



BPM

It Starts With 'Why'

2021-22 Firm Report



Contents

Letter From the CEO: It Starts With ‘Why’..... 3

2021 Accomplishments..... 4

Q&A with Our New Chief
Transformation Officer, Lindsay Stevenson 5

Growth Patterns

A Year of Growth 6

Introducing Our New Virtual Region..... 7

New Year, New Services 8

Our BPM1 Rocket..... 10

BPM1 Service Model..... 11

Client Survey Results 12

IN! Committee Update..... 13

BPM Leadership 14

Letter From the CEO: It Starts With 'Why'



As a firm whose vision is to be innovative, independent, and nationally recognized, we at BPM are constantly asking ourselves what separates high-growth, high-impact organizations from the pack. As you might expect, that's a complicated question to answer. One thing that's become increasingly obvious to us is the importance of asking "why?"

BPM has always been a mission-driven organization, united around our brand promise — Because People Matter. As our firm continues to grow and the opportunities before us multiply, it's our responsibility to be increasingly thoughtful about communicating why it is we do what we do.

As Simon Sinek famously points out in his *Start With Why*, "People don't buy what you do, they buy why you do it." For that reason, we've decided to make "It Starts With 'Why'" the theme of our 2022 Strategic Plan. In this report, you'll not only receive an overview of the goals we've set for ourselves and how we're going to achieve them, but you'll also get a specific, compelling "why" for each of them. Ultimately, we want all our colleagues to be able to explain and be comfortable with not just the "how," but the "why" — and if they don't know why we're doing something, to get in the habit of asking. The theme for this year, shared in this Report, helps set the tone for that expectation.

This practice shouldn't be confined to what we do as a firm, as each individual has their own personal "why" that is the driving force behind everything they do. This year I want to encourage every single BPMer to challenge themselves to discover their answer to that question. To illustrate how this question interacts in unique and mutually reinforcing ways with our organizational "why," we've incorporated some of our colleagues' personal "whys" into this guide.

Throughout history, asking "why?" has been one of the key drivers of innovation. In the words of Albert Einstein, "the important thing is never to stop questioning." We are inspired by changemakers of the past and the present to never be satisfied with things as they are, always driven by the possibility of continuously improving the methods by which we help our clients, colleagues and communities.

As we begin year four of our current five-year Strategic Plan — also known as our Innovation Strategy — we have already accomplished so much. Our U.S. headcount has grown more than 50% since 2018. Our annual revenue is up nearly 60%. We have added numerous new specialty services and industry focuses. We have focused on diversifying our ranks at all levels. All of these successes and many more continue to be in support of helping our clients, colleagues and communities be successful in work and life.

As we move into the latter stages of our Innovation Strategy, I want to emphasize the importance of the work we've done even as we set our sights on the future. Because of our colleagues' talent and effort and our partnerships with our clients and communities, we are in a position where we can attain new heights.

A handwritten signature in black ink, appearing to read "James K. Wallace".

James K. Wallace, CPA
Chief Executive Officer

2021 Accomplishments



So much has happened over the last year, and while we'd like to share all of it with you, there's just not enough space! That said, here are a few of our most significant accomplishments:

- We launched **three new colleague resource groups (CRGs): a Black CRG, an Asian American Pacific Islander (AAPI) CRG, and an LGBTQIA+ CRG**. These CRGs (of which there are more on the way) allow colleagues with commonalities to meet and support each other and help foster a diverse, inclusive workplace. Meanwhile, our long-standing Women's Initiative Now! (WIN!) has also been reimaged as a CRG.
- In accordance with our Strategic Objective, the BPM Vision for Growth, we launched our new **FoodTech Incubator**, making us a pioneer amongst our competitors in this emerging sector. We also launched our **Environmental, Social and Governance (ESG) Incubator**, a natural move for a firm like ours that has long served mission-driven, sustainable, transparent companies and nonprofit organizations.
- We launched our new **Virtual Region** as part of our strategy to make BPM the most flexible firm in the profession. This approach allows us to not only provide an engaging, rewarding colleague experience to all our BPMers, but also helps us recruit top talent wherever they may be.
- We welcomed new executive leadership, including **Carl Sorboro** as our new Chief Operations Officer, as well as **Lindsay Stevenson** in a brand-new Chief Transformation Officer role. We also welcomed General Counsel, **Blase Dillingham**, who is helping guide our growing organization through the complex regulatory environments in which we operate. Finally, **Minh Nyugen** has deftly stepped in as our new Chief Information Security Officer, an essential role for our growing firm in today's cybersecurity environment.

