's Largest Firms

Firm	2008 Rank	Overall Score	Future Outlook	Client Service	Technical Reputation	Staff Training	Compensation	Career Opportunity	Work/Life Balance	Diversity	Ethics
Deloitte	1	7.43	7.67	7.56	7.82	7.75	7.39	7.67	6.75	6.95	7.31
Ernst & Young	2	7.41	7.69	7.53	7.79	7.75	7.37	7.69	6.68	6.93	7.26
KPMG	3	7.39	7.63	7.49	7.70	7.69	7.35	7.66	6.79	7.07	7.16
PricewaterhouseCoopers	4	7.36	7.64	7.53	7.74	7.70	7.34	7.57	6.61	6.87	7.20
Grant Thornton	5	7.29	7.41	7.53	7.44	7.33	7.16	7.46	6.98	6.89	7.40
RSM McGladrey/McGladrey & Pullen <sup>1,2</sup>	6	7.04	7.00	7.16	7.05	7.00	6.96	7.11	6.92	6.76	7.36
BDO Seidman	7	6.96	6.85	7.06	6.88	6.89	6.99	7.08	6.90	6.70	7.28

**Editor's Note:** Scores are based on a scale of 1 (poor) to 10 (excellent). <sup>1</sup> RSM McGladrey and McGladrey & Pullen are affiliated through an alternative practice structure. <sup>2</sup> RSM McGladrey and McGladrey & Pullen have an alternative practice structure. Though separate and independent legal entities, the two firms work together to serve clients' business needs. RSM McGladrey is not a licensed CPA firm **Source:** PAR research

**Eide Bailly**, continued from page 4

ments when we had conflict issues," Topp told PAR. "They had experienced phenomenal growth, 20% to 30%, each of the past few years and they were looking for ways to get to that next level."

The firm's deal with KY&G stemmed from Eide Bailly wanting to add some high-end tax resources to their existing office, Topp said.

KYG partners joining Eide Bailly are Julie Hawkins, Bill Keller and Jim Young.

The MR&S transaction is Eide Bailly's second move in the "Sooner State" this year. The firm closed a deal in August with **Murrell, Hall, McIntosh & Co./Oklahoma City**.

MR&S partners Tim Roberts, Dan Cunningham and Tom Ritchie are joining Eide Bailly in Tulsa along with 25 staff members.

It has been a busy year M&A-wise for the firm with the most recent deals and the firm's previously mentioned deal with Murrell Hall in August.

But that shouldn't present a problem for the firm, as it is not a neophyte in the M&A arena.

Last year, Eide Bailly and **Henry Scholten & Co./Sioux Falls, S.D.** tied the knot, effective June 1, 2007. The previous summer, Eide Bailly and Wolf Etter and **Co./Mankato, Minn.** merged in a deal that had an effective date of June 1, 2006. In 2004, the firm pulled off two mergers,

adding **McDole Wagner/Oklahoma City** in July and **Balukoff, Lindstrom & Co./Boise, Idaho** in November.

"If you do enough deals it becomes a process," Topp said. "Each deal we do, things get a little more refined."

In the wake of the firm's three deals, it almost seems silly to say what's next for Eide Bailly?

Topp has quite a laundry list, including continuing to fill the gaps that exist in the firm's geographic footprint and growing the firm in the neighborhood of 15% a year—7% internal, and 8% external.

"The opportunities that will exist in the next five to 10 years are unprecedented," Topp said. ■

**Public Accounting Report 27th Annual  
Professor's Survey — 2008**

**Top Companies Business and Industry Recommendations by Professors**

**Professor Survey Respondents Say PwC Holds  
Slight Lead in Landing Their Top Graduating Student**

Firm	% of Respondents
PricewaterhouseCoopers	27.3
Ernst & Young	22.3
KPMG	21.7
Deloitte	19.3
Business and Industry	3.1
Non-Big Four Accounting Firms	5.4
Government	0.7
More education	0.2

**Editor's Note:** Percentages based on the answers of 793 respondents to the survey question "Upon graduation, at which CPA firm or company does or did your top accounting student hope to work?"

