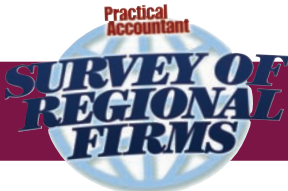


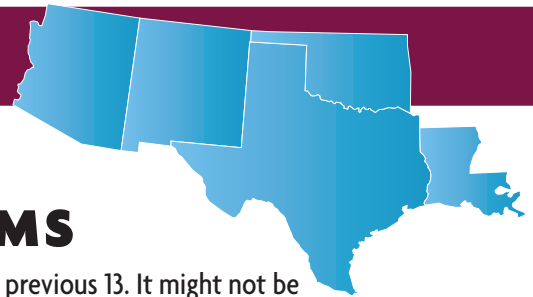
# Practical Accountant

PROVIDING THE COMPETITIVE EDGE™

April 2007



## Southwest



### 14TH ANNUAL SURVEY OF REGIONAL ACCOUNTING FIRMS

There is a significant difference in the survey results this year from those in the previous 13. It might not be apparent at first glance, as accounting firms again are posting remarkable numbers, with two-thirds of the top firms posting double-digit annual percentage revenue increases in FYE 2006. **But that's not the real story.**

What is significant is that the firm of the future is emerging. Just look at the firms that we profiled: the mega-regional; the evolving multidisciplinary firm; the firm-wide application of the win-win team approach; and the incorporation of a firm's mission, vision, and values into its operations.

It is also seen in the other 116 firms taking away clients from the Big Four, buying specialized practices of the Big Four, capitalizing on opportunities, and freely merging to build niches and add significant numbers of new staff. These regional firms are also very creative and successful in their well-researched and planned initiatives. For example, one firm in the Southwest developed a valuation sub-specialty, obtaining \$600,000 in revenue in only seven months.

To increase staff retention and improve job satisfaction, significant attention is paid to life/work balance. Very flexible part-time schedules are being offered, hours are reduced during the tax season, and firms are living up to the core values that they are espousing. There is significant investment in staff training, intended

to benefit both the firm and the staff.

Survey protocol is similar to past years and intended to identify the top firms in the eight regions. All of the data was obtained by the editorial staff of *Practical Accountant* and our sister publication, *Accounting Today*. Special recognition must go to Daniel Hood, managing editor of *Accounting Today*. The rankings are based on net revenue (unless otherwise indicated), and the information is obtained directly from the firms or, in very limited instances, is a *Practical Accountant* estimate.

There is one minor change. All the revenue figures for the national firms (both CPAs and non-CPA firms) are presented in a single, simplified chart as those numbers really aren't what interests *Practical Accountant* readers.

Spend time reading about the firms in all regions, not just your competitors, because what you learn might turn out to be the key to ensuring your firm's future long-term success.

#### TOP 15 FIRMS

Firm Name	FYE 2006 Revenue (in millions)	% Increase Over 2005	Partners/ Principals	Professional Staff	# of Offices	Revenue Breakdown (%)		
						A&A	Tax	MCS
<b>Weaver and Tidwell</b> , Fort Worth, Texas	\$30.6	17%	23	152	2	50	39	11
<b>Postlethwaite &amp; Netterville</b> , Baton Rouge, La.	\$21.2	5%	21	126	7	48	21	31
<b>PKF Texas</b> , Houston, Texas	\$17.3	22%	12	96	1	48	30	22
<b>TravisWolff</b> , Dallas, Texas	\$16.4	29%	18	66	1	46	39	15
<b>Beach, Fleischman &amp; Co.</b> , Tucson, Ariz.	\$16	14%	14	76	1	29	49	22
<b>Henry &amp; Horne</b> , Tempe, Ariz.	\$15.9	9%	11	77	4	43	52	5
<b>Padgett Stratemann &amp; Co.</b> , San Antonio, Texas	\$15.5	13%	10	65	1	50	34	16
<b>Cain Watters &amp; Associates</b> , Dallas, Texas	\$15.4	18%	2	56	1	11	14	75
<b>Lane Gorman Trubitt</b> , Dallas, Texas	\$15.2	-1%	15	69	1	50	38	12
<b>REDW Business &amp; Financial Resources</b> , Albuquerque, N.M.	\$13.8	18%	12	64	1	47	18	37
<b>The Hanke Group</b> , San Antonio, Texas	\$10.5	24%	6	41	1	42	46	12
<b>Heard, McElroy &amp; Vestal</b> , Shreveport, La.	\$10	11%	12	41	3	43	47	10
<b>Bourgeois Bennett</b> , Metairie, La.	\$8.8	0%	15	51	3	30	18	52
<b>Malone &amp; Bailey</b> , Houston, Texas	\$8.2	148%	8	33	1	93	6	1
<b>Null Lairson</b> , Houston, Texas	\$7.9	16%	10	46	1	52	37	11