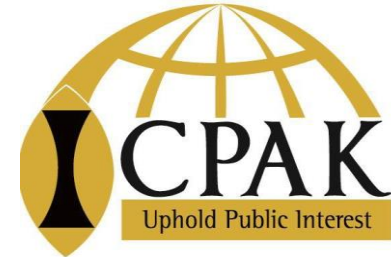


# TOPIC: Growing Your Practice

## A Case of MMA, CPAS

By  
CPA Joseph Masika  
at  
The Hilton Hotel, Nairobi  
30<sup>th</sup> November, 2018

# Growing Your Practice



Mutunga Masika & Associates  
[www.mutungamasika.co.ke](http://www.mutungamasika.co.ke)

**Registered:** Feb 2016 (34 months), **Started Operations:** July 2016 (29 months)

**Partners:** 1

**Staff:** 2 fulltime, 2 on call

**Part-time Associates:** 2

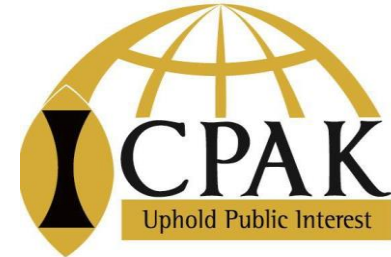
**Associate Partner Firms:** 3 (1 audit firm, 2 management consultants)

**Office:** East End Plaza, Nairobi West (Meridian Equator Hospital)

**Advisors:** FCPA Said Abeid Said, FCPA Erastus Kwaka, CPA George Sagala, Mr. Raphael Kariuki, CPA Job Ngatho



# Growing Your Practice



## Clients:

**Annual Audits:** 11 (4 consulting SMEs, 2 trading SMEs, 2 Estates, 3 NPOs)

**Accounting** only (monthly): 1

**Tax (PAYE)** only (monthly): 1

**Accounting & Tax** (monthly): 3

**One-off assignments** (16): In-house trainings – 2, Forensic audits – 2, Financial Reviews – 1, Policy manual preparation – 3, Recruitment (Executive Search) – 2, ISRS 4400 Audits – 2, Preparation of Financial Reports – 1, Conference Speaking – 1, Accounting system set up – 1, Business Valuation - 1.



# Growing Your Practice



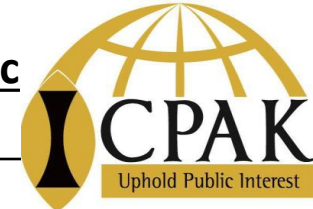
## Reference Points:

Practice Management: MMA Code of Conduct, MMA AQA Manual, Model Audit File, Audit Firm Management Guide.

Administration: Human Resources Manual and Finance & Administration Manual.



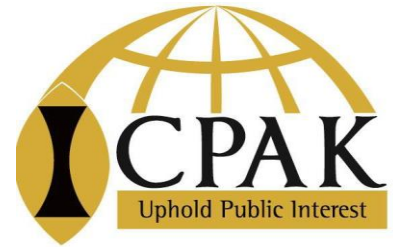
# A SWOT Analysis - Mutunga Masika & Associates (MMA), Certified Public Accountants



<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>a. Fair infrastructure</li> <li>b. Well trained and qualified staff</li> <li>c. Fair visibility tools – customized emails, website (<a href="http://www.mutungamasika.co.ke">www.mutungamasika.co.ke</a>), and branded stationery</li> <li>d. High client retention rate</li> <li>e. Exceptional expertise, experience and confidence in non-profit work</li> <li>f. A portfolio of 5 clients (currently) with whom we have contracts to provide monthly services</li> </ul>	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>a. Temporary – small firm affecting profile</li> <li>b. Lack of audit software</li> <li>c. Relatively low experience in commercial work</li> <li>d. Relatively low experience in tax work</li> <li>e. Slow inflow of new clients</li> <li>f. Relatively small clients</li> </ul>
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>a. NGO work</li> <li>b. Presence in boards of organizations</li> <li>c. Possible partnership in the next two years</li> <li>d. The City of Kisumu</li> <li>e. SOFREPS (&amp; PBO Act)</li> <li>f. Tax Support</li> <li>g. Commercial Entities Work Support</li> </ul>	<p><u>Threats</u></p> <ul style="list-style-type: none"> <li>a. Succession uncertainties</li> <li>b. Inconsistencies: Managing unexpected personal challenges, Low season mgt</li> <li>c. Possible exits of trained staff</li> <li>d. Bills vs Income imbalance</li> <li>e. Professional liability on own actions or those of others</li> <li>f. Burn-out</li> </ul>