2021 Awards

While our work is innately rewarding, we are always honored and gratified when respected organizations recognize our achievements. The following awards and designations reflect our enduring dedication to excellence over the past 12 months:

Best CPA Firm for Women, Accounting MOVE Project; **Best Place to Work**, NBBJ; **VAR Partner of the Quarter**, Sage Intacct; **No. 46 - Top 400 Firms**, Inside Public Accounting; **Finalist - ELEVATE Corporate Leadership Award**, The Registry; **No. 27 - Accounting 50**, Vault; **Best of Accounting Diamond Award**, ClearlyRated; **Best Tax and Accounting Firms**, Forbes; **No. 44 - Top 100 Firms**, Accounting Today



Q&A with Our New Chief Transformation Officer, Lindsay Stevenson, CPA, CGMA

What: New Chief Transformation Officer Role

Why We Need One: To manage rapid growth while maintaining elite client service standards



In May 2021, Lindsay Stevenson officially joined BPM as our firm's first ever Chief Transformation Officer. She comes to us with over 15 years of experience as a change agent in the accounting profession and has already proven herself indispensable through her work on multiple important, complex projects. We know our clients, colleagues and other stakeholders may yet have some questions about what a Chief Transformation Officer is and does, so we posed these questions to her:

1. What is a Chief Transformation Officer? What do they do?

"A Chief Transformation Officer, or CTO, is typically responsible for facilitating innovative transformation within an organization by seeing the whole picture — from people to data to infrastructure — in a cross-functional way. A CTO should inspire enthusiasm for organizational change and anticipate challenges along the way while supporting the needs of both internal and external stakeholders. In short, a CTO works to accomplish all of the 'we wish we could' ideas generated within the organization through intentional resource planning and focused team vision."

2. Why now? Why does BPM need a Chief Transformation Officer?

"Our firm is growing at an incredible rate, as are the number of opportunities for us to create meaningful value for our clients, colleagues and communities. With all of the potential ideas and initiatives BPM could invest in, having a CTO at this juncture helps us home in on the efforts that will result in the greatest possible outcomes while making sure we have the right resources allocated at the right times to accomplish those goals."

3. What projects have you worked on since joining us? What are your goals for the coming year?

"I have had the pleasure of working with the fantastic STAR (our new practice management system) implementation team on configurations and platform launch; the amazing new Data Analytics team on creating a new service line that will launch in 2022; the incredible Finance team on partner reporting that will roll out in early 2022; our genius Legal, Tax QC and Administrative teams on simplifying and automating our tax engagement letters; and our world-class CST leaders on projects ranging from the new Virtual Region to project intake and prioritization. My top priorities for 2022 are to assist in the launch of the Data Analytics service line, pilot our new Advanced Pricing Model within a selection of our teams, collaborate on the launch of our first Colleague Center (flexible physical spaces designed to reinforce recruiting and belonging in regions where we do not have formal offices), and deliver real-time financial reporting to our partners."

“ My 'why' is to help others uncover their 'Zone of Genius' and do everything I possibly can to empower them to operate in that zone every day. Being CTO at BPM allows me to live that 'why' in every interaction with my colleagues as we work together to create the Firm of the Future. I am inspired by the incredibly creative ideas that are born every day within the firm and get truly 'fired up' when I have the privilege of being part of the team that brings them to life. BPM's culture encourages innovation and bravery in addition to being unapologetically people-focused and that, for me, is why I can't imagine being in this role with any other organization. ”

