

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 Safe, Profitable and Professional for achieve sustainability and success.
- ❑ Acquired tools and skills 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



- ☐ Specialized 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.
- ☐ Why 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



- ❑ Use of Networks and Associations to Add value
 - ❑ A group of experts with similar businesses within the same economy or region working and collaborating together.
- ❑ Benefits 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



- ☐ 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



- ☐ Implement your Plans
 - ☐ Make things work or work things out
- ☐ Manage Firm Resources especially Finances
 - ☐ Budget – Have an adjustable and flexible budget
 - ☐ Bill on Time – Be in your client's payment plan
 - ☐ Debt Collect – Adopt a pleasant business/debt management relationship
 - ☐ Pay attention to Cash flows – Do not focus on cash at bank. Pay attention to what is owing from your clients.
- ☐ Create a Management Dash Board
 - ☐ What assignments have been completed
 - ☐ Have moneys been paid for those completed assignments
 - ☐ What assignments are W.I.P? Why have they not been completed
 - ☐ What is in the deal Pipeline?

4. PEOPLE POWER- DEVELOPING A PEOPLE STRATEGY



- ☐ People Management Factors
 - ☐ Community & Economic expectations
 - ☐ Lifestyle & Cost of Living
- ☐ Your People Management Approach
 - ☐ Clarify expectations – Balance between pay and income
 - ☐ Recruit Multi cultural – Employ all people all cultures, races, tribes
 - ☐ Consider generational diversity – May need balance
 - ☐ Attracting Millennials- They are the market players
- ☐ Team Leadership
 - ☐ Tone at the Top – Be assertive but people oriented
 - ☐ Staff Expectations from Partners – Setting example- PPPP
 - ☐ Building a High Performing team – Expect what you Inspect
 - ☐ Communication – What channels do you use- Social media
 - ☐ Leverage on Delegation – Build confidence and delegate

5. LEVERAGING ON ICT



- ❑ Software and Hardware Options
 - ❑ LAN – If you must work in a group.
 - ❑ Document Management – Evidence all your Transactions
 - ❑ Other Hardware Infrastructure – Internet and Back up
- ❑ Emerging 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



- ☐ Knowing Your Client
 - ☐ Have a questionnaire – 1) To capture permanent data 2) To assess service satisfaction.
 - ☐ Customise questionnaire appropriately based on client e.g. SME, Corporate, NGO and Service
- ☐ Review 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?
- ☐ Know 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



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

7. RISK MANAGEMENT



- ☐ Why Risk Management? - Protect Reputation, Status and Credibility of the Firm
- ☐ Firm 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
- ☐ Internal Risks
 - ☐ Client Thefts – Persuasion
 - ☐ External Risks - Competition
 - ☐ Develop Risk Mitigation Strategies
- ☐ Client Engagement
 - ☐ Manage Risks and Client Engagement Level
 - ☐ Review on going Engagements
 - ☐ Manage Disengagement of Assignments
- ☐ Quality Control in a Audit Firm – ISQC1
- ☐ Liability and Insurance
 - ☐ Take a commensurate policy cover for your firm
 - ☐ Obtain appropriate licenses

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.
- ❑ Elaborated and Discussed tools and skills on managing and efficiently running an SMP.
- ❑ Disclosed and displayed competencies and expertise to address SMP challenges in the Market Place.

FINALLY



THE END

THANK YOU

Q&A

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Today**