**Public Accounting Report's  
27th Annual Professor's Survey — 2008**

**Accounting professors perceptions of the  
general attitudes of their students**

Firm	% of Respondents
Most of my students hope to work for a Big Four firm	84.5%
Most hope to work for a Non-Big Four national firm or large regional firm	10.4%
Most hope to work for a Fortune 500 company	6.8%
Most hope to work for a sub-Fortune 500 corporation	2.2%
Most want to work for a smaller accounting firm	3.3%
Most hope to start their own firm or business immediately after graduation	0.5%
Most hope to work for government	1.1%
Most want to work for a smaller company	1.2%

**Editor's Note:** Percentages based on the answers of 1,497 respondents to the survey question that asked accounting professors for their general perception of students plans after graduation. **Source:** PAR Research

**Deloitte**, continued from page 1

ness Success and Staff Training categories. The firm's No. 2 placing was by the slimmest of margins, in fact coming just short of a tie for first, missing by a razor-slim margin when thousandths digit fell shy of causing the hundredths category to be rounded up, which would have resulted in Deloitte and E&Y deadlocked at No. 1. Last year, the firm finished fourth, .01 behind KPMG and Deloitte, but professors ranked the firm first in Compensation.

When the professors' grades were turned in, PwC, found itself in unfamiliar territory, fourth place. The firm has tied for the No. 1 overall spot in the survey, or held it solely, five times since 2000. PwC occupied the top spot in the survey in 2007, 2005, 2003 and 2002 and tied for first place in the 2000 rankings with **Andersen**, which, until then, had taken the solo top slot each of the 18 previous editions of the rankings. PwC finished second in 2006 and 2004. The firm placed fourth in 2001.

Despite finishing fourth, PwC did take the top spot in one individual category: Client Service

**Grant Thornton**, finished fifth in the overall rankings, but took No. 1 in Work/Life Balance and the Ethics categories. It marked the second straight year professors graded GT at the top in both categories.

**GT** topped the non-Big Four national firms graded in the survey on the strength of a nine-for-nine category clean sweep in the top ranking, among those firms.

In addition to giving their perceptions of the Global Seven firms, the survey gave professors the option of writ-

ing in firms they were familiar with in addition to the Global Seven, and nearly 25% of the professors weighed in with their perceptions of other national, regional and local firms they felt were worthy of recognition.

While responses were too few to be statistically valid to be compared to the Global Seven firms, a good number of national, regional and local firms received write-in recognition from schools in their geographic footprint.

**Crowe Horwath/Oak Brook, Ill.** (7.50 overall, including a 8.50 rating in the Career Opportunity category and 8.00 in Outlook for Business Success); **Moss Adams/Seattle** (7.40 overall, including a 8.00 rating in the Ethics category); **Dixon Hughes/High Point, N.C.** (7.00 overall, including an 8.00 rating in Outlook for Business Success, 7.50 in Technical Reputation and 8.00 in Client Service Quality); **Plante & Moran/Southfield, Mich.** (7.00 overall score; including an 8.50 rating in Ethics).

**BKD/Springfield, Mo.** received an overall score of 7.00 with a grade of 8.50 in Ethics.

For the third consecutive year, **Vitale, Caturano and Co./Boston** garnered the most flattering ratings from professors among firms that were ranked by fewer than 10 professors. The Boston power-house earned an overall rating of 9.00.

**Editor's Note:** Accounting faculty members often are influential in shaping the perceptions and career decisions of students. This survey seeks to measure the perceptions that faculty bring to that advisory role and is not intended to be scientific. ■

**Public Accounting Report 27th Annual  
Professor's Survey — 2008**

**Top Companies Business and Industry  
Recommendations by Professors**

General Electric
IBM
Microsoft
Procter & Gamble Co.
Johnson & Johnson
Google
Exxon Mobil Corp.
Caterpillar
Bank of America
The Goldman Sachs Group
The Walt Disney Co.
FedEx Corp.
Apple
The Boeing Co.
The Coca-Cola Co.
Intel
Shell Oil Co.
3M
Hewlett-Packard
Wal-Mart
Deere & Co.
Cisco Systems
Kraft Foods
ConocoPhillips
Halliburton Co.

**Editor's Note:** Based on the answers of 1,027 respondents to the survey question "Which three Fortune 500-level corporate employers would you most enthusiastically recommend to accounting students seeking a career outside of a public accounting firm?" **Source:** PAR Research

# BYU Takes No. 1 in PAR's Graduate Accounting Program Rankings

Texas, Chicago perceived at head of class in undergrad, doctoral programs, respectively.

The largest voter turnout in the history of PAR's Annual Survey of Accounting Professors yielded additional historic results on top of the highest professor participation level.

For the first time this decade, the accounting professors voted a school other than University of Texas at Austin as No. 1 in graduate accounting program rankings.

When the dust settled and the votes were tallied from the more than 1,550 accounting educators, 1,557 to be exact, that participated in this year's survey, Brigham Young University/Provo, Utah took the No.1 spot in graduate accounting program rankings, with University of Illinois at Urbana-Champaign in the No. 2 spot, according to the school-ranking section of PAR's 27th Annual Survey of Accounting Professors. Perennial No. 1 school, UT-Austin, finished in the No. 3 position. The last time the Longhorns did not hook the double No. 1 spot, tops in undergraduate and graduate rankings, was 2000.