Lindsay Stevenson, Chief Transformation Officer

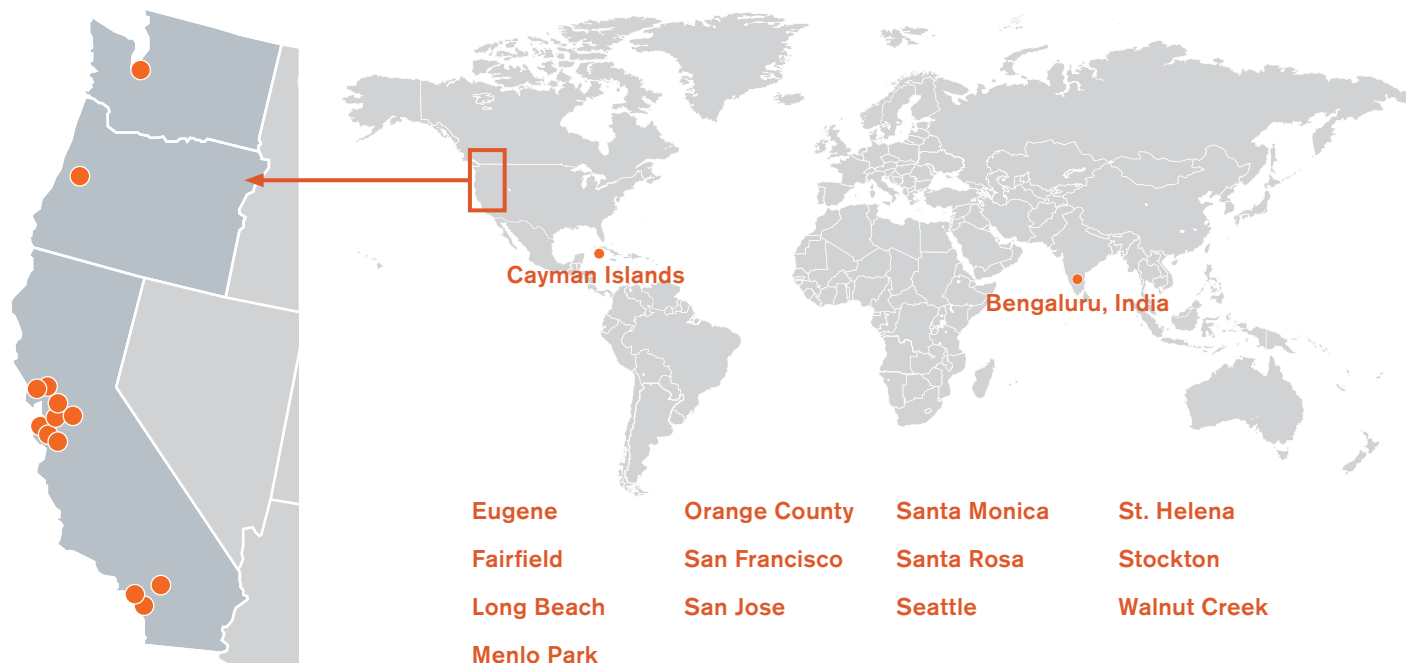
A Year of Growth

What: Business Combination with Gumbiner Savett

Why We Do It: To accelerate our mission of providing our clients and colleagues with more resources in new geographic regions and specialty areas



In 2021, BPM had the pleasure of welcoming more than 100 talented professionals into our ranks through our business combination with Santa Monica-based Gumbiner Savett. The combination with Gumbiner marks our firm's biggest business combination to date and has accelerated our forays into new industries, such as entertainment and textiles. It has also contributed to our growing presence in Southern California, a target growth market for our firm, with a new office in the heart of West Los Angeles. Though we have only begun to scratch the surface of the new and exciting ways our newly combined firm will increase our value to clients as well as create opportunities for our people, it is already hard to imagine our firm before the presence of our Santa Monica colleagues.



