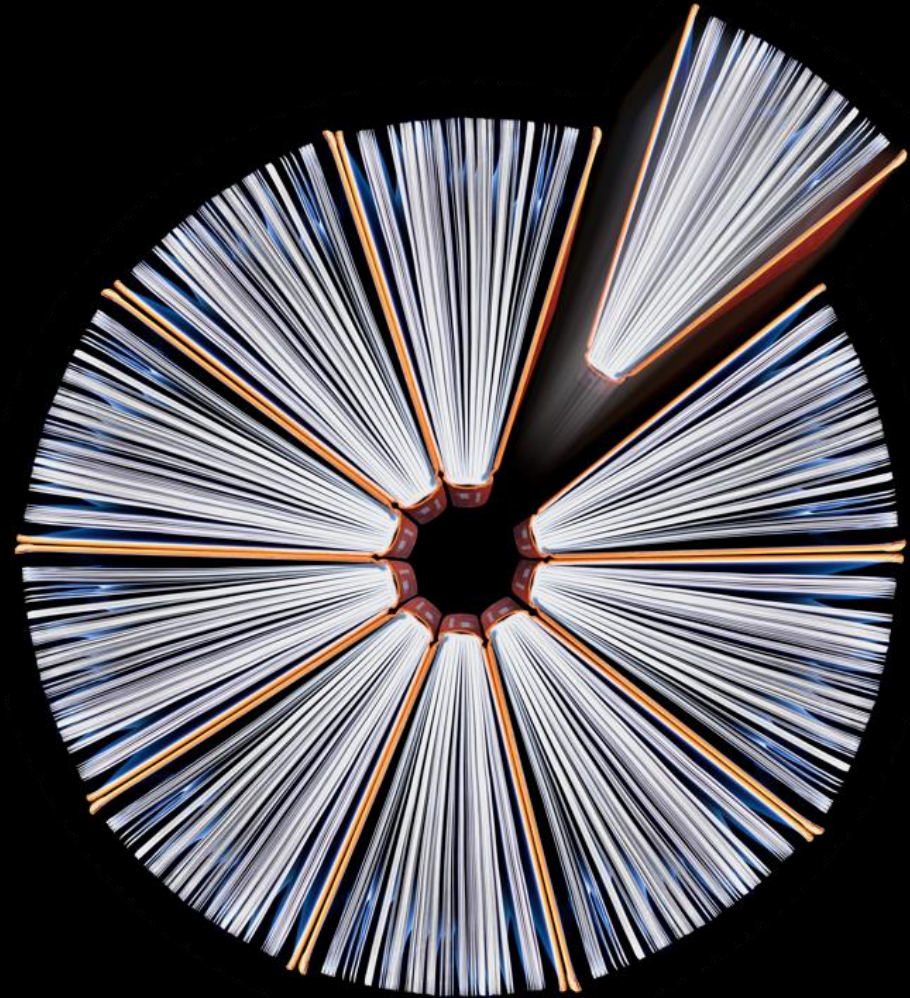




SMP Practice Management

**Presented by: CPA Gordon Oito
20 February 2020**



PLANNING FOR YOUR FIRM



Step 1: Why Start the Accounting Firm
Opportunities
Feasibility Study

SWOT Analysis
(Step 2)

Market Analysis
-Market Trend
-Target
-Competitive Advantage
(Step 3)

Sales & Marketing Strategy
(Step 4)

Financial Projections & Costing

Business Growth
(Sustainability & Expansion Strategy)

The Above make up Business Plan

Executive Summary/Profile



- Our Product and Services
- Our Vision Statement
- Our Mission Statement
- Our Business Structure
- Roles and Responsibilities

AND

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- Registration and licensing
- Training and certification
- Nature of clients you are going to offer service to including: Individual clients and/or corporate clients.
- Taking care of client business
- Offering distinguished services
- Commitment to sustainability
- Accountability to the highest standards

Internal Values and Services

- Legal and Compliance matters
- Differentiators

Models and Networks

Sole practitioner

Legal Structure:

- An individual with no separate legal entity;
- A sole director company to afford some degree of asset protection;
- A service entity that employs some employees and owns some operating assets and that also permits some profit-sharing to a non-accounting person (for example, a spouse, or key personnel); ..
- A cost-sharing arrangement with similar practitioner(s); or Some combination of the above