Not all was lost for the UT-Austin, as the school took No. 1 in the undergraduate rankings.

Following on the theme of change, University of Chicago took the No. 1 position in the doctoral rankings.

In the school-ranking section of the Annual Survey of Accounting Professors, the survey asks accounting professors, department heads and department chairs to name the undergraduate and graduate programs that offer degrees in accounting they feel most consistently turn out students capable of some day attaining partner status. (See Editor's Note, below.)

With the winds of change swirling through the professor voting in the school section, UT-Austin was the one constant in the undergraduate rankings taking No. 1. In fact, the school actually increased its margin between itself and the No. 2 ranked school, UIUC, compared to last year.

UT-Austin has held the top spot in the undergraduate rankings since 2001.

While UIUC didn't succeed in closing the gap on No. 1 UT-Austin, the school did take sole possession of second place. UIUC and BYU were knotted at No. 2 in 2007's undergraduate rankings.

With the exception of the battle for No. 2 between UIUC and BYU, the Top 5 was unchanged from last year. The second half of the Top 10 yielded some fireworks as The Ohio State University

jumped from No. 9 in 2007 to No. 6 this year. University of Georgia made a similar jump, moving three spots from No. 10 to No. 7. The Bulldogs have been steadily moving up the rankings in the eyes of their peers in the last two years. UGA jumped six spots to crack the undergraduate Top 10 last year prior to solidifying their position among the "terrific ten" this year. Pennsylvania State University has the distinction of making the largest upward move in the undergrad rankings. The Nittany Lions leapt from No. 19 to No. 9.

This year saw seven schools: University of Mississippi, University of Iowa, Baruch College-The City University of New York, Case Western Reserve University, University of Utah, North Carolina State University and University of Connecticut, make the Top 25 list after not making it the previous year. Illustrative of the fierce competition in the undergraduate rankings was in addition to the six-way tie for No. 24; this year five schools (Bentley College, Villanova University, Baylor University, Wake Forest University and Boston College) were deadlocked in 30th place.

See *BYU*, page 8

Public Accounting Report 27th Annual Professor's Survey — 2008		
Top 25 Undergraduate Programs		
2008 Rank	2007 Rank	
1	1	University of Texas-Austin
2	2	University of Illinois at Urbana-Champaign
3	2	Brigham Young University
4	4	University of Notre Dame
5	5	University of Southern California
6	9	The Ohio State University
7	10	University of Georgia
8	7	Indiana University Bloomington
9	19	Pennsylvania State University
10	6	Texas A&M University
11	12	University of Wisconsin-Madison
12	8	Michigan State University
13	12	Northern Illinois University
13	15	University of Virginia
15	18	University of Washington
15	15	University of Alabama
17	21	College of William & Mary
18	NR	University of Mississippi
19	NR	University of Iowa
20	20	University of Missouri-Columbia
20	NR	Baruch College-The City University of New York
22	11	Miami University (Ohio)
21	17	University of Florida
22	14	Arizona State University
23	21	Virginia Tech
24	25	Florida State University
24	NR	Case Western Reserve University
24	NR	University of Utah
24	NR	North Carolina State University
24	NR	University of Connecticut
24	25	University of Tennessee-Knoxville

**Honorable Mention:** Bentley College, Villanova University, Baylor University, Wake Forest University and Boston College. **Editor's Note:** Because of a five-way tie for 24th place there are more than 25 schools listed in the Top 25. **NR:** Not Ranked. **Source:** PAR research

Public Accounting Report 27th Annual Professor's Survey — 2008		
Top 25 Graduate Programs		
2008 Rank	2007 Rank	
1	2	Brigham Young University
2	3	University of Illinois at Urbana-Champaign
3	1	University of Texas-Austin
4	4	University of Southern California
5	15	University of Michigan
6	5	University of Notre Dame
7	7	University of North Carolina at Chapel Hill
8	6	Texas A&M University
9	7	Indiana University Bloomington
10	11	University of Georgia
11	11	Ohio State University
11	9	Michigan State University
13	15	University of Washington
14	NR	University of Virginia
15	25	University of Missouri-Columbia
15	NR	University of Mississippi
17	13	University of Wisconsin-Madison
18	18	University of Connecticut
19	23	Florida State University
19	21	University of Alabama
21	10	University of Florida
22	NR	Baruch College-The City University of New York
23	NR	University of Arizona
23	14	Arizona State University
23	NR	University of Iowa
23	18	Miami University (Ohio)