900+

Total number of employees — a 37% increase over 2020 headcount

60+

Total number of partners — a 20% increase from 2020

\$165m

Total revenue — 30% more than our 2020 figure

#44

44th largest firm in the country by revenue, according to *Accounting Today*

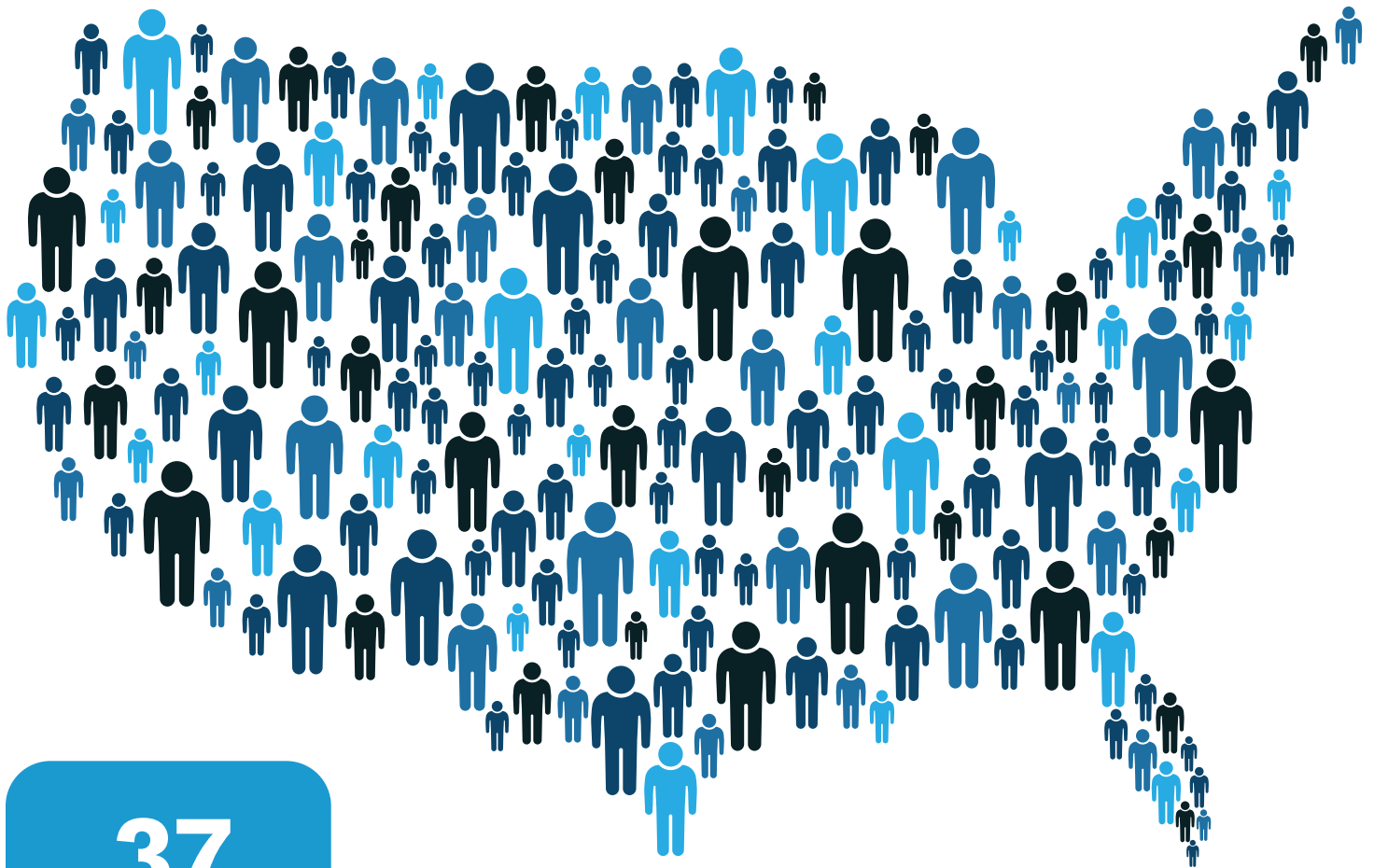
Introducing Our New Virtual Region

What: New Virtual Region

Why We Do It: To make good on our mission to be the most flexible workplace in the profession and give all colleagues equal access to growth



September 2021 announced the formation of our new Virtual Region, furthering our commitment to being a best place to work and the most flexible workplace in the profession. Under the leadership of Edward Webb, Partner and Leader of our Corporate Finance Consulting practice (as well as a remote colleague himself), the Virtual Region has been intentionally designed to provide a means of sharing information, facilitating collaboration, and offering leadership resources to our hundreds of remote colleagues throughout the United States. This initiative will also help enable our recruiters to promote the BPM experience, as acquiring talent even in places where we do not have a geographic presence continues to be a priority in the face of a historically competitive recruiting environment.



37

Total number
of states with
BPM employees

“ [BPM's IT Security Advisory practice] care[s] about providing valuable security, protection and peace of mind for our clients, communities and colleagues so they can focus on what matters to them. ”

Sarah A. Lynn, Partner, IT Security Advisory

New Year, New Services

Taskforces, incubators and new industry groups are a critical means by which we grow our firm and create leadership opportunities for our colleagues. 2021 saw the launch of our new ESG Incubator, as well as the expansion of our Consumer Industry Group into a fast-growing subsector through our FoodTech Incubator. We also formed a Digital Transformation Taskforce to help put our top talent to work solving key business problems many of our clients face.