OR

Partnership

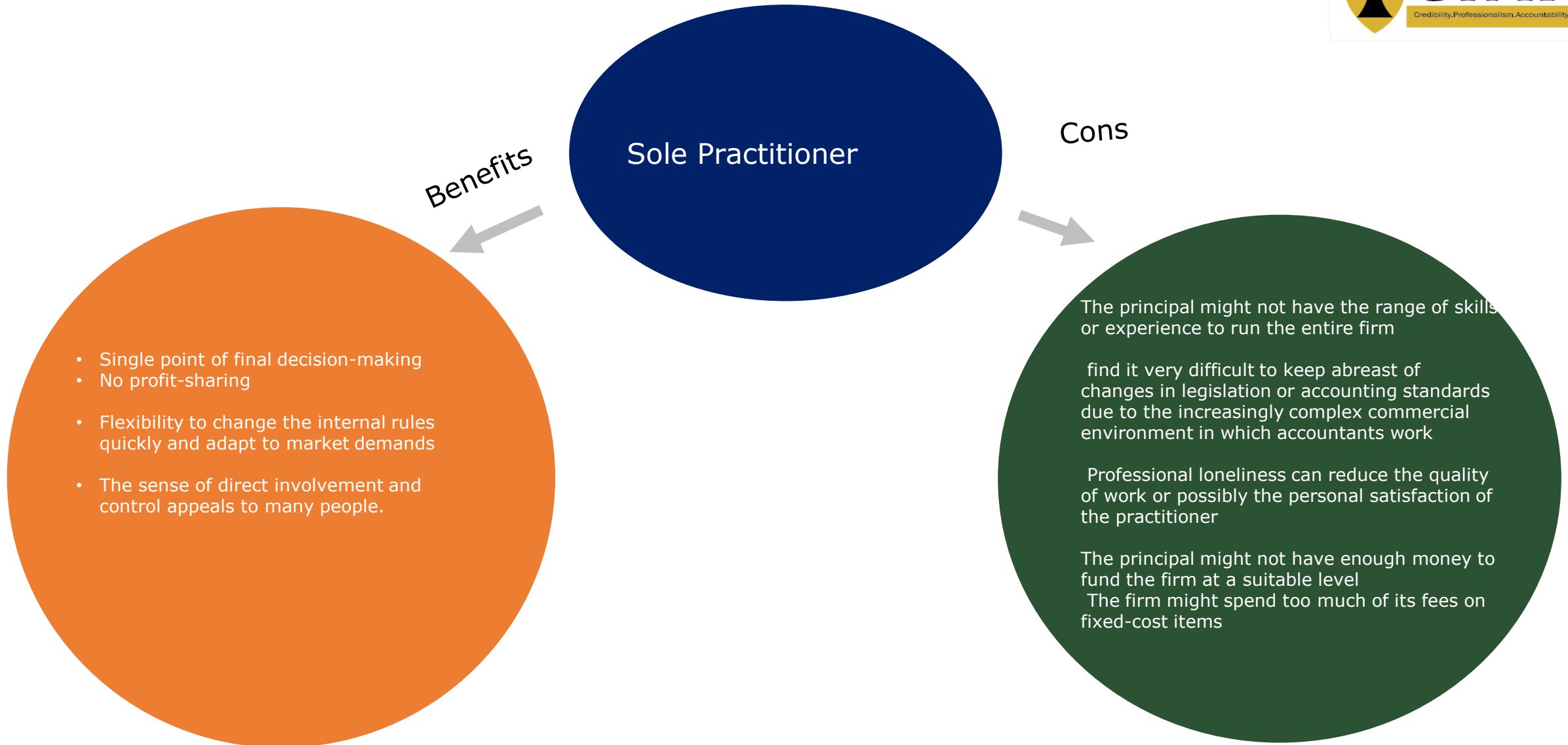
- Partnership of equal:
 - ✓ The extent of personal liability assumed by each partner
 - ✓ Asset protection
 - ✓ The range of services that can, or in some cases must, be delivered through limited liability versus unlimited liability structures.
- Unequal Partnership
 - ✓ Either the ownership, workload, and/or profit sharing arrangements.

