

#### 1st SMP TOOL KIT

#### Guide to Practice Management

for

Small & Medium-Size Practices

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## LEARNING OBJECTIVES



At the end of this Presentation you should have:-

- Learnt how to run an SMP in a <u>Safe, Profitable and</u> <u>Professional</u> for achieve sustainability and success.
- ☐ <u>Acquired tools and skills</u> to harness opportunities and address challenges faced by SMPs.
- Attained technics, competencies and expertise by those managing Small & Medium Practice firms.

## Presentation Agenda



- 1. Planning for your Firm
- 2. Practice Models, Associations and Networks
- 3. Building and Growing Your Firm
- 4. People Power, Developing a People Strategy
- 5. Leveraging on Technology
- 6. Client Relationship
- 7. Risk Management
- 8. Succession Planning

## 1. PLANNING FOR YOUR FIRM



Spe	ecialized Consulting or General Consulting
	Specialized Service in areas like - Audit, Tax, Accountancy.
	Specialized - On the basis of Sectors served - SMEs,
	Corporates, Not for Profit, Government etc.
	General means - Everything including advisory - Business
	Plans, Strategic Advise, M&E.
W	ny Plan?
	"A genius without a road map will get lost in any country".
	To enable yourself to have direction.
	So that you can attest/check achievement of targets What
	gets measured gets done.
	Makes you stick to one thing and the business.

### 1. PLANNING FOR YOUR FIRM



Your Plans or Sections of your Master Plan should touch on ☐ Service Delivery - How to Plan, Execute, Review and Deliver to Clients on Time. Risk Management - What safeguards are in place against risks. ☐ Human Resource - How to Recruit, Deploy, Grow and Retain Staff ☐ Client Relationships - Do they see value? Do they add Value to you? ☐ Marketing and Selling Strategies - What product are you dealing in. Are your marketers understanding the product. Who will Market? ☐ ICT/Technology – Are your operations ICT enabled? Administration-Logistics Finance and Budget- Capital and Cashflow

# 2. PRACTICE MODELS, ASSOCIATIONS & NETWORKS



Decide which Practice Model you want to adopt ■ Sole Proprietor - Owner takes it all, Use of employed staff. Partnership with Profit Sharing - Use staff but demands personal presence of all partners Cost Sharing Arrangement - Where individuals or a group of firms meet their own costs but work on client assignment jointly. Encourages expertise. Multidisciplinary firm - Many experts around the client e.g. ICT, Assurance, Tax, Finance etc.

# 2. PRACTICE MODELS, ASSOCIATIONS & NETWORKS



Us	e of Networks and Associations to Add value
	A group of experts with similar businesses within the same
	economy or region working and collaborating together.
Bei	nefits of Networks
	Business Referrals - Bigger networks may refer business to
	smaller firms.
	Help Delivery of Service - Within a network are a pool of
	experts to serve the clients.
	Management Growth - Mentorship and Coaching towards
	higher standards.
	Branding, Publicity and Image Building - Associating with
	global market leaders

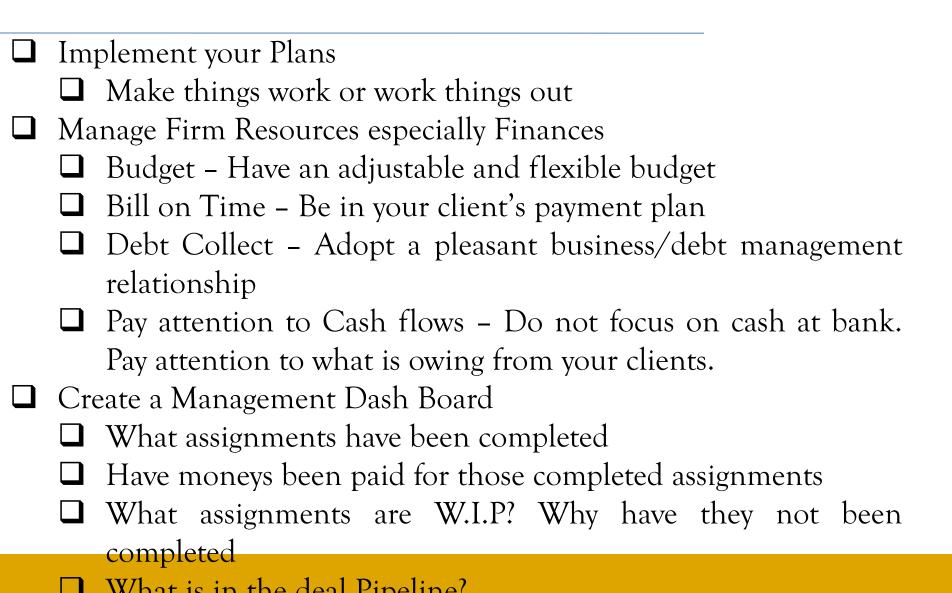
## 3. Building & Growing Your Firm



Ц	Developing dynamic a Business Plan
	Address Growth Challenges through a Strategy
	☐ Benefits & Sustainability of Growth
	Manage Regulatory & Competitive Issues
	☐ Regulations – Acquire relevant licensing and licenses
	☐ Competition – Do not fear Competition, Do not play dirty.
	Adopt a desirable firm Culture
	☐ Productivity- Time based outputs is key in Service industry
	Professionalism- Be Objective and Independent
	Prospect for new clients & Opportunities
	☐ Network – Do not depend on walk in clients
	☐ Socialise – The Power of social capital.
	Build a Brand
	☐ Image and Perception Matters
	☐ Strive to impact your clients with experiential service