Digital Transformation

What: New Digital Transformation Taskforce

Why We Launched It: To help middle market companies stay competitive through solutions that foster efficiency, value and innovation

Our new Digital Transformation Taskforce strategically orients our existing services and skillsets around a key business problem. As the digital world matures and remote work becomes increasingly predominant, effective technology strategy and stewardship are increasingly becoming a key competitive advantage. Our Digital Transformation team, consisting of technologists from our Advisory and Assurance practices, follows a results-driven approach to drive innovation and growth for client companies through technology. With comprehensive solutions for digital transformation strategy, operations, implementation, analytics and business intelligence, we assist businesses across the entire digital transformation lifecycle.



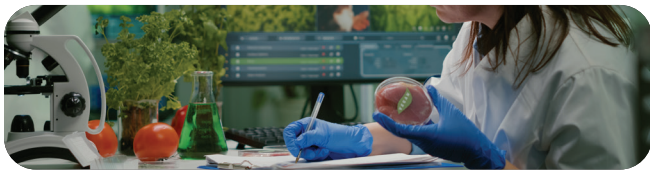
ESG (Environmental, Social and Governance)

What: New ESG Incubator

Why We Launched It: To do our part in promoting a more sustainable, inclusive business environment

Guided by our brand promise “Because People Matter,” BPM has always had a social component to what we do, from our community involvement, to our emphasis on an inclusive culture, to our work with the nonprofit community. The launch of our new ESG (Environmental, Social and Governance) Incubator enables us to meld our emphasis on fostering a better business environment with our specialized technical skillsets to help companies realize their social and sustainability goals. Bringing together a cross-functional team of assurance, HR, technology and cybersecurity professionals, our ESG incubator offers comprehensive services far beyond what is traditionally offered by firms in our space.

New Year, New Services Con't

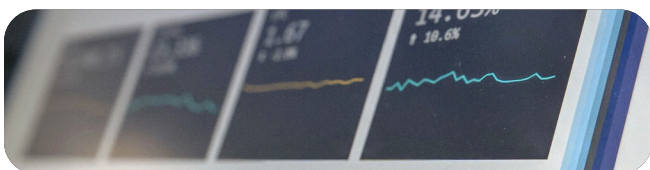


FoodTech

What: New FoodTech Incubator

Why We Launched It: To support this critically important industry with robust financial and business advisory services

As our world faces obstacles such as climate change, extreme weather events, and an ever-growing global population, FoodTech offers the promise of truly sustainable solutions. Startups in the FoodTech space are undeniably some of the most important and innovative in any sector right now, but they tend to lack the guidance of experienced business advisors. That's where BPM's FoodTech Incubator is poised to make a difference. Consisting of a cross-functional team of professionals who have deep experience helping startup, growth-phase, and pre-IPO businesses with full lifecycle financial and accounting services to power sustainable growth, our team helps FoodTech companies make good on their promise.



Looking Forward: Data Analytics

What: New Data Analytics Incubator

Why We're Doing It: To ensure client access to our best and most qualified predictive analytics resources

2022 will see the launch of our latest incubator: Data Analytics. The Data Analytics team brings talented technologists and experienced economists together to create customized solutions for clients that help leaders make better decisions. By helping predict trends and behavioral patterns, our solutions help clients forecast future business conditions, identify the factors that affect performance, and more. We expect to formally announce this new service line in the second quarter of 2022.

“ My every day ‘why’ is making a positive impact for our clients, colleagues and communities. I am thankful to be a part of a firm that works tirelessly for these goals. ”

Kemp Moyer, Partner, Corporate Finance Consulting

Our BPM1 Rocket

Our signature **BPM1™ Service Model** offers clients a cross-functional team approach that gives them direct access to the best and most qualified resources. Our **BPM1 Rocket** builds on this model by leveraging our Innovation Strategy to propel us toward our objective: the **Firm of the Future**. Our **Mission** and **Vision** serve as the “fins” of our BPM1 Rocket. Our fins provide us with stability and direction.

Client Service Standards

Our success is in direct alignment with that of our clients’.

Mission

Our mission is to wow clients with our service, depth of knowledge and deep understanding of their business, personal, and financial goals.