OR

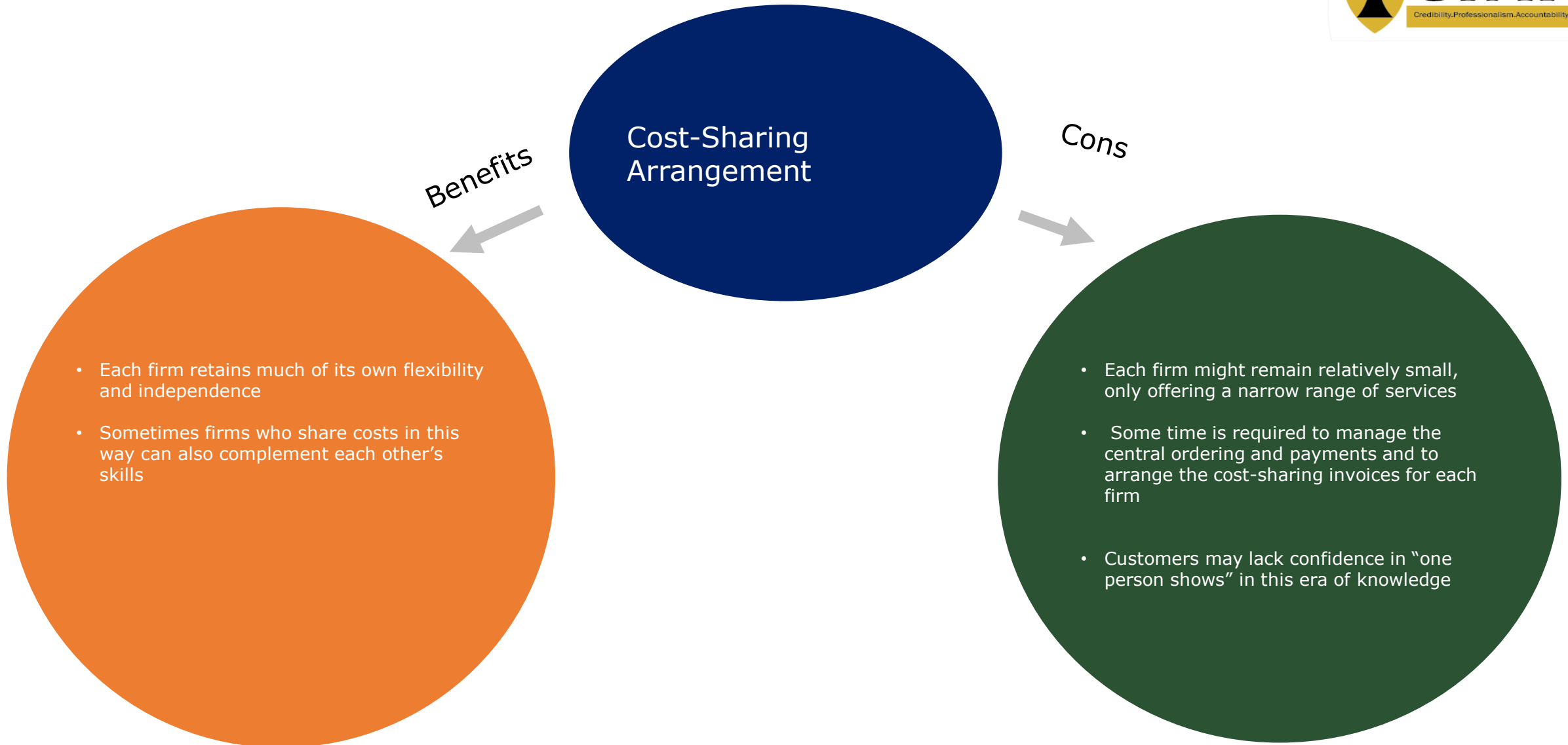
Corporate structures

- The Consolidator Model
- Multidisciplinary Firms