# ROLES OF THE MANAGING PARTNER:



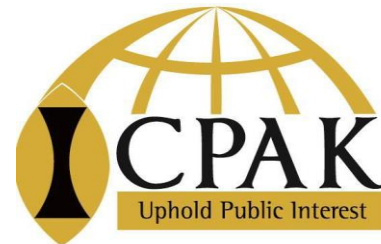
Do not look elsewhere for leadership – You are the entrepreneur (equity holder and business manager), the professional expert, the administration manager, the PR officer, the marketer.

## **1. Business Management –**

- Strategy development – vision setting, growth prospects, strategic positioning, niche targeting, etc.
- Marketing – identifying new business, retaining existing business
- Resource mobilization (especially initial capital) and firm fund management
- Ensuring profitability – Pricing and expenditure management
- Administration – HR Management (Recruitment, Contracting, Performance Management, Termination)



# **ROLES OF THE MANAGING PARTNER**



## **2. Practice Management –**

- Ensure high standards of performance – Model Audit File, AQA Manual, ISQC 1.
- Ethical standards – code of conduct and IFAC/ICPAK Code of Ethics for Professional Accountants
- CPD – ICPAK trainings, Other relevant trainings, reading
- The SIGNATURE protection. That is what you sell.

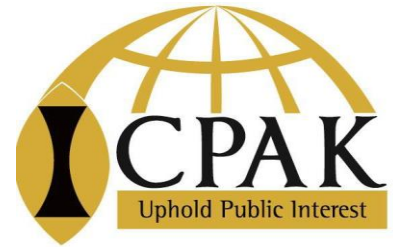
## **3. Relationship Management – Partners, Regulators, Clients, Staff**

## **4. Change Anticipation & Management –**

- Succession management
- Changes in laws and standards
- Managing personal challenges



## LESSONS FOR THE MANAGING PARTNER



**Bumps are and will be there;** do not give up but be realistic, and change approaches where necessary

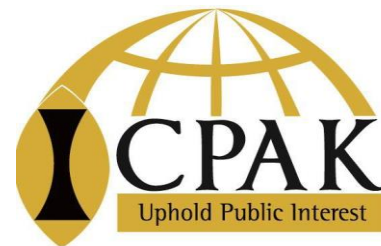
**Seek support;** it is there in plenty – fellow practitioners, ICPAK Professional Services Division, ICPAK membership services, Audit Firm Management Guide, etc.

**Invite AQR team to pay you a visit.**





## LESSONS FOR THE MANAGING PARTNER



**Good service** breeds more work from same client and through referrals; charging low fees as an entry point is a fallacy.

**Be humble** – you will stumble and fail occasionally; be honest to yourself, learn from it, take corrective action and move on. Respect all who approach you and respond to them; whether or not you take up an assignment from them.

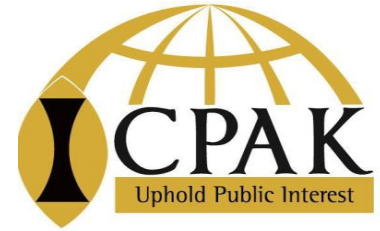
**There is no end to learning** – Go for classes, ICPAK trainings, read, listen to others.

**Keep hay** in store for the hard times

(Additional input from FCPA Erastus Kwaka, CPA George Sagala, CPA Job Ngatho, CPA Duncan Munyasi, CPA Walter Kilonzi, CPA Jackson Ndula and CPA Gedion Nzioki)



# Thank You - Open Forum



**THANK YOU FOR LISTENING TO MY DAD. NOW  
YOU CAN ASK HIM HARD QUESTIONS...!**