BPM1

Building on a unified **foundation** of integrity, each associate helps us construct a successful future by implementing our vision, client service standards, strategy and brand promise of **Because People Matter**.

High Performing Firm

Where we strive to be when we bring our rocket to life.

Innovation Strategy

Because People Matter

BPM1 Client Experience

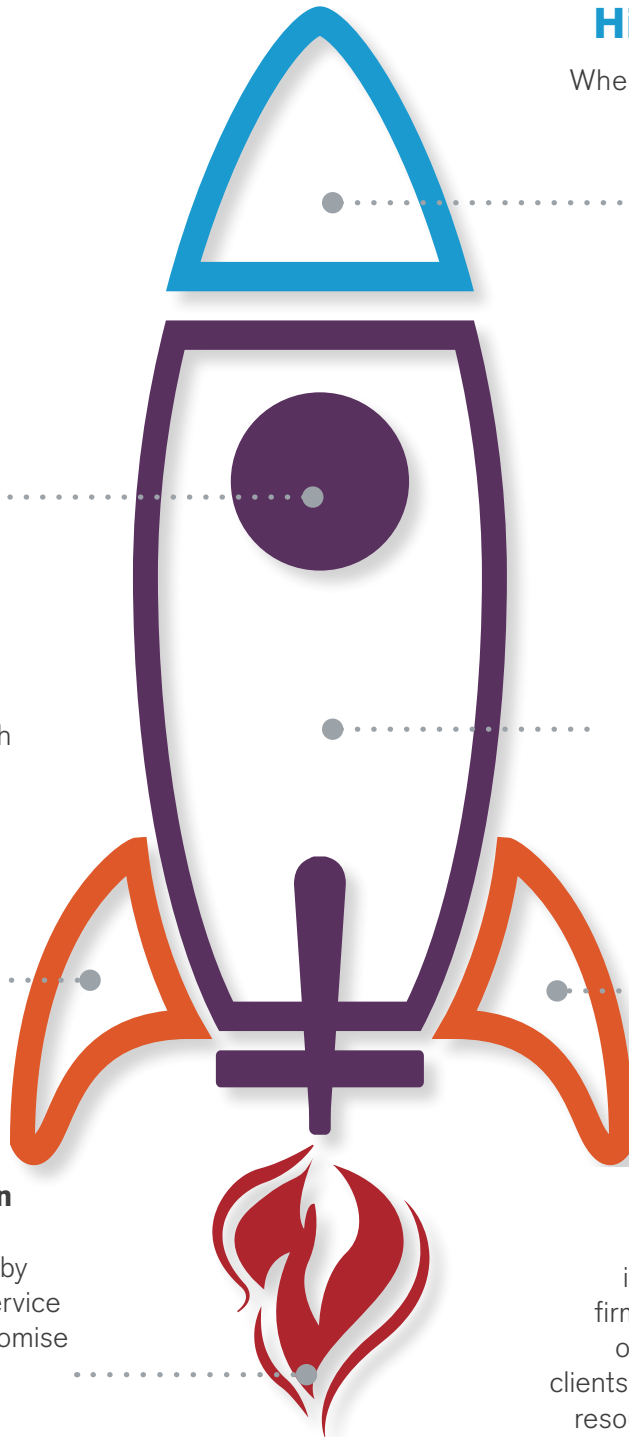
BPM 2.0 Firm Excellence

BPM Vision for Growth

Our strategy is how we turn our mission and vision into reality.

Vision





Our vision is to be an innovative, independent, nationally recognized firm, known for its depth and breadth of expertise and for connecting our clients and our people to the knowledge, resources, and communities they need to be successful in work and life.



BPM1 Service Model

What: Client Service Commitments

Why We Have Them: To ensure we are providing world-class service and developing satisfied clients for life

-  Ensuring all clients experience exceptional team-based service
-  Continuously providing the best and most qualified resources through direct access to all BPM service team members
-  Proactively seeking opportunities to provide solutions, advice and WOW experiences
-  Regularly measuring client satisfaction by formally, and informally asking how we are doing with our service

“BPM strives for excellence and the firm's commitment to “WOW” our clients with world class service motivates me to give 110%. I feel privileged to work with colleagues who have a passion for being the best at what they do and am proud to work for a firm so committed to the success of its clients and employees.”

