

Cornerstone Accounting Group: A Case Study in Renaming Your Firm

By Stanley R. Perla

For many CPA and other professional services firms, the decision to undergo a name change is quite complex. Often, a firm's name is the sole differentiating factor in its marketplace, so a move to deviate from established name recognition could cause confusion among current and prospective clients.

Traditionally, the use of several founding partners' last names to construct a much longer firm name was commonplace among CPA firms, though this practice has changed in recent years as more firms adopt a more user-friendly approach by shortening the firm's name to the first or first two names in the string of names. Sometimes, though, a firm name change can represent a strategic initiative to more clearly and purposefully define its identity and set future direction. Such was the case with Cornerstone Accounting Group, LLP, (Cornerstone) based in New York City. Previously known as The Schonbraun McCann Group LLP (or SMG), the firm had earned a well-established and highly-regarded name within the industry. In 2007, SMG was ranked the fastest growing CPA/consulting firm in the nation by PUBLIC ACCOUNTING REPORT and was consistently named among the Top 100 within the last several years. But, in spite of its success and name recognition, in July 2008, SMG made a bold move to formally change its

name to Cornerstone Accounting Group.

Evolution of a name

Founded in 1973 as Schonbraun, Safris & Co., the Roseland, N.J.-based regional CPA firm experienced steady and exponential growth over the course of the next three decades. Also over this period, it developed a true specialization in meeting the needs of the real estate industry.

To that end, Schonbraun Safris set out to develop a much more diverse practice in terms of the breadth of services it offered and the kinds of experts it had on staff. Schonbraun Safris worked purposefully to cultivate experience and expertise in both the public and private real estate sectors and service areas that went well beyond the realm of the traditional accounting and tax work upon which the firm was founded. The firm's menu of client services, provided through 13 business divisions, grew to one like no other in the industry as the firm's star partners achieved industry-wide reputations as key confidants and close advisors to the leading real estate companies in the United States. In addition to traditional attest services, the firm eventually offered strategic consulting services such as merger and acquisition (M&A) advisory services, capital markets assistance, valuation and due diligence services and executive

compensation planning, among other services. The firm's blue-chip client base also grew to include the leading publicly traded and privately held real estate entities, financial institutions, investment banks, opportunity funds and pension advisors.

By the late 1990s, Schonbraun Safris had established itself as the largest dedicated national real estate consulting and accounting firm in the United States. What began as a small regional accounting firm had effectively evolved into a real estate consulting powerhouse, playing a leading role in many of the industry's most significant transactions. In the last two years alone, for example, SMG helped facilitate and execute transactions valued at over \$100 billion.

In 2005, Schonbraun Safris—in a move that was not formally announced—officially changed its name to The Schonbraun McCann Group, which was quickly abbreviated as SMG. (This name change, the firm's fifth, is a good example of the industry trend toward simplifying long firm names comprised of a series of individual last names.)

Firm operated as two separate entities

What was also not widely known, however, was the fact that SMG's consulting firm and accounting and assurance services businesses had been operating as two

separate entities since 2006. It had long been Founder Bruce Schonbraun's clear and strong vision that the accounting and assurance services firm and consulting firm would need to grow and prosper in different ways, each with their own industry profiles and identity, and the timing was right. In the wake of Sarbanes-Oxley, the environment for CPA/consulting firms truly supported the independent operations of both kinds of businesses. The change was entirely indiscernible to our clients.

Consulting practice acquired by global business advisory firm

In the spring of 2008, SMG set the stage for new opportunities and greater expansion when its consulting firm was acquired by FTI Consulting, Inc., a global business advisory firm listed on the New York Stock Exchange. SMG's consulting firm continues to retain its own identity, management team and offices, while operating under its own highly-recognized name as FTI's real estate division.

From SMG's perspective, the acquisition allowed the consulting firm to effectively have an international presence in more than 50 major business centers virtually overnight. This had become a business imperative as clients were increasingly operating around the globe. Now, with FTI's U.S. and worldwide presence, SMG could be on the ground with their clients, virtually anywhere.

