

## Allinial and IAPA take first step towards integration

4 May 2016 by Vincent Huck



Allinial Global and IAPA have signed a letter of intent to join forces by the end of 2016, International Accounting Bulletin has learnt.

If the integration was to go through, the combined organisations could become the third largest association globally with total fee income around US\$2.6bn, a total of 300 member firms present in 79 countries.

The two associations have set up an integration committee made of eight firms, four from each organisation, which will be led by IAPA CEO Stephen Hamlet and Allinial president Terry Snyder. The committee will look at the best way to combine both global organisations, and the proposed combination will be subject to board and membership approval.

"We will start with the integration committee to talk about the details and how the collaboration can go forward," Hamlet said. "But our intention is to combine by the end of this year; in the interim we can start sharing resources to help each other members."

Asked about a possible rebranding, Snyder said this will be one of the questions for the integration committee to answer. "Our objective is to create the best membership opportunity and client centric group together," he added.

"The other thing is independence," Hamlet picked up. "Both organisations have quality members who are independent and want to remain that way, but working together with likeminded organisations around the world."

Hamlet, who joined IAPA as CEO last July, told International Accounting Bulletin that from the start the main challenge was to build IAPA's presence in North America. Partnering with Allinial made sense, he continued, as Allinial North American presence would complement IAPA greatly.

But beyond symmetries in geographies, Hamlet said the two organisations share a common culture, centered on servicing clients and generating business for member firms.

"You should always start with the culture first, and we were looking for the right cultural fit," Snyder complemented. "We both have a common philosophy on a go forward basis, building out strategically what we need and promote the commercial aspect of what we want to do."

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All mergers brings about the challenges of competition between firms sharing the same jurisdiction. Asked whether they had some concerns with regards to this possible challenge, Hamlet said there are always concerns of overlaps, but because member firms from both organisations are specialists there are more opportunities for complementarity.

"This combination will provide many more opportunities to service clients in those niche and specialism," he said. "And it is not all about incoming referrals, it is about servicing your existing client base with quality firms around the world and attracting more clients knowing that you have those quality resources around the world."

Snyder agreed with Hamlet and highlighted that Allinial never had exclusivity in the USA. "There will be some losses and some wins, there are already other firms that stood up and say we are interested. We are started with a white sheet of paper and therefore there is a great potential for growth."

The combination is not the end of the story, Hamlet concluded. "It is a great fit immediately but it can only be the start of something greater and better."