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# Disruption and Uncertainty – Positioning Accountants as change agents in a dynamic environment

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## KENYA VISION 2030



### VISION

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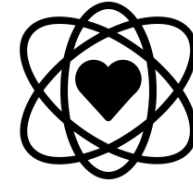
**To be a premier, world-class agency in the coordination of Kenya's transformation by 2030.**



### MISSION

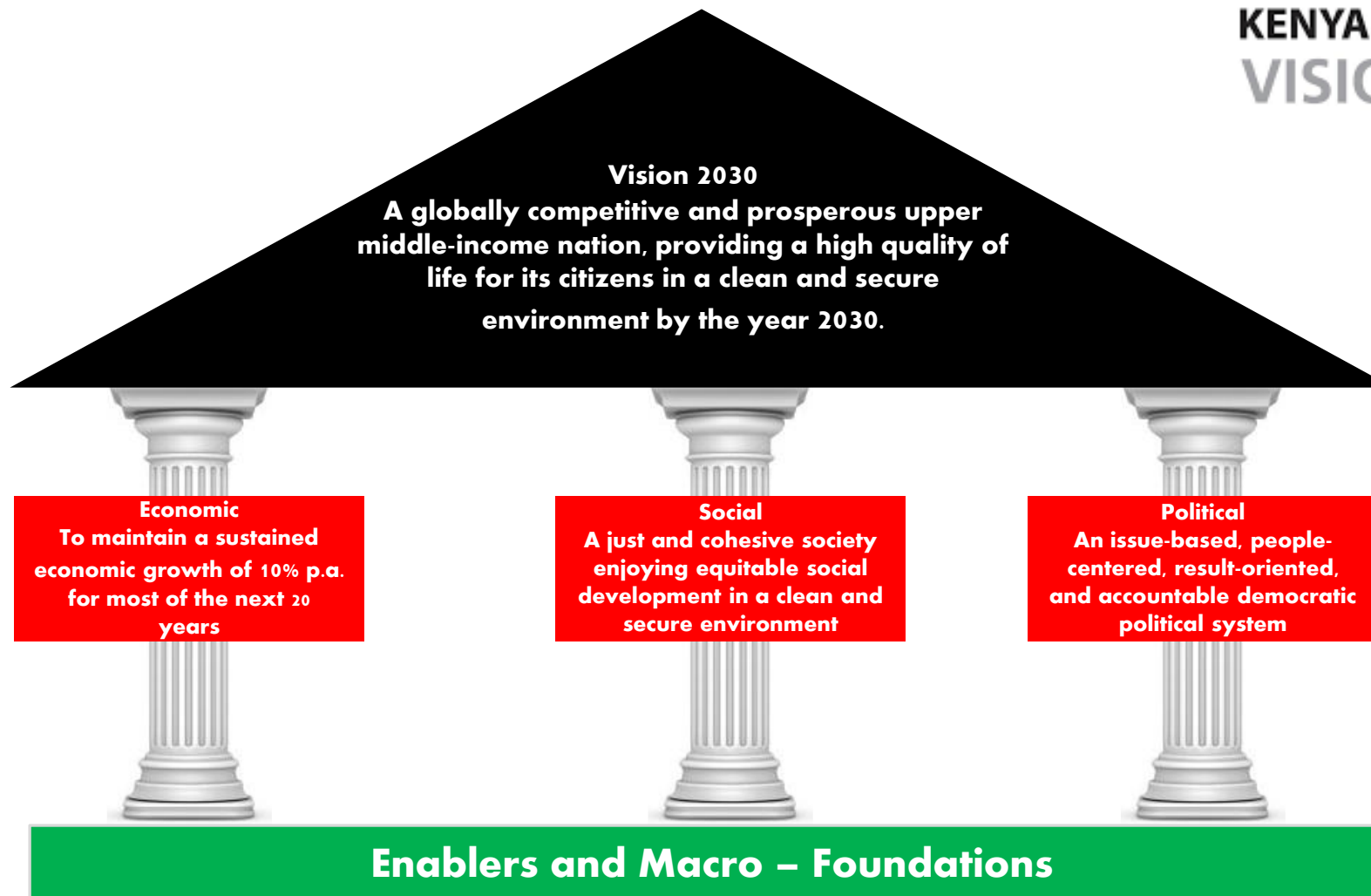
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**To spearhead the implementation of the Vision as the country's blueprint and strategy towards making Kenya a newly-industrializing upper middle-income country capable of providing a high quality of life for all its citizens by the year 2030.**



### CORE VALUES

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- Integrity
  - Equity
  - Professionalism
  - Innovation
  - Teamwork



**Vision 2030 is the National Blueprint for Kenya's development**



❖ Kenya Vision 2030 is implemented through successive Five-Year Medium-Term Plans (MTPs):

MTP I 2008 -2012

MTP II 2013 –2017

MTP III 2018-2022 (Integrates **The Big Four** Agenda)

❖ The Big Four Agenda IS an extract of and is part and parcel of Kenya Vision 2030. It constitutes the focus areas of the Jubilee Administration in its second term, and spotlights **1. Affordable Housing (500,000 new affordable homes per year); 2. Universal Healthcare; 3. Manufacturing (7% to 15% contribution to GDP); and 4. Food Security** as the key Government priorities.