Claudia Martin, Administrative Manager

2022 Client Survey Results

What: 2022 Client Relationship Survey

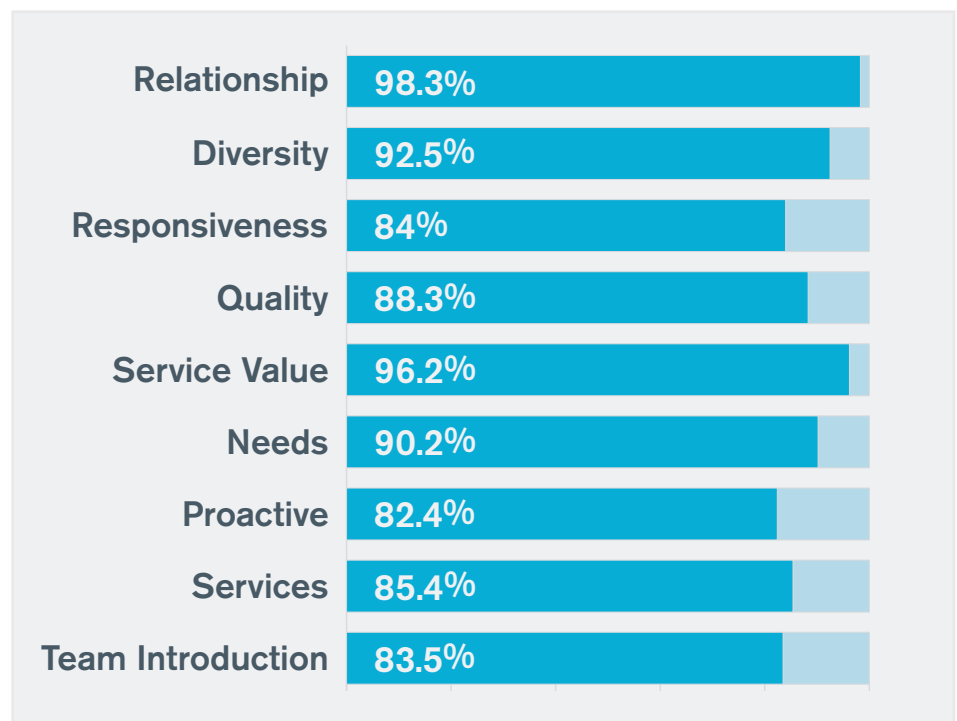
Why We Do It: Our BPM1 Service Model requires us to formally and informally check in with our clients regularly, to ensure we are proactively meeting their evolving needs and providing “WOW” experiences.



In line with our commitment to exceed client expectations, we are always eager to hear from our clients. Following our annual client satisfaction survey, the feedback we receive from our clients is incorporated into our yearly strategic plan. Each survey response is reviewed carefully, and a follow-up plan is developed by the client services team, even if the client provides no areas for improvement. The below metrics show the results from our most recent client satisfaction survey.

This year, our Net Promoter Score, or NPS® for short, (calculated by subtracting the percent of client detractors from the percent of client promoters) stands at 81.8% — more than double the NPS for the accounting profession. We are proud to know we are doing everything we can to help our clients succeed, as noted by our high marks. Whereas last year 88.4% of our clients agreed that we thoroughly understand their needs, this year we saw that number rise to 90.2%. Additionally, a full 98.3% of our clients reported that their relationship with BPM helps improve their business and contributes to their success.

While this reinforces the emphasis we place on building strong relationships with our clients, we always strive for continual improvement. We also heard that there are opportunities for us to improve our clients' BPM experience by introducing them to additional team members who have specialized expertise in their industries. We pride ourselves in our specialty services and making sure all clients have access to service team members in areas such as: **digital transformation, environmental, social and governance reporting, specialized tax services, outsourced solutions** and **technology solutions**, to name a few. We are committed to providing an exceptional experience for our clients and will continue to measure satisfaction by formally and informally asking how we are doing with our service. Overall satisfaction remains a priority.



IN! Committee Update

What: BPM's Commitment to Diversity, Equity and Inclusion (DEI)

Why We Do It: To foster a more diverse, equitable and inclusive business environment that enables people to be successful in work and in life



At BPM, we strive to cultivate a culture that supports and encourages colleagues of all races, cultures, ethnicities, genders and sexual orientations to feel comfortable expressing their authentic self. The mission of our Inclusion Now! (IN!) initiative is to create programs that reinforce a culture of belonging where unique experiences, ideas, knowledge and perspectives are encouraged openly and respectfully. We create a safe space for our colleagues to share their honest opinions, so all team members feel valued and heard.