Just as importantly, the acquisition of the consulting firm now provided an ideal opportunity to expand and carve out a distinct identity for SMG's independent accounting and assurance serv-



Announcing the nation's only assurance firm focused 24/7 on real estate.

To meet the increasingly complex needs of the real estate industry, The Schonbraun McCann Group has spun off its Accounting & Attest practice into a separate new entity, Cornerstone Accounting Group. With over 25 years of experience behind it, and industry-leading CPAs running it, this powerhouse of talent will provide the most in-depth accounting services anywhere to public and private real estate companies. And that is huge.



es firm. After extensive work with the firm's marketing and branding team, firm leaders determined that the new name of the accounting and assurance services firm would have to accomplish two primary objectives: (1) it could not reference or allude to its former SMG name in any way, and (2) it had to include some reference or nuance related to real estate.

An eight-person team was assembled to brainstorm a list of names that met the agreed-upon criteria and captured the essence of what the firm was about. The team consisted of executives from the firm, the marketing team and our creative agency.

After the list of proposed names was developed, we methodically discussed each one and either eliminated it from further consideration or kept it on the list for additional discussion. The effort resulted in a short list of possible names for the firm. One name in particular, Cornerstone Accounting Group, was liked by all. We immediately commenced a legal search, learned of its availability and selected it as our new name. We believe this name commemorates a new course for growth in a more focused, independent way and underscores the firm's continued commitment to the real estate industry.

Because the team was committed to changing the name of the firm and not sidetracked by other issues, the entire process took about 2-3 weeks.

The rollout of the new firm brand included a media-relations effort and a dedicated advertising campaign, as well as an announcement mailer to clients. (See sidebar on page 9 for a sample ad.) It was clear that Cornerstone had a giant rebranding task ahead of it. The firm would have to assure existing clients nothing would change in how their business was serviced at the same time it was reinforcing the new, independent positioning of the accounting and assurance business.

Lessons learned

Internal issues. It has not been that long since the change, and the experience has been largely positive. There have been challenges, but most have been internal. We figured there would be some speed bumps along the way and miscalculated a few, but nothing that we couldn't overcome relatively easily. The time required to rebrand was underestimated and affected many people beyond the marketing team—everything from business cards to letterhead to brochures to our intranet, as well as our external Web site, needed to be revamped to reflect the new direction. Vendors had to

be notified, and people had to be trained to answer the phones differently, for example.

But beyond the process changes and general administrative issues that required attention, the name change has afforded Cornerstone an opportunity to carve out a new identity for itself in the market and further underscore its position as an accounting and attest firm entirely focused on the real estate industry. Previously, as part of the SMG firm umbrella, the accounting and attest services practice had few opportunities to really market itself distinctly from the consulting side of the firm's business.

Client acceptance. Surprisingly, clients have expressed no concern over the name change. There was some initial confusion, something to be expected, which required a concerted communication effort with all of our clients in the form one-on-one phone calls and in-person meetings. Once clients understood the reason for the name change and had assurances that they would receive the same level and quality of service they had come to expect, they agreed we made the right move and wished us well in our endeavor to carve out a more distinct identity for Cornerstone.

Recruiting. Cornerstone's recruiting efforts were not negatively affected by the name change.

The firm had established solid relationships with recruiters who understood the intent behind the name change plan and were able to explain our desire to more clearly define our identity and set our future direction to prospects. As a result, Cornerstone continues to see many qualified candidates through its recruiter relationships.

While it is still early in the name change process, we are convinced that renaming the firm was the right business decision for us. Client feedback has been both positive and encouraging. Also, from an internally focused perspective, the renaming of the firm created a rallying point for our team of professionals. It created the opportunity to get energized about a new and exciting initiative that would help to carve out a new identity for the firm, further underscoring our dedication and commitment as the nation's only assurance firm that is focused 24/7 on real estate and launch us on a new path of growth in the marketplace.

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