



New Challenges - The Chartered Accountancy Profession



CA Rajkumar S Adukia

B.Com (Hons), FCA, ACS, ACWA, LLB,
DIPR, DLL &LP, IFRS(UK), MBA

email id: rajkumarradukia@caaa.in

Mob: 09820061049/09323061049

To receive regular updates kindly send test email to : rajkumarfca-subscribe@yahoogroups.com & rajkumarfca+subscribe@googlegroups.com



Overview

- Scenario of Challenges Yesterday
- Scenario of Challenges Today and Tomorrow
- What are the Challenges
- How to face the Challenges?
- Professional Goal Planning
- Additional Guidelines on professional opportunities
- Balancing Work, Society and Family



“The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy.”

- Martin Luther King, Jr.



Meaning of “Challenge”

- A call to engage in a contest, fight, or competition
- An act or statement of defiance; a call to confrontation
- A demand for explanation or justification; a calling into question
- A test of one's abilities or resources in a demanding but stimulating undertaking
- *Law* A formal objection to the inclusion of a prospective juror in a jury.
- A sentry's call to an unknown party for proper identification



Nature of Challenge

- Challenges for the profession as a whole
- Challenges for the different groups within the profession



“There is never time in the future in which we will work out our salvation. The challenge is in the moment; the time is always now.”

- James A. Baldwin



Challenges Yesterday, Today, Tomorrow



Challenges – Yesterday's Scenario

- The scope of the profession has been restricted to traditional areas of practice – accounts, auditing and taxation
- Some of the other challenges where
 - Meeting deadlines
 - Allocation o Resource
 - Dealing with issues of internal concern
 - Dealing with few competitors
 - Governmental Regulations



Changing Business Scenario

- One of the constants in the rapidly developing 21st century economy is the constant escalation of international economic activity.
- Change Management becoming the key area of focus concerning Changing Business Scenario
- The points of focus are
 - Key Issues Driving the Business
 - Issues of National and International Significance
 - Globalization of Taxation and Corporate Law
- Focus on Non Financial Measures
 - Competitive Performance
 - Resource Performance
 - Process Performance
 - Environmental Performance



Change in Scope of Professional Services

- The range of professional activities of CA's has expanded over the past few decades to include
 - Auditing,
 - Financial Reporting,
 - Taxation,
 - Personal Finance,
 - Corporate Finance,
 - Financial Management and
 - Information Technology
 - E Commerce
 - Cross Border Investments
 - Professional Indemnity



Today's Scenario

- The emerging areas of opportunities and risks call for different skill sets, knowledge and delivery mechanism.
- Competing with multinational entities, corporate bodies and experts in the field of management consultancy
- Division of Services offered into
 - Traditional Practice
 - Consultancy
- The need to show a mark of expertise in both statutory or traditional practice areas and consultancy field



Professional Prospects in Future

- Growing need for financial experts across borders
- Professionals present in the panel of decision makers across business and technology
- Innovation and Empowerment the need of the day
- Quality Management at its very best
- The need for a high level understanding of Information Technology
- Challenging a Competitive Environment
- Increased Management Consultancy Services
- Knowledge Management
- Resource Management



The Fact

- CA's undergo lengthy and rigorous training
- Must pass numerous examinations to qualify for membership.
- They are required to maintain high standards of professional conduct and
- Their competence is supervised by their home institutes



“The only use of an obstacle is to be overcome. All that an obstacle does with brave men is, not to frighten them, but to challenge them.”

- Woodrow Wilson



What are the Challenges?



Wide Spread Challenges

- With open markets on each of the continents, accountants with international expertise have become increasingly necessary to almost all businesses.
- Social pressures for greater accountability worldwide continue to force governments businesses and the profession to be more responsive to the needs of the public and stakeholders.
- Expansion of the power and availability of information technology both globalizes commerce further and raises the need for accountants to become "knowledge managers."