## What is to 'disrupt'?

- ❖ The act or process of disrupting something: a break or interruption in the normal course or continuation of some activity, process, etc.
- ❖ The rapid pace of technological change continues to disrupt traditional methods and ways of work in all professions and endeavors.
- ❖ We all need to learn new skills as traditional tasks become inexorably automated. Further, clients want more, faster, cheaper and more accurate/predictable services, meaning that there is an inverse relationship between quality of work and cost; Clients want better services at lower cost and at higher speed. Something has to change!

## Case Study of Disruption: M-PESA

Kenya's financial and banking system was out of touch with people's needs

- ❖ The distance to the closest bank branch in 2007 was 9.2 km
- ❖ 32% of households lived more than 10 km from a bank branch
- ❖ 19% of households lived more than 20 km from a bank branch

Today,

**M-PESA lowered transaction costs dramatically**

- ❖ Costs: for an average distance of 200 km: Kshs 35 vs Kshs 460 for bus-fare
- ❖ Distance to an agent was 4.9 km in 2007. Has fallen to max 1 km by 2021
- ❖ 49% of households live within 1km distance of an agent....some are in this room 😊

## How did Safaricom do it?

- ❖ Safaricom understood the market (remember Michael Joseph saying Kenyans have ‘PECULIAR’ habits? Remember Celtel trying to convince Kenyans that per minute billing was cheaper than per second billing?)
- ❖ Safaricom understood that the majority of Kenyans are in the ‘kadogo’ economy; Sachets ( for daily consumables, e.g., Milk, Sugar, Flour etc. Same applies for Airtime and Data.
- ❖ Safaricom simplified PAYMENTS: From your phone, you can do EVERYTHING; Pay utility bills, send money, get an instant loan, pay debt, get an Overdraft (Fuliza), etc. Safaricom Innovated and keeps Innovating....and disrupting 😊
- ❖ Soon, Safaricom will be like KANU: ‘Baba na Mama’.

## Professional example of disruption

❖ Lawyers, Lawyering and the Law. In the ‘developed’ world, Artificial Intelligence Rules.

*Example: Lawgeex*

**Concept:** Knowledge and information turned into AI gold.

❖ Because of the millions of contracts in the database, the AI platform developed a legal brain of its own.

❖ It understands legal concepts and analyzes legal language the same way a human lawyer would - with enhanced speed and accuracy.

❖ Lawgeex does not go for lunch, or fall sick, or get late to work, or have discipline issues..... The machines are already in charge.....

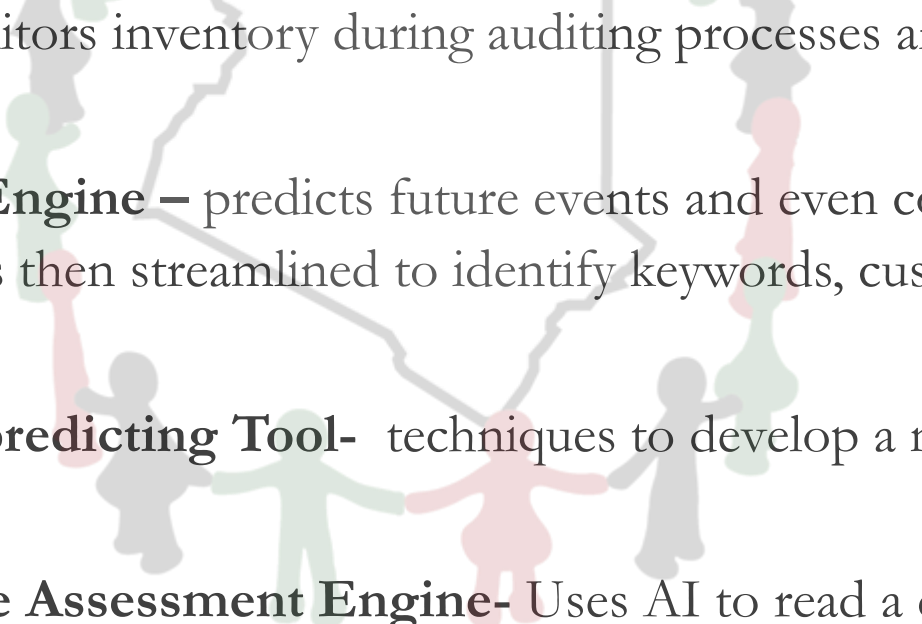
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**In seconds (in today's world, time IS of essence), the AI algorithm**

- ❖ Searches e-files for the appropriate document/s with the same speed as your usual Google Search
- ❖ Collates and extracts the essence of legal opinions, Judgements and Rulings on the topic at hand
- ❖ Does top-class drafting in seconds that graduates of the best Universities in the world would take hours to do
- ❖ Can play devil's advocate and present the best case AGAINST in order to sharpen the lawyer's arguments.