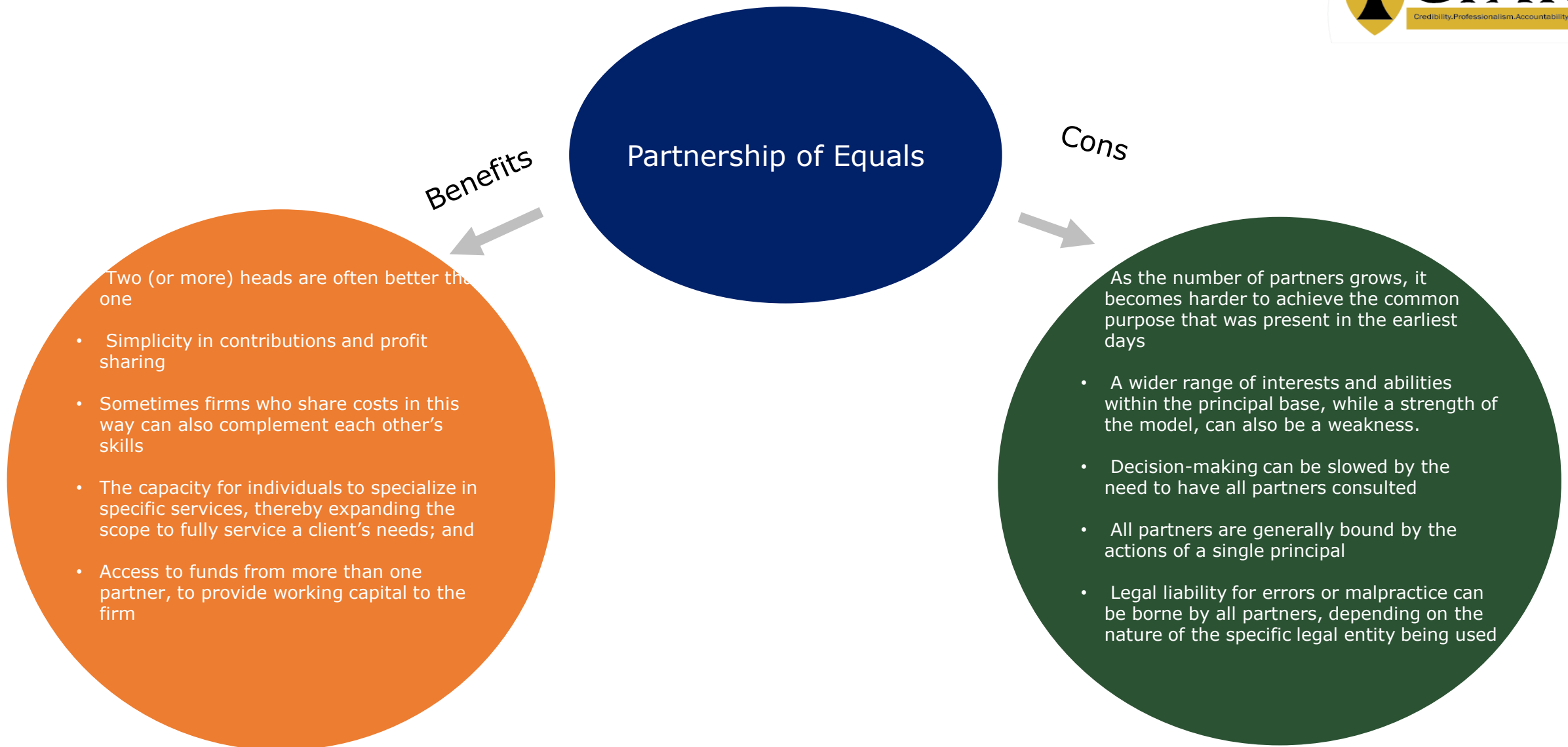
Advantages and Disadvantages of various Structures