**Honorable Mention:** College of William & Mary, Boston College, Virginia Tech, University of Tennessee-Knoxville, Wake Forest University and North Carolina State University. **Editor's Note:** Because of the four-way tie for 23rd place there are more than 25 schools listed in the Top 25. **NR:** Not Ranked. **Source:** PAR research

Public Accounting Report 27th Annual Professor's Survey — 2008		
Top 25 Doctoral Programs		
2008 Rank	2007 Rank	
1	3	University of Chicago
2	4	Stanford University
3	6	Wharton School of the University of Pennsylvania
4	1	University of Texas-Austin
5	2	University of Michigan
6	5	University of Illinois at Urbana-Champaign
7	12	Cornell University
8	7	University of Washington
9	16	University of Iowa
10	18	Harvard University
11	21	University of Georgia
12	10	University of Southern California
13	14	Massachusetts Institute of Technology
14	11	Pennsylvania State University
15	NR	University of Mississippi
16	NR	Oklahoma State University
17	17	Ohio State University
18	15	Texas A&M University
19	7	Indiana University Bloomington
19	25	University of Missouri-Columbia
21	19	University of Wisconsin-Madison
22	NR	University of South Carolina
23	NR	Florida State University
23	7	University of North Carolina at Chapel Hill
25	25	University of Rochester
25	NR	University of South Florida

**Honorable Mention:** Baruch College-The City University of New York, University of Utah, Georgia State University, University of Tennessee-Knoxville and Virginia Tech. **Editor's Note:** Because of a tie for 25th place there are more than 25 schools listed in the Top 25. **NR:** Not Ranked. **Source:** PAR research

BYU, continued from page 7

BYU bested the Illini and UT-Austin in the graduate rankings to take sole possession of the top spot. It is the Cougars' highest-ever finish in the graduate rankings. BYU has finished in the Top 3 in both the undergraduate and graduate rankings since 1995.

With all the change in the Top 3, The University of Southern California Trojans provided some continuity maintaining their No. 4 ranking.

Following in the vein of historic happenings and razor-thin margins separating schools, the separation between the Top 3 schools in the graduate rankings was two points between BYU and UIUC and two points between the Illini and UT-Austin.

University of Michigan and University of Missouri-Columbia shared the honor as the biggest climbers in the graduate rankings. Both the Wolverines and the Tigers moved 10 places; UM climbed into the Top 5, to No.5, from No. 15 in 2007. Mizzou jumped to No. 15 from No. 25 in 2007.

Five schools (University of Virginia, University of Mississippi, Baruch College-The City University of New York, University of Arizona and University of Iowa) made the leap from unranked in

2007 to making the undergraduate list in 2008.

The tightness in the bottom of the Top 25 rankings was identical to the Top 3. A four-way tie for 23rd place gave us more than 25 schools in the Top 25 and six-way tie for No. 27 gave us six honorable mention schools: College of William & Mary, Boston College, Virginia Tech, University of Tennessee-Knoxville, Wake Forest University and North Carolina State University.

University of Chicago took top honors in the doctoral program rankings.

For most of the decade, the Longhorns held the distinction as the No. 1 firm in the doctoral rankings, taking first in 2002, 2003, 2004, 2006 and 2007. Stanford University was No. 1 in 2000; Chicago ranked first in 2001 and Michigan in 2005.

Five schools (University of Mississippi, Oklahoma State University, University of South Carolina, Florida State University and University of South Florida) made the leap from unranked in 2007 to making the doctoral list in 2008.

**Editor's Note:** The Annual Survey of Accounting Professors school rankings seeks to measure the perceptions accounting professors' perceptions regarding the accounting programs they hold in the highest regard and is not intended to be

scientific. The school rankings are based on professors' ranking of accounting programs on a 1 to 10 scale in answering the question which programs consistently turn out students capable of some day attaining partner status.

Ranking eligibility in the undergraduate category requires a school to offer a bachelors degree in accounting, not a bachelors degree in business with a *concentration in accounting*, with a few exceptions, and graduate programs must offer a Macc degree or Masters in Taxation, with a few exceptions. In the cases where we have made case-by-case exceptions, the curriculum is comparable to schools that do offer the bachelors degree in accounting.

In the Ph.D. rankings the methodology is a little different from undergraduate and graduate rankings. While in those undergraduate and graduate rankings we don't allow rank schools that have a business degree with a concentration in accounting, for Ph.D. programs *PAR* does allow Ph.D.s with a concentration in accounting. *PAR* also allows Ph.D. programs to be ranked that don't specialize in accounting. In ranking Ph.D. programs, survey participants named Ph.D. programs they had the most regard for in turning out quality accounting professors. ■

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