

Ready for the parade

How cloud-native document management drives value in PE-backed accountancy consolidation



iManage

Making knowledge work

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Executive summary

The Private Equity (PE) “beauty parade” is transforming the UK accountancy sector. According to a 2025 survey by Kingsley Napley¹, 46% of UK accounting firms are open to private equity investment, with 27% already backed and 19% considering it in the future. Notably, 86% had received approaches from investors in 2024 alone.

At the same time, deal activity is accelerating. UK PE transactions reached £63 billion across 305 deals in 2024², with professional services emerging as a key growth area. Notable examples include AAB, marketed at £250 million, and Grant Thornton UK, reportedly valued around £1.5 billion in ongoing PE negotiations².

In this environment, operational maturity is now a valuation driver. A cloud-native Document Management System (DMS) demonstrates auditability, compliance, scalability, and AI-readiness. The Forrester Total Economic Impact (TEI) study of iManage³ found that organisations achieved 378% ROI over three years, with payback in under six months. Benefits included \$4.37 million in productivity gains, \$60.4K in IT efficiency, and \$324.5K in avoided legacy system costs, for an NPV of \$3.46 million.

Meanwhile, the UK’s Financial Reporting Council (FRC) has upgraded the risk classification of PE investment in audit firms to “high”⁴, citing concerns about audit quality and independence. This white paper examines the surge of PE in accountancy, investor due diligence expectations, why cloud-native DMS drives valuation, the costs and ROI of SaaS adoption, and how firms can prepare to shine in the investor parade.

- 1 Kingsley Napley. (2025). [Survey on PE in Accountancy Firms](#).
- 2 The Times / FN London coverage of accountancy PE deals and valuations (AAB; Grant Thornton UK). <https://www.thetimes.co.uk>
- 3 Forrester Consulting. (2021, updated 2024). [The Total Economic Impact™ of iManage](#). Commissioned by iManage.
- 4 Financial News. (2024). [Audit regulator upgrades risk of private equity investment to 'high'](#).



The PE-driven transformation in accountancy

PE firms are rapidly reshaping accountancy. Historically dominated by partnerships, the sector is now drawing institutional capital seeking roll-up opportunities, scale economies, and predictable revenues. AAB, a mid-market firm with £50m turnover, is attracting offers near £250m¹. Grant Thornton UK, one of Britain's largest partnerships, is in advanced PE discussions, with valuation estimates above £1.5bn¹. Globally, PE activity is intensifying across professional services, with firms betting on "digital optimization" to drive efficiencies.

Isabelle Pagnotta, Head of Business Services at Inflexion, stated²: "There is a lot of digital optimisation we can do on those businesses to make them more efficient."

At the same time, regulators are wary. The FRC has categorised PE investment in audit firms as "high risk"³, warning that audit quality could be undermined by commercial pressures. This creates a dual imperative for firms: capture the upside of PE investment while safeguarding compliance and governance.

Cloud-native DMS as a valuation driver

Accountancy firms looking to attract investment should consider the role their document management systems play in their value.

Traditional file servers and fragmented storage raise red flags in due diligence: poor auditability, siloed knowledge, security vulnerabilities, and integration hurdles. By contrast, a cloud-native DMS such as iManage Work transforms the firm's profile. Key benefits include scalable infrastructure for acquisitions, compliance confidence with audit trails, productivity gains (with Forrester noting 240 hours saved per user annually⁴), reduced risk, and seamless API integrations. From an investor's perspective, these factors translate to higher multiples. Firms with digital maturity integrate faster, operate leaner, and face fewer compliance risks.

1 The Times / FN London coverage of accountancy PE deals and valuations (AAB; Grant Thornton UK). <https://www.thetimes.co.uk>

2 Financial News. (2024). Why Private Equity is Piling into Professional Services.

3 Financial News. (2024). Audit regulator upgrades risk of private equity investment to 'high'.

4 Forrester Consulting. (2021, updated 2024). The Total Economic Impact™ of iManage. Commissioned by iManage.

The new diligence landscape

PE firms now assess operational and digital maturity as rigorously as financial metrics. A modern diligence checklist includes:

Criterion	Investor Lens	DMS Role
Cloud scalability	Can systems integrate quickly across acquired firms?	Uniform governance and global deployment
Audit trails	Can regulators and investors see transparent records?	Immutable version histories, access logs
Cybersecurity	Is client financial data protected?	Encryption, role-based access, secure cloud hosting
Knowledge management	Is firm knowledge accessible, structured, centralised?	Metadata tagging, smart search, collaboration
AI readiness	Can data feed automation and insight engines?	Structured repositories for AI workflows

“By the time we close, we have a strong hypothesis around the value-creation levers—validated through diligence.” — Financier Worldwide¹

¹ Financier Worldwide. (2024). [Q&A: Digital opportunity and maturity in PE portfolio companies](#).

