

Reflecting on the Rise of EY's Strategy and Transactions Practice



Bill Casey, a partner and vice chair at EY, was given a bold task: to build a world-class strategy and M&A business at EY that could compete with the heaviest hitters in the strategy consulting arena. Just six years later, Casey and his team had established EY, best known as one of the “Big Four” accounting firms, as a major player in the sector, tripling the size of the existing business while also successfully winning business over well-established and well-respected competitors.

The success was hardly a flash in the pan; in many ways, the emergence of EY's Strategy and Transactions Practice mirrors Casey's very own career path as a M&A and transformation expert. Armed with 30 years of international experience in the M&A space, Casey helped guide EY with a unique understanding of how to make a professional services company truly tick — with a strong culture guiding the brightest talent in the business.

Casey is stepping down at the end of 2021 as Americas vice chair, strategy and transactions, and will retire in June 2022. As he prepares for retirement, we sat down with him for a discussion about EY's success story in building its strategy and transaction consulting business, and the lessons learned along the way.

A strategy for success

The realm of strategy consulting has long tantalized Big Four companies like EY, best known for their audit and accounting work, yet successful entry into this arena can be challenging, even with their ample size and research. For one thing, the leaders in management consulting have a tremendous brand cachet and toehold in the market.

How to grow a strategy consulting business is always a cumbersome issue. People are by far the number one factor at the leading professional services companies, and growth depends on finding — and keeping — those top people. Professional services mergers are notoriously difficult, as the merging companies struggle to combine cultures, policies and processes. And existing clients must also be convinced that the newly merged company can offer as much or more value to their company.

“We started humbly, because our relationships were at the CFO/tax level,” Casey said. “But our ultimate goal had never changed, to be the key strategic advisor to the C-suite, we just didn't yet have the brand permission. It's taken time to bring in all these skill sets, bring in the people with the experience to help us reach that goal. But it's been very rewarding to see us achieve that and scale it.”

M&A as a foundation for the future

Building that brand permission required building a strong foundation. Despite a strong value proposition and an already-strong name, many candidates were uncertain that EY was truly going to be a top player in the market. So the company started to look for acquisition opportunities.



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BILL CASEY
VICE CHAIR, EY

A merger or acquisition in any industry faces significant hurdles that can impact its long-term success. But professional services mergers have a particularly high-profile history of failure. Unlike product-based companies, the people and their skills are the most important asset being acquired from a professional services firm. The people may decide to leave if they do not like the cultural fit or policies of the new company, and existing clients may also revisit whether the newly merged firm will bring as much value as before.

So in 2014, when EY announced it was acquiring the boutique consulting firm The Parthenon Group, Casey expected some degree of risk. Yet he believed it was critical to laying the foundation for solidifying EY as a world-class leader in strategy consulting. First, it would rapidly increase EY's capabilities through the acquisition of strong people. Secondly, it served to convince outside candidates that EY indeed offered an attractive opportunity as a top strategy consulting outfit.

“People didn’t want to be an experiment: ‘I don’t want to work for an accounting firm—I’m not going to fit in,’” Casey said. “When we did this deal, our brand perception changed completely for other candidates that we’d been talking to. People were calling us back. It was a game-changer.”

Scaling the business

With the foundation in place and momentum building, Casey and his team shifted their attention to raising their game: finding the elite talent that could get them into the top tier of the business.

Casey aimed high. He embarked on a 10-year internal hiring plan to fill out his team with the best, most-qualified, most successful candidates. Many were at firms he was hoping to compete against — firms that EY had previously not tried to capture top talent from. EY also sought candidates who could complement its existing partnership by filling in some of the gaps, fitting in with the culture and raising the firm’s overall game in strategy consulting.

“We were not just going to hire everyone from the top three firms, and it’ll be as simple as that,” Casey said. “This is a very, very different hire. We’re building the A-team here. Everyone is different. How do we truly invest in these people?”