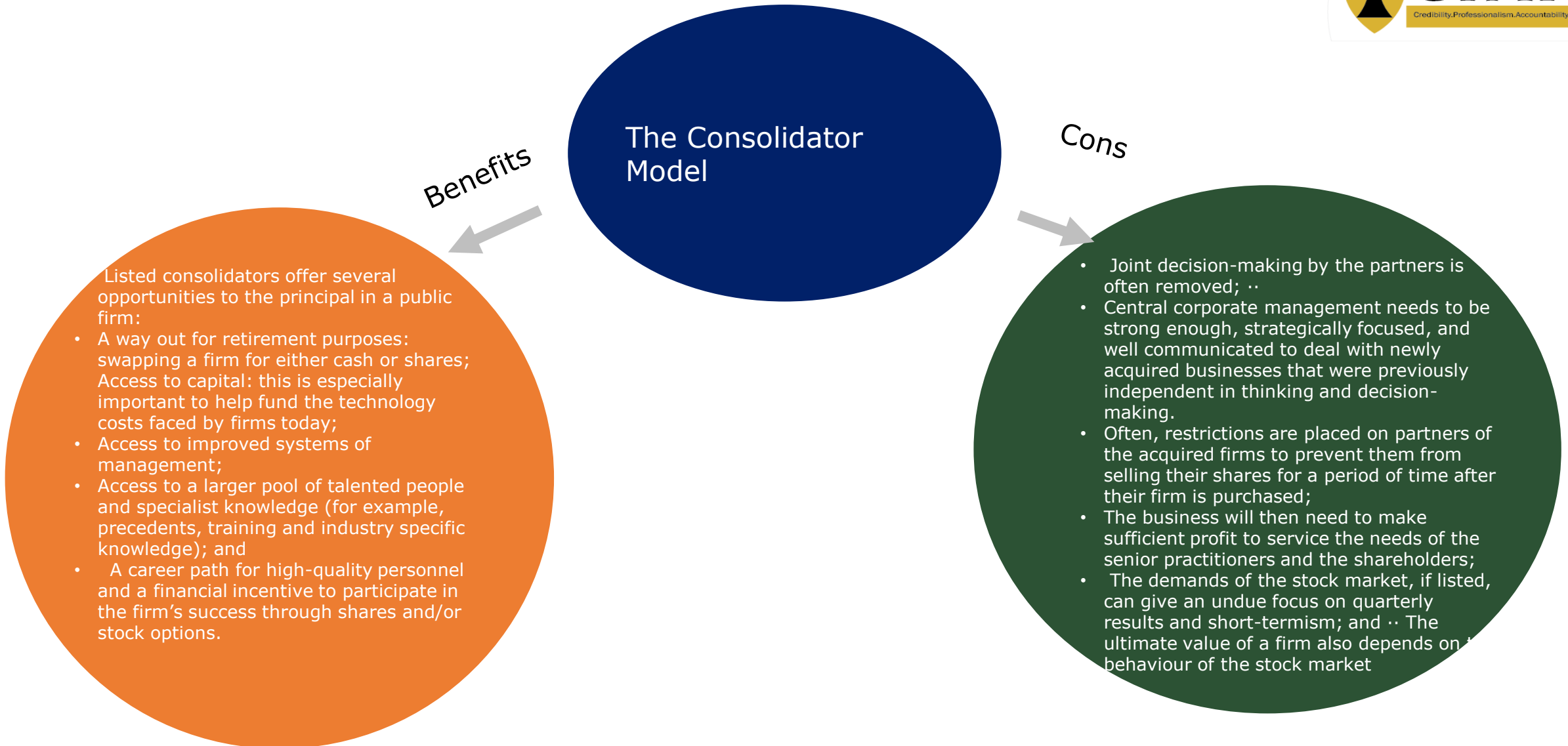
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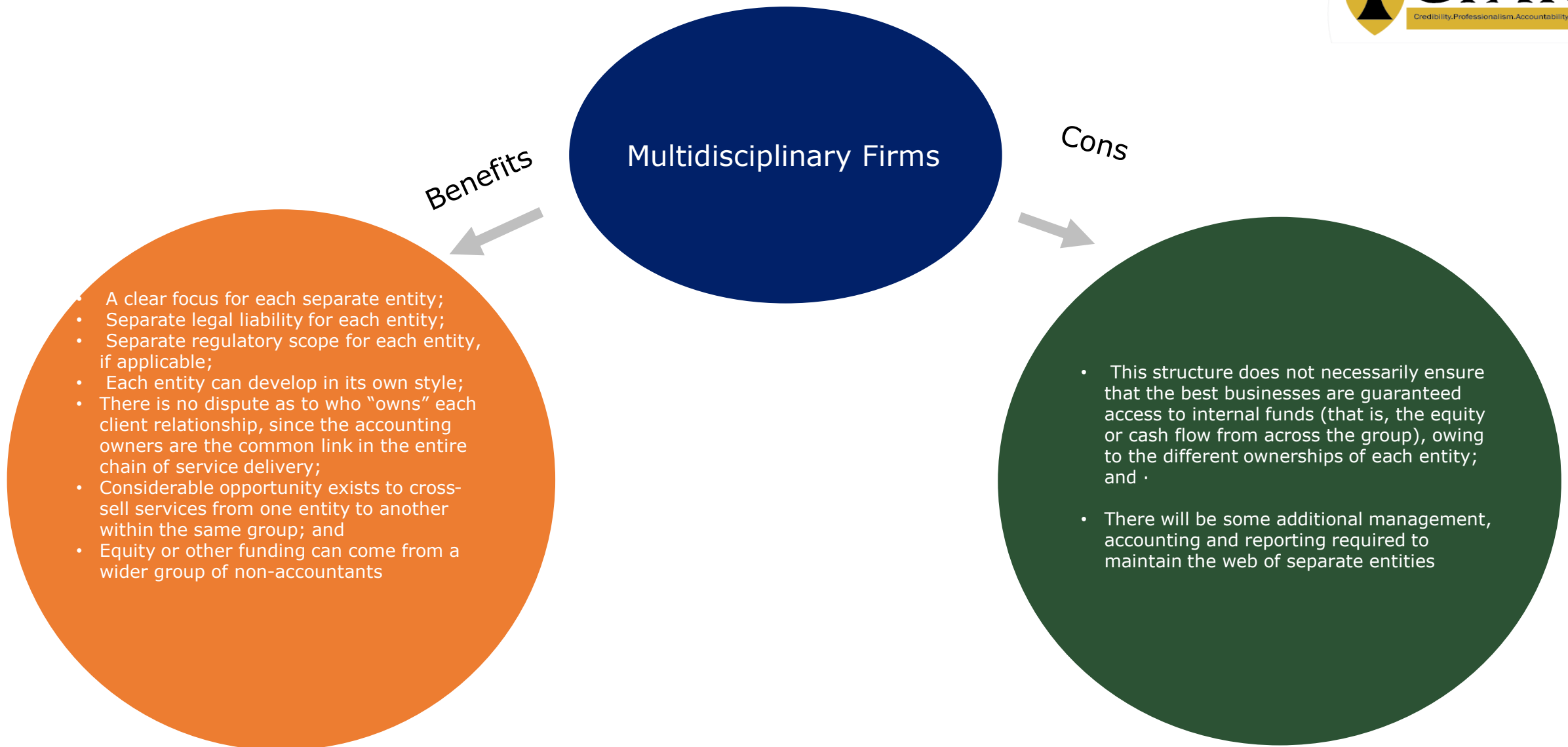
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Advantages and Disadvantages of various Structures