The AI & structured data imperative

AI adoption is no longer optional. In PE-owned environments, automation and analytics are central to value creation. But AI is only effective when data is structured and accessible. With a modern DMS like iManage Work, OCR and metadata tagging create structured data sets; smart search enables instant document retrieval across offices; AI models can automate client letters, flag anomalies, and generate insights. As one PE COO commented in Financial News coverage¹: “If the document estate isn’t clean and tagged, AI becomes a liability—not an asset.”

Model Context Protocol (MCP): Real-world adoption and strategic advantage

To enable AI-driven intelligence safely and efficiently, firms need an open, secure standard for connecting AI systems to their document infrastructure. The Model Context Protocol (MCP) is an open standard introduced by Anthropic in November 2024 that does precisely that, defining a universal interface akin to “USB-C for AI”^{2,3}.

By implementing Model Context Protocol (MCP), iManage, the leading document and email management platform, unlocks a powerful foundation for scalable, intelligent access across the platform. iManage remains the secure trusted foundation that connects and governs content across the AI ecosystem.



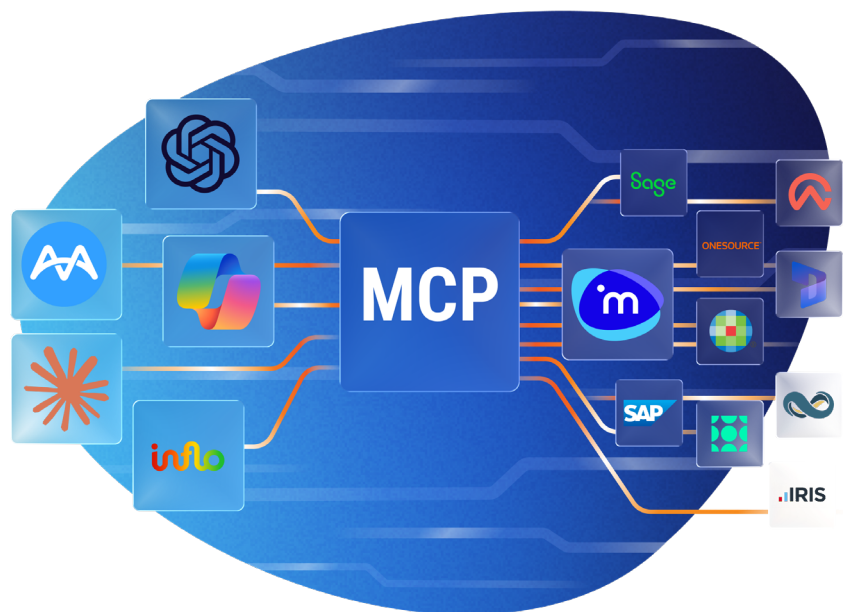
- 1 Financial News. (2024). [Audit regulator upgrades risk of private equity investment to 'high'.](#)
- 2 Anthropic. (2024). Introducing the Model Context Protocol. <https://www.anthropic.com/news/model-context-protocol>
- 3 Model Context Protocol. (2025). Official documentation. <https://modelcontextprotocol.io/>

Why this matters for PE-focused accountancy firms:

- **Security & compliance:** MCP and the iManage knowledge work platform ensure that sensitive work product remains within the firm's secure environment. No external indexing, no shadow repositories.
- **Operational efficiency:** One integration supports many AI tools. IT teams deploy faster and maintain less.
- **Futureproofing:** MCP is designed to evolve with AI. As new models emerge, they can plug into the same protocol.
- **Governance assurance:** As iManage makes the knowledge work platform accessible via MCP, it respects ethical walls, access controls, and audit trails — critical for legal compliance.

Real-world validation: Rio Tinto's legal team has already deployed MCP-enabled ChatGPT Enterprise connected to 4.5 million documents within iManage. The integration powers "deep research" at scale, complete with citations, and has achieved 80% adoption within four months.¹

For a PE audience, adopting technology that uses MCP like iManage signals a pragmatic path to AI enablement: it reduces integration friction and vendor risk, while making it easier to prove that sensitive data access is controlled, auditable, and reversible.



¹ UseJunior. (2025). What Rio Tinto's iManage deep research integration reveals about AI's potential. <https://usejunior.com/blog/what-rio-tintos-imanage-deep-research-integration-reveals-about-ais-potential.html>

Verified ROI evidence

The ROI of the cloud-based iManage platform was verified in the Forrester Total Economic Impact (TEI) study.¹ Commissioned by iManage, the study quantified ROI across multiple enterprises. Highlights included: 378% ROI over 3 years, \$4.37M in productivity benefits, \$324.5K in avoided legacy costs, \$60.4K in IT efficiency, and payback in < 6 months.

As the legal operations and global technology manager of a global restaurant brand put it: “Much of the time people spent trying to get information in and out... was essentially refunded and applied to higher-value activities. The frictionless experience has inspired adoption.”