Characteristics of Challenges

- Change Management
- Global Service
- Critical Strategic Management
- Information Technology
- Marketing Approaches
- Marketing Partnerships
- Research & Development
- Ownership and Control
- Organizational Change
- Retain Client Base



Categorization of Challenges - Professionals

- **Growing Stage** –
CAs in the age group – 20 to 35 yrs – learning
- **Accomplishing Stage**
CAs in the age group – 35 to 50 yrs - performing
- **Accomplished Stage**
CAs in the age group – Above 50 - guiding



Categorization of Challenges – Professional Establishments

- Small Firms
- Medium Firms
- Large Firms



Small Firms



Small Firms

- This includes Chartered Accountants working in public practice, in sole practice or in the smaller firms.
- Most of these firms have operated exclusively in local markets.
- Approximately 34% of Chartered Accountants work in sole practices or small firms



Challenges facing Small Firms

- Traditional services – accounting, auditing and taxation
- Managing Change
- Information Technology
- Tuning to Professional Development
- Competition from other firms
- Manpower management
- Client management
- Perpetual existence of the professional firm
- Specialization
- Marketing management
- Resource management
- Overseas Opportunities



Medium Sized Firms



Medium Sized Firms

- This includes the so called 'second tier firms'
- Many of these firms operate both nationally and internationally.
- About 3% of Chartered Accountants belong to this segment.



Large Firms



Large Firms

- The large firms, currently referred to as the 'Big Five', all operate globally.
- This sector employs about 13% of Chartered Accountants



Challenges facing Medium and Large Firms

- Managing Changing Requirements
- Risk Management
- Research and Development
- Globalization of Business Activities
- Competing with peers and its advantage
- Technological challenges
- Specialization
- Responsibility and Accountability
- Leadership
- Manpower management



How to Manage these Challenges?



The Professional Advantage

- CA's have a keen understanding of the new challenges facing businesses in the global marketplace.
- They are uniquely poised to serve and advise clients in need of international financial expertise.



Competencies Required to Face Challenges

- High Level Information Technology skill set –
 - IT based business application skills
 - Develop IT knowledge and application essential for practice development
 - Utilization of IT for overcoming structural problems
- Strategic Planning and Management Skill
- Knowledge Management
- Extensive Corporate Knowledge
- Pro Active Approach
- Ability to lead the process of information management and evaluation
- Handle Competition



Competencies Required to Face Challenges

- Marketing Approach - Develop understanding of Clients Business and Industry
- Go for strong International Links to compete on a global basis



How to manage Practice effectively?

- Management is the art of making **effective use of resources** to achieve your goals.
- It concerns **planning, coordinating and implementing** all aspects of an organization's operation in a manner which fulfils the organization's aims.
- The essential ingredient for success is for every firm to know its **own strategy**—the path that principals and employees wish to travel—so that the firm meets the needs of its owners
- Good management will keep the firm commercially viable and professionally competent.



Don't just "work smart", work smart on the right things.



80/20 Rule For Effective Management Of Practice

- The Pareto Principle says; that in most cases, 80% of production comes from 20% of producers or 80% of the sales come from 20% of the sales force or that 20% of customers are responsible for 80% of profits.
- In our regular day to day work, 80% of the subjects are well known to us, but there are a 20 % of subjects, we don't know either due to lack of time or the lack of effort to understand the subject.
- 20 % of the left out subjects are the ones that will give us more opportunities for practice and thereby increase our level of knowledge and skills.



80/20 Rule For Effective Management Of Practice

- You need to identify the 20% of areas of practice you have not considered till date, but which will most likely give you the profit and satisfaction that the balance 80% of the practice gives you now.
- Pareto's Principle, the 80/20 Rule, should serve as a daily reminder to focus 80 percent of your time and energy on the 20 percent of you work that is really important.



Improve The Productivity Of The Organization

- **Library** – there should be a well equipped library in the office
- **Office Manual** - Every organization should have its office manual containing the policies of the organization, procedure for maintaining client confidentiality and complying with ethical rules
- **Attending Conferences** - This will help them in staying up-to-date with the law and latest technology.
- **Regular Office Training** - Regular office training will empower employees to increase their personal effectiveness while striving to exceed set organizational goals.



Improve The Productivity Of The Organization

- **Regular assessment of performance** - Evaluations should be held regularly and that expectations are clear and fair.
- **Treatment of members of the organization** - Everyone should be treated as valued professionals and should get to know them.
- **Recognition of good work** - Talented members should be rewarded with recognition and thanks, as well as appropriate salaries and financial incentives when possible.