Advantages and Disadvantages of various Structures



Performance satisfied over time = Revenue recognised over time

Your Strategic Plan

Shaped by Legal and Organization Structure

Legislation or Rulings by Your Professional Association :

- Separation of some work for professional indemnity purposes;
- Profit sharing arrangements;
- Non-regulated services provided through a specialist entity

OR

Legal Options

The range of options available to you might include:

- Sole trader;
- Partnerships: either unlimited liability or, in some countries, limited liability partnerships;
- A company or corporate shell;
- A trust; or
- Some combination of the above.

OR

Tax Issues

You might need to consider:

- Income tax payable on trading profits;
- Taxes on distributions drawings or dividends, or on profits retained within the entity;
- Taxes linked to share transfers or asset transfers (possibly stamp duty or transfer taxes); and
- Capital gains taxes, should the value of the equities in the firm vary with the various changes in equity.

How Technology is transforming the accounting industry:

Artificial Intelligence & Robotics -

Artificial intelligence and robotics is automating complex and repetitive tasks and processes, with extreme accuracy, reducing operating costs and increasing efficiency

Cloud Computing –

Cloud computing is a type of Internet-based **computing** that provides shared computer processing resources and data to computers and other devices on demand. This allows accountants to perform accounting tasks from any location as well as the ability to deliver financial information and reports through the cloud.

- **Innovations in Tax Software** - The tax software of today has helped improve accuracy while reducing margins of error - something businesses want to embrace in order to avoid tax penalties and prevent issues with stake holders. Better tax software also helps streamline audits by making them more efficient and effective.

Mobile Accounting

Accountants are increasingly dependent on their mobile devices to access data. Mobile connectivity also bridges accountants and their clients.

Social Media

Social media has become an essential tool for firms wanting to engage with their current and potential clients while expanding their brand reach.

Any Questions?