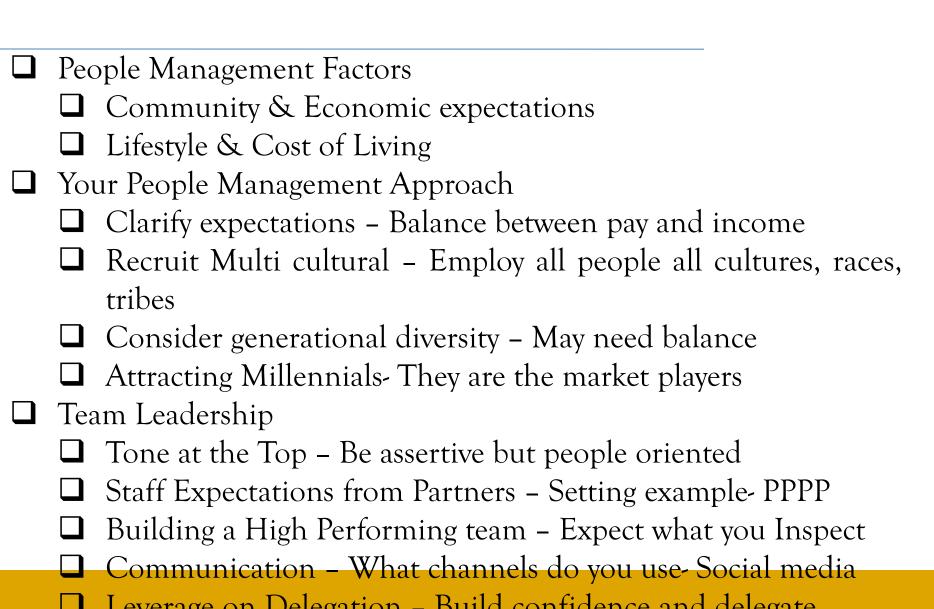
## 3. Building & Growing Your Firm





# 4. PEOPLE POWER- DEVLOPING A PEOPLE STRATEGY





## 5. LEVERAGING ON ICT



Sof	tware and Hardware Options
	LAN - If you must work in a group.
	Document Management - Evidence all your Transactions
	Other Hardware Infrastructure - Internet and Back up
Em	nerging ICT uses
	Auditor software - Increase efficiency by use of audit softwares
	Paperless office - Reduce physical space requirement by
	adopting ICT.
	Use of technology to create a competitive advantage - Delivery
	of documents, invoices, cheques etc
	Virtual office infrastructure - Is it any longer a requirement to
	physically work from office from 8am to 5pm? Set up a field
	infrastructure.

## 6. CLIENT RELATIONSHIP MANAGEMENT



Kn	owing Your Client
	Have a questionnaire - 1 ) To capture permanent data 2) To
	asses service satisfaction.
	Customise questionnaire appropriately based on client e.g.
	SME, Corporate, NGO and Service
Re	view Your Client Base
	What are they doing different? Are they in the same trade?
	Are they making profits? Are they still in Business?
	Make Impromptu visits?
Kn	ow Your Client Expectations
	Knowledgeable and Intelligent clients - Update your skill
	Ignorant and withdrawn client - Do not take advantage
	Prepare to deal with both.

## 6. CLIENT RELATIONSHIP MANAGEMENT



Bei	nchmark Service Levels
	Check out and consider if Service offered is appropriate
	Look at what others have done in the same industry.
Sco	out for Opportunities for Enhanced Business Relationships
	Asses existing gaps - What business areas are bleeding?
	Propose a solution
	Price appropriately
	If approved work on it.

## 7. RISK MANAGEMENT

Obtain appropriate licenses



Wh	y Risk Management? - Protect Reputation, Status and Credibility of the Firm
Firi	m Professionalism and Ethics
	Understand and Comply with the Requirements of ICPAK Code of Ethics
	and their Implications in the Firm
	Understand and Comply the IESBA Code also applicable to ICPAK
	Members
Inte	ernal Risks
	Client Thefts - Persuasion
	External Risks - Competition
	Develop Risk Mitigation Strategies
Cli	ent Engagement
	Manage Risks and Client Engagement Level
	Review on going Engagements
	Manage Disengagement of Assignments
Qu	ality Control in a Audit Firm – ISQC1
Lial	bility and Insurance
	Take a commensurate policy cover for your firm

### 8. FIRM SUCCESSION PLANING



When a firm and Partner matures change is inevitable Consider how to maintain continuation of firm business Select a succession option What Options are available Admit new partners, Hand over to a qualified family member, Merge with another firm, Execute a sale to another firm.

### CRITICAL REVIEW



Throughout this session we have:-

- Demonstrated how to achieve professionalism, safety and profitability in an SMP.
- ☐ <u>Elaborated and Discussed</u> tools and skills on <u>managing and</u> <u>efficiently</u> running an SMP.
- □ <u>Disclosed and displayed</u> competencies and expertise to address SMP challenges in the Market Place.

### FINALLY



#### THE END

THANK YOU

Q&A

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Today