From a valuation standpoint, a firm saving \$4.37M/year boosts EBITDA by the same figure. At an 8x multiple, this equates to \$35M in enterprise value uplift.

Cost considerations: The opex realities of cloud DMS

While benefits are clear, cloud-native SaaS DMS adoption introduces ongoing opex that must be acknowledged transparently. Licensing costs are typically £30–£90 per user/month, meaning a 200-staff firm might spend £100K–£200K annually. Archive-heavy audit firms must forecast cloud storage growth. Forrester TEI factored in ~£100K of adoption/training costs for its composite case.¹ Integration costs and 3–7% annual fee escalators also apply. The Forrester TEI study included these costs in its analysis and still documented 378% ROI, NPV of \$3.46M, and payback under six months. For PE, opex predictability is attractive—it stabilises expense lines and supports flexible scaling.

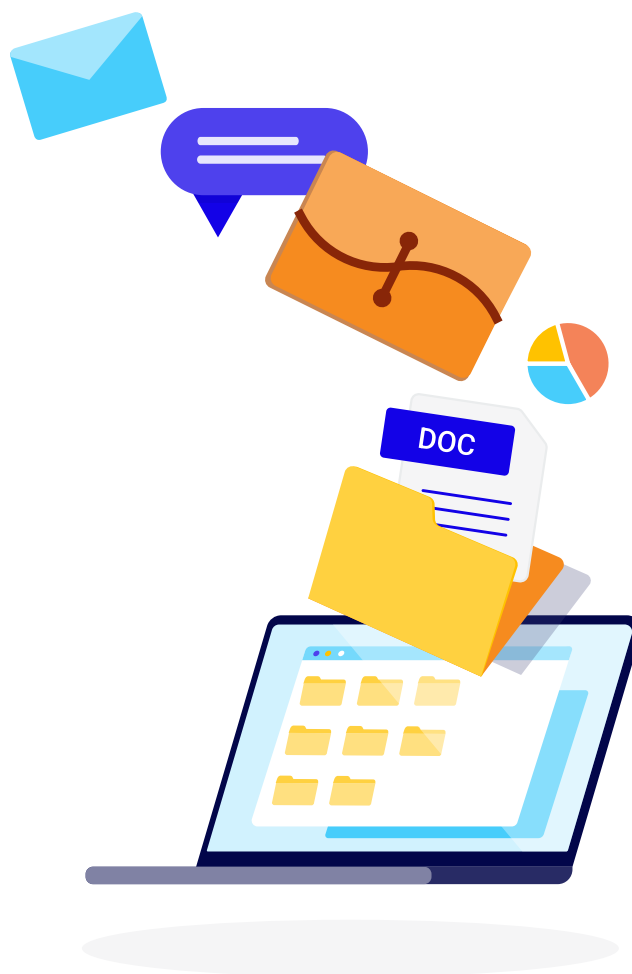
Preparing for the beauty parade

To shine in the PE “beauty parade,” firms must present a compelling operational story. Best practices include demonstrating audit dashboards with logs and retention policies, showing efficiency gains by quantifying billable hours reclaimed, evidencing AI readiness through structured data and pilots, framing opex as predictable, and positioning robust governance in response to FRC scrutiny.

1 Forrester Consulting. (2021, updated 2024). The Total Economic Impact™ of iManage. Commissioned by iManage.

The cost of inaction

In a market where 46% of UK accountancy firms are already exploring PE investment¹, digital maturity is no longer optional. The FRC has flagged PE in audit firms as a “high-risk” area², intensifying scrutiny. Without a cloud-native DMS, firms face slower due diligence, higher compliance risk, and reduced valuation multiples. With a modern, cloud-native DMS like iManage, firms can prove operational excellence, deliver investor-grade governance, realise 378% ROI in three years³, and unlock valuation uplifts worth tens of millions. For managing partners preparing for consolidation, the message is clear: be ready for the parade, or risk being left behind.



- 1 Kingsley Napley. (2025). [Survey on PE in Accountancy Firms](#).
- 2 Financial News. (2024). [Audit regulator upgrades risk of private equity investment to 'high'](#).
- 3 Forrester Consulting. (2021, updated 2024). [The Total Economic Impact™ of iManage](#). Commissioned by iManage.

Discover what iManage can do for you.

Book a demo

About iManage™

iManage is dedicated to Making Knowledge Work™. Our cloud-native platform is at the center of the knowledge economy, enabling every organization to work more productively, collaboratively, and securely. Built on more than 20 years of industry experience, iManage helps leading organizations manage documents and emails more efficiently, protect vital information assets, and leverage knowledge to drive better business outcomes. As your strategic business partner, we employ our award-winning AI-enabled technology, an extensive partner ecosystem, and a customer-centric approach to provide support and guidance you can trust to make knowledge work for you. iManage is relied on by more than one million professionals at 4,000 organizations around the world. Visit www.imanage.com to learn more.