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## Big-billing Accounting Firms have adopted Artificial Intelligence initiatives. Examples:

- ❖ **Airborne drones** – monitors inventory during auditing processes and communicates this data directly
  - ❖ **Call Center Analytics Engine** – predicts future events and even converts customer calls to unstructured text, which is then streamlined to identify keywords, customer sentiment and predicts future trends.
  - ❖ **AI Anomalous Event-predicting Tool-** techniques to develop a model to predict future business events.
  - ❖ **Document Compliance Assessment Engine-** Uses AI to read a documentation- contract, leasing and investment agreement in its entirety and yield relevant information.
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## The future: Either Frightening, or Exciting

- ❖ **Blockchain** to improve efficiency and provide clarity over asset ownership and obligations.
- ❖ **Big Data analytics** to enable accountants identify issues with real-time access to data
- ❖ **Artificial Intelligence** to complete repetitive tasks such as recording data and reconciling accounts
- ❖ **Mobile applications** to facilitate automated accounting and book-keeping
- ❖ **Cyber-security** to guarantee security of information
- ❖ **Visual Communication** to convey ideas and information to clients



## Focus Areas for Kenya Vision 2030 and The Big Four Agenda

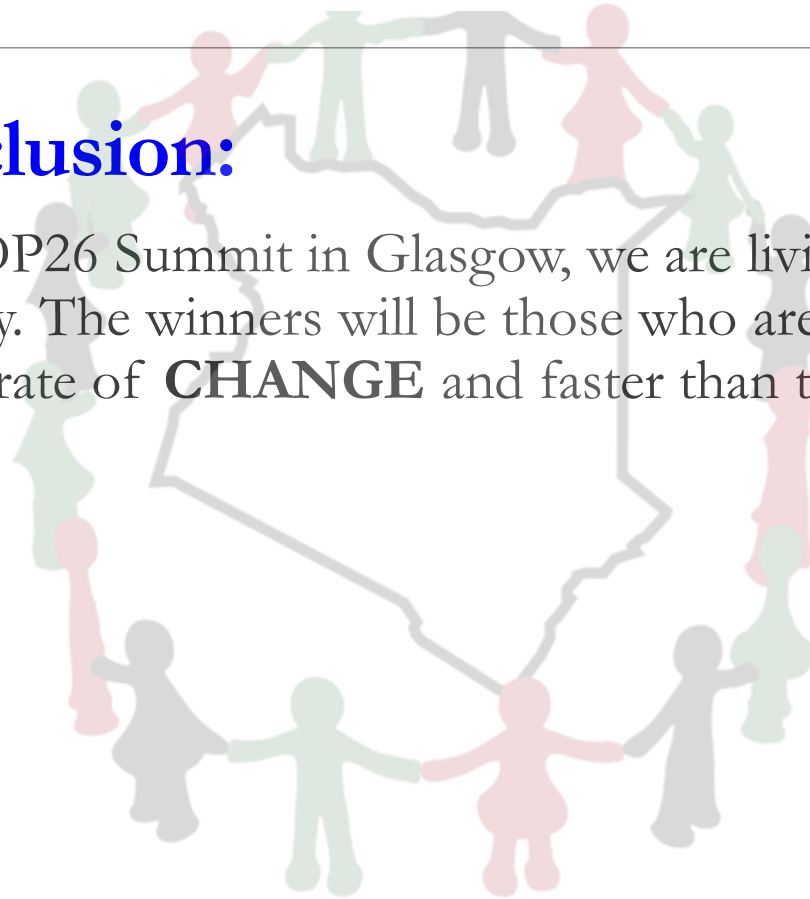
- ❖ Fear is good; it keeps one on their toes. For Kenya Vision 2030, we take the position that it is better to flow with the wind than to try to resist it – Bend or Break!
- ❖ E-Citizen: Driver's Licenses, Transfers, ID's, Work Permits, Business Registration, registration of Political Parties, etc.
- ❖ Judiciary: Case-management system
- ❖ Ardhi-Sasa system at Lands Registry
- ❖ The future is about living with technology and accommodating it inside our houses, offices and lives. There is no choice here.

## Future (Current?) demands on the Accounting Profession

- ❖ Digital Transformation
- ❖ Expanded customer base
- ❖ Trend-spotting
- ❖ Partnerships
- ❖ Continuous process improvement -  
Kaizen
- ❖ The cloud
- ❖ Big Data and Analytics
- ❖ Virtual platforms and  
collaboration tools (2 years ago, who  
had heard of Zoom?)
- ❖ Automated book-keeping
- ❖ Blockchain

## Conclusion:

As echoed during the COP26 Summit in Glasgow, we are living in a period of rapid change and increasing complexity. The winners will be those who are the most **AGILE**; those who **LEARN** faster than the rate of **CHANGE** and faster than their **COMPETITION**.





THANK YOU