When the COVID-19 pandemic shut down the world in the spring of 2020, Casey and his EY team shifted to what may have seemed, at that time, a counterintuitive strategy: using the crisis as an opportunity to grow.

With an eye toward the end goal of building one of the largest strategy practices, Casey viewed the economic downturn that hit at the beginning of the pandemic as an opportunity for EY to get great talent. Although the pandemic itself may have been a surprise, the idea that a downturn would come at some point was not, and Casey had a plan ready for whenever it was going to come.

“I started using the old line, ‘When did Noah build the Ark? Before the rain, before the rain,’” Casey said.

Lessons learned: It’s about the people

From the start of his journey at EY, Casey’s focus has been on landing the best people he can find for the job, particularly important in a professional services environment where your people are key to a thriving business.

So what are the best practices that can be drawn from EY and Casey’s experience building this fast-growing brand?

An eye on culture. In professional services perhaps as much as anywhere else, cultural fit is a key element to the success of your talent. Casey placed high importance on people who fit into the fast-growing organization's culture: entrepreneurial, collegial and collaborative, a high-end brand that does high-end work.

In fact, by the time Casey meets with a candidate, he sees his primary role as helping to discern whether the person is a fit for the culture of the firm. After all, the candidate will have already met with a dozen or more stakeholders to be vetted on their prowess in key capabilities, like tech acumen and commercial skills.

"My number one assessment is really just getting a sense for whether this person is going to fit," Casey said. "Is this someone I could collaborate with, or is it really about them and their career? The others will figure out if the person has the right skills and experiences, because that's their job. My job is to figure out whether this is a person who is going to be a good team player."



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Casey said that perhaps the biggest hurdle in an M&A environment is getting people to turn away from their past cultures in favor of creating a new one. The term "integration" can be seen as a toxic word in M&A, particularly at a professional services firm. In the rapid growth from both acquiring Parthenon and hiring new people, integration issues are natural, as differing cultures, systems and processes meld together. However, as a leader he says he works hard to pull people's attention away from the integration and instead on the future goal.

"You've got to move past a place where you've got Culture A and Culture B, and instead you need to focus on creating Culture C," Casey said. "The tagline that we have used is that we're building a world-class strategy practice. Let's stop talking about integrating these teams, and what we're going to save or lose from each one, and instead let's talk about us working together to grow our practice."

It's all about trust. Trust can be a major issue for a fast-growing group. Both the people who have stayed as well as those who are joining must trust that they have a future at the organization.

“People at the previous organizations, they understood their career path,” Casey said. “Now you take all that and you throw them into something completely different. It’s critical that you get people to trust that they should get behind the new leadership and the new messages.”

It’s a servant-leadership mentality that has helped his team grow successfully. In some ways, Casey is like the general manager and coach of a sports team, first assembling the winning pieces, and then figuring out how to coach them and get them to work their best. Some of the people, Casey says, will embrace the change, others will need to be convinced that it’s OK to let go of the status quo.

“Your people have to be able to trust you and make sure that when you're sharing your ideas and thoughts, that they feel safe about that,” Casey said. “It’s a long journey and you need them to stick with you.”

A focus on strong recruiting. Part of Casey’s intentional process for scaling his business was engaging on a multiyear plan to find the best people. Simply recruiting people from top competitors and trying to get them to join would have been one path to building this business, but from the beginning, Casey avoided what he saw as a simplistic approach. He knew it would need to be a decade-long journey in which not only he would be seeking the best people for his team, but eventually the best people would start finding his team.

His search for talent was focused on the long-term strategy, on how the firm is performing and what it takes for someone to succeed in the business. He wanted a search partner that had corporate memory that would allow them to identify and recruit the most appropriate candidates for EY.

As Casey puts it, “Great talent begets great talent.”



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Authors

Ana Rhea (Washington, D.C.), **Gus Zangrilli** (Philadelphia)

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