This year, we are expanding that commitment to promote the values of diversity and belonging not only within our own ranks, but also in our vendor and client networks. To accomplish that, we will:

- Attract and retain diverse clients by delivering marketing and business development campaigns targeted at business owned by women, minorities and LGBTQIA+ individuals in diverse potential client markets
- Create a formal vendor management process to ensure minority-owned businesses are properly represented
- Increase recruitment of diverse candidates by at least 5% across all our practice groups and our Corporate Services Team
- Recruit from a minimum of three historically Black colleges for our internship programs
- Create digital spaces for five or more colleague resource groups and gain the intentional membership of a minimum of 20% of our colleagues in at least one of these groups
- Align up to 10% of our overall marketing budget to DEI activities, including ads, events and branding opportunities
- Create an internal and external communications strategy that intentionally recognizes diverse observances to promote inclusion and belonging

Achieving these goals will require the proactive attention and effort of all our colleagues across our Client Services and Corporate Services teams. As ever, these activities are among the most important things we do, because they derive straight from our core promise as a firm: Because People Matter.



“ Why BPM? We are a close-knit team that prioritizes diversity, equity and inclusion. Each BPMer has an opportunity to voice their opinions and reach their professional goals. ”

Jiselle Boquiren-Wong,
Multimedia Marketer

BPM Leadership

Board of Directors



Jim Wallace
Chief Executive Officer



Rich Bellucci
Chairman of the Board



Daniel Figueredo



Tony Gales



Tom Garigliano



Jenise Gaskin



Rich McDonnell



Rick Parent



Nick Steiner



Julie West

Geographic Managing Partners



Andre Shevchuck
San Francisco
Walnut Creek



David Jorgensen
Orange County
Long Beach



Sarah A. Lynn
Fairfield



Yung Ling
San Jose
Menlo Park



Rick Parent
Santa Monica



Jeffrey Mock
Seattle



Michelle Ausburn
North Bay



Edward Webb
Virtual



Larry Solari
Stockton



David Trepp
Eugene



Jim Fitzgerald
India

Practice Group Leaders



Brian Finnegan
Assurance



Nick Steiner
Advisory



Julie West
Tax

Industry Group Leaders



Daniel Figueredo
Partner in Charge of Industry Groups

Agribusiness



Michelle Ausburn



Larry Solari



Minnie Wright

Blockchain and Digital Assets



Dmitri Alexeev



Mark Li

Consumer Business



Michelle Ausburn
Wine & Craft Beverage



Jamie Emerson-Heery
Wine & Craft Beverage



Ryan Musser

Financial Services



Brad Holsworth



James Lichau

(Continued on Next Page)

Industry Group Leaders (Continued)

Life Science



Michael VanderKlugt



Julie West

Nonprofit



Daniel Figueredo



Shannon Winter

Private Client Services



Rich McDonnell



Sandy Murray

Professional Services



Alan Alvarez



Doug Schultz

Real Estate



Mark Leverette

Technology



Norm Bustamante



Nick Steiner



Dan Winter

Corporate Services Team Leaders



Jim Wallace
Chief Executive Officer



Carl Sorboro
Chief Operating Officer



Moe Asgharnia
Chief Information Officer



Karen Blankenship
Chief of Staff



Rob Blasi
Chief People Officer



Blase Dillingham
General Counsel



Jessica Hekmatjah
Chief Marketing Officer



Lindsay Stevenson
Chief Transformation Officer



John Weems
Chief Business Development Officer

“ My ‘why’ is to assist our clients and our team of consultants in seeing the value of individuals’ unique skills, experience and appreciate diverse perspectives. The workforce landscape has changed so much over the past couple of years and there are so many opportunities to see how we work differently and make changes for the better. I really enjoy helping our clients learn and grow and then see the fruits of all the hard work! ”

Stacy Litteral, Managing Director, BPM Link

BPM



©2021 BPM. All Rights Reserved.

This publication contains information in summary form and is intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither BPM nor any other member of the BPM firm can accept any responsibility for loss brought to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.