Improve The Productivity Of The Organization

- Other areas of improvement
 - Leadership
 - Strategic Management
 - Knowledge Management
 - Revenue Enhancement
 - Newer Opportunities
 - Marketing the work
 - SWOT Analysis
 - Self Development Programs



Chartered Accountant Professional Opportunities



List of Professional Opportunities

1. Accounting Services
2. Statutory Audit Services
3. Specialty Audit Services
4. Corporate Law Services
5. Management Accounting Services
6. Strategic Financial Management Services
7. Internal Audit and Internal Assurance Work Services
8. Financial Planning and Wealth Management Services



List of Professional Opportunities

9. Financial Market Services
10. Direct Tax Law Services
11. Indirect Tax Law Services
12. Rehabilitation, Insolvency, Liquidation Services
13. Corporate Governance
14. Valuation Services
15. Business / Commercial Laws Services



List of Professional Opportunities

16. Laws related to formation of various forms of business entity
17. Drafting of documents and conveyancing services
18. Laws related to financial institutions
19. Sector / industry specific laws
20. Laws relating to foreign exchange
21. Laws Relating to International Trade



List of Professional Opportunities

22. Social Security Laws and Employee Ownership
23. Takeover Laws
24. Opportunities with State Legislations and Regulations
25. Information Technology and Information System Audit
26. Arbitration
27. Climate change and Carbon Credit Mechanism
28. International Professional Opportunities
29. Education, Training and Publication
30. Other Professional Opportunities



Professional Goal Planning



Professional Goal Planning

- It is a commitment of an individual to his profession
- It about emphasizing the performance level of an individual/firm
- Identification of possible obstacles in achieving goals
- It offers a source of inspiration during difficult times
- Goal planning is never a waste of time
- Personal goals should be adjusted with Professional Goals for better coordination
- It helps in making a unfamiliar goal familiar



Balancing Work, Family and Society



The Trade Off

- Also called “Work Life Balance”, “Lifestyle Balance”, “Life Balance”
- It is about prioritizing between “work” and “life” (personal life and social life)
- Men and Women have different levels of Work and Life Balance
- Attitude of an individual plays a vital role in balancing work and life. The share of attention towards work and life
- Role of an employer in setting right the Work Life Balance of their employees
- Without balance individuals fall into a dilemma of extremities



Consequences of “Work – Life” Imbalance

- Life in Shambles
- Depression (leading to fatal consequences)
- Mental Disorders
- Health Disorders
- Temperamental Issues
- Failure in certain aspects of life
- Lack of performance
- Deteriorating efficiency
- Inconsistent approach towards professional work
- Lack of Reasoning



Don't just "work smart", work smart on the right things.



About the Author

- *CA. Rajkumar S Adukia is an eminent business consultant, academician, writer, and speaker. He is the senior partner of Adukia & Associates.*
- *In addition to being a Chartered Accountant, Company Secretary, Cost Accountant, MBA, Dip IFR (UK), Mr. Adukia also holds a Degree in Law and Diploma in Labor Laws and IPR.*
- *Mr. Adukia, a rank holder from Bombay University completed the Chartered Accountancy examination with 1st Rank in Inter CA & 6th Rank in Final CA, and 3rd Rank in Final Cost Accountancy Course in 1983.*
- *He started his practice as a Chartered Accountant on 1st July 1983, in the three decades following which he left no stone unturned, be it academic expertise or professional development.*



About the Author

- *He has been coordinating with various Professional Institutions, Associations, Universities, University Grants Commission and other Educational Institutions.*
- *Authored more than 50 books on a vast range of topics including Internal Audit, Bank Audit, SEZ, CARO, PMLA, Anti-dumping, Income Tax Search, Survey and Seizure, IFRS, LLP, Labour Laws, Real estate, ERM, Inbound and Outbound Investments, Green Audit etc.*
- *The author can be reached at rajcumarradukia@caaa.in
Mob – 09820061049 / 09323061049*
- *For more details log on to www.caaa.in*



THANK YOU

