



PRACTICAL GUIDE TO LAUNCHING & GROWING YOUR PRACTICE

Tuesday 19th March 2019

Presentation by:

CPA Hesbon Omollo
Bon&Drew Associates-CPA-K

Uphold public interest

CONTENTS



Firm Background

Growing practice

Roles and Responsibility of the Managing Partner in a firm

Challenges and Opportunities for SMP's

Launching the practice



- a. Determine your readiness to start your firm.**
- b. Establish the goals and practice philosophy by understanding and articulating your value.**
- c. Determine the types of clients and industries you will serve and the service you intend to serve.**
- d. Understand current economic conditions, market research, and differentiate your practice from competition.**
- e. Select your location of business and identify necessary equipment and required technology.**
- f. Determine staffing needs and employment laws.**
- g. Project your personal financial needs.**
- f. Determine the start up costs, pricing structure,**
- g. Check regulation and accreditation rules.**

Firm Background



Our firm was registered in January 2017.

Previously we practiced as Omollo H & Associates(2011) which was a single partner firm for Hesbon Omollo.

Partners: CPA Hesbon Omollo, CPA Andrew Langat and CPA Mollen Achayo.

Branches: Kericho, Nakuru, Nairobi and Mombasa

Head Office: Kisumu, Milimani, Mohammed Kassam rd

Staff: 20 with occasional short term recruitment.

Growing the Practice



Clients(based on revenue percentage)

Annual Statutory Audits-30%

Tax Consultancy-30%

Accounting/book keeping-5%

Training-5%

Management consultancy-30%

Growing the practice



Firm Management/guiding tools:

1. Bon&Drew AQA Manual
2. Audit firm Management guide
3. Model Audit file
4. Bon&Drew Code of Conduct
5. Finance and Administration Manual
6. Human Resources Manual

Growing the practice-Strengths



- a. Trained and competent staff
- b. Visibility of the firm
- c. High client retention rate
- d. Strong business networks built over time
- e. Branch networks
- f. Large pool of talents to tap from

Growing the practice-Weaknesses



- a. Audit software not yet adopted(planned for 2019)
- b. Slow adoption of emerging changes in the industry(mainly tax laws, local legislation)
- c. Low season management challenges
- d. Delivering on very strict deadlines.
- e. Getting clients on board with new technology(especially SMEs)
- f. Specialization challenge
- g. Poor communication skills
- h. Cost management challenges

Growing the practice-Opportunities



- a. Public sector-OAG,UFAA
- b. County governments
- c. Better political environment hence business prospects
- d. Fee guidelines(Accountants act amendments)
- e. Information technology

Growing the practice-Threats



- a. Burn out
- b. Unregulated practitioners(quacks)
- c. Inability to retain good staff
- d. Downward price pressure on services
- e. Commoditization of services.
- f. Automation/AI on routine compliance services which clients can now do on their own.(of course it comes with opportunities).

The Role of the Managing Partner



The managing partner is the engine of the firm.

a. Provide Leadership-

The entire firm looks up at you for overall leadership.

Exhibit integrity, commitment, enthusiasm.

Frequent communication with team to keep them informed of the vision and current events.

b. Build an effective management team-

The MP should ensure the management team is capable of addressing emerging challenges as the firm grows.

The Role of the Managing Partner



c. Keep your fingers on the finances

The level of involvement of the MP in finances depends on the size, quality of the internal accounting team.

d. Recruitment and retention

The MP needs to ensure hire and retention of best staff available.

d. Deal with Partner Issues

Whole is equal to sum of parts. The MP should deal with issues that come with partners. Some are good technically or business client sourcing. Operating agreements are current.

The Role of the Managing Partner



e. Ensure the firm deals firmly with risk management

Ensure policies are in place to deal with risks.

Issues such as,

Client acceptance and continuance,

Going concern issues

Quality control in all firm services

Personnel policies

Billing and collections

f. Participate in decision making on insurance & benefits

Adequate protection from possible liability.

Ensure benefit plans are consistent with firm culture & approach to recruitment and retention.

The Role of the Managing Partner



g. Take a leading role in people development

Firms tend to focus more on technical development but ignores soft skills such as listening, speaking, leadership e.t.c

h. Provide strategic planning and vision

A well thought out strategic plan keeps the firm focused on its vision.

Firm vision needs to be consistently communicated to the team. The MP should lead in this front.

The Role of the Managing Partner



i. Be a catalyst for growth and expansion

The MP should be the catalyst for growth and firm expansion. Expanding the range of services provided to clients goes a long way in retaining a client.

Consider acquisitions and mergers.

Seek relationships with other service providers on areas the firm does not seek to venture in internally.

Lessons for the Managing Partner



- a. **Keep networking**
- b. **Keep learning**
- c. **Provide quality service-** it is your route to referrals and retention.
- d. **Plan for the dry season.** It shall surely come
- e. **Seek support-** It is in plenty from colleagues
- f. **AQR-** Compare with peers through reviews
- g. **Mentorship-** Provide internship and training for future professionals. They will refer businesses and contacts too. It is also your route to giving back to the profession and nation.

END OF PRESENTATION



Questions and Answers

