

NET WORKING OF CA FIRMS

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WHAT IS NET WORKING

- NET WORK CONTAINS TWO WORDS
- **NET AND WORK**
- BOTH TOGETHER CAN ONLY MAKE A
- **NETWORK**
- HENCE, THERE SHOULD BE A NET AND THERE SHOULD BE A WORK TO SHARE

WHAT IS NET WORKING

- NET WITHOUT WORK
- AND
- WORK WITHOUT NET
- CANNOT MAKE A NET WORK
- WORK NEED NOT MEAN ONLY WORK WHICH GETS IMMEDIATE MONEY; IT WILL ALSO BE WORK WHICH EARNS MONEY OVER A PERIOD OF TIME

WHAT IS NET WORKING

- SUCCESSFUL NETWORKS ARE NOT A CONVENIENCE PARTNERSHIP BUT A STRONGLY REGULATED ASSOCIATION.

WHICH COMES FIRST - NET OR WORK

- THIS IS FIRST AND GREATEST DILEMMA
- THERE IS NO CLEAR ANSWER..... BUT THE PRINCIPLE IS
- THINK BIG..... START SMALL AND SCALE UP FAST
- THE WAY TO THINK HEAR IS
- PROFESSIONAL WORK TODAY NEEDS PEOPLE TO EXECUTE

WHICH COMES FIRST NET OR WORK

- AN INDIVIDUAL CANNOT DO ALL THE WORK BY HIMSELF; ONCE A PERSON REACHES THE LIMIT; HIS THOUGHTS ARE CONSTRAINED; ONLY CONSTRAINT COMES FIRST WHEN ANYTHING NEW HAS TO BE DONE
- HOW DO WE REMOVE THE CONSTRAINTS AND STILL EXECUTE LARGER WORK WITH OUR EXISTING PROFESSIONAL BRETHERN

WHICH COMES FIRST NET OR WORK

- THERE IS A SAYING IN TAMIL “HAVING BUTTER IN YOUR HAND, STILL GOING IN SEARCH OF GHEE”
- LOT OF PROFESSIONAL BROTHERS ARE AVAILABLE WITH KNOWLEDGE AND EXPERIENCE. HOW ARE WE GOING TO RECRUIT, TRAIN AND TRY TO RETAIN THIS TALENT IN THIS WORLD FULL OF OPPORTUNITIES FOR YOUNGSTERS

WHICH COMES FIRST NET OR WORK

- ONCE OUR THOUGHT IS DIRECTED LIKE THIS THE DILEMMA DISAPPEARS
- AND NETWORKING APPEARS AS A CLEAR SOLUTION.

GROWTH ARITHMETIC

- $1+1 = 3$; GROWTH
- $1+1 = 2$; STAGNATION
- $1+1 = 1$; DETERIORATION

- WHAT DOES THE ABOVE MEAN?
- NO REDUCTION IN EXISTING WORK
- POTENTIAL FOR NEW/ ADDITIONAL WORK
- POTENTIAL FOR LARGET WORK

GROWTH ARITHMETIC

- THAT WOULD BE THE SUCCESS MANTRA FOR NETWORKING TO BE WORKING

WHY NET WORKING FOR CAs

- DYNAMIC ENVIRONMENT, CHARACTERIZED BY ECONOMIC COMPULSION
- NO OF PROPRIETARY FIRM IS ABOUT 40000 (75% OF OUR MEMBERS IN PRACTICE)
- GLOBALIZATION & EMERGING OPPORTUNITIES VIS-A- VIS CHALLENGES
- CAPACITY BUILDING IS NEED OF THE HOUR
- WHAT CLIENT WANTS - 3 Es (EXPETISE, EXPERIENCE AND EFFICIENCY)AS A ONE STOP SHOP

MARKET SCENARIA

• ASPECT	PAST	PRESENT
• DRIVER FOR PROFESSIONAL ASSIGNMENT	STATUTE	BUSINESS
• CLIENT RELATIONSHIP	PERSONAL	PROFESSIONAL
• BUSINESS ENVIRONMENT	STATIC	DYNAMIC
• SPECIALIZATION	LIMITED	ORDER OF THE DAY
• MULTI DISCIPLINE SERVICE	EASY TO HANDLE	MULTIPLE RESOURCES

MARKET SCENARIA

• ASPECT	PAST	PRESENT
• CONTINUING EDUCATION	MINIMAL	CONSTANT
• NATURE OF ASSISGNMENTS	TRADITIONAL	COMPLEX
• TECHNOLOGY	NOT CRITICAL	ALL PERVASIVE

WHERE DO WE STAND

- THOUGH THERE IS A LOT OF TALK OF BIG FIRMS/MID SIZED FIRMS, WHERE ARE WE IN INDIA
- LARGEST CHUNK IS INDIVIDUALS
- MAJOR PORTION IS SMALL SIZED FIRMS

ESSENTIALS OF NET WORKING

- REGULATION - THIS IS THE KEY
- TRUST - MUTUAL RESPECT
- STRONG ETHICS
- KNOWLEDGE AND EXPERTISE
- KINDLING THE FIRE AND KEEPING THE INTEREST ALIVE
- DISPLAY INTEGRITY – ACTIONS BASED ON COMMITMENT

ESSENTIALS OF NETWORKING

- WORK FOR CUSTOMER - IT IS MARKET DRIVEN
- HOLD THE BIG PICTURE - NEVER LOOSE FOCUS

KEY QUESTIONS BEFORE US

- ARE SMALL FIRMS ABLE TO :
- EXUBERATE CONFIDENCE TO POTENTIAL CLIENTS
- DELIVER THE DESIRED PROFESSIONAL EXPERTISE
- CHARGE THE APPROPRIATE FEES FOR SERVICE
- DO THEY GET THE WORK THEY DESERVE
- WHERE DO YOU SEE THEM GOING IN FUTURE

PROBLEMS OF SMALL FIRMS

- CONSTANT ENDEAVOUR TO UPDATE KNOWLEDGE
- RETAINING CLIENT BASE
- AVAILABILITY TO THE CLIENT (TIME CRITICAL TODAY)
- ESPECIALLY WHERE THE CLIENT IS GROWING BIG
- ABILITY TO ATTRACT AND RETAIN TALENT
- RISK MANAGEMENT

HOW PRACTICALLY A NETWORK CAN FUNCTION

- ONE PARENT FIRM WHICH WILL GIVE ASSIGNMENTS TO VARIOUS ASSOCIATES WHICH ARE SMALL /PROPRIETARY FIRMS
- NO NEED FOR CONTROL/MANAGEMENT BETWEEN THESE FIRMS
- NETWORKING SHOULD BE SUBSTITUTE FOR PARTNERSHIP

WHAT AILS NETWORKING

- THE PRESENT PARTNERSHIP STRUCTURE CARRIES WITH IT THE ASSOCIATED RISKS ON OWNERSHIP AND CONTROL
- LIMITATION IN NUMBERS
- INDEPENDENCE IN NET WORKING IS AT STAKE
- THERE IS AN OBLIGATION TO WORK WITH OTHER PROFESSIONAL
- EXPECTATIONS FROM THE CLIENT REGARDING QUALITY IS VERY HIGH

WHAT AILS NET WORKING

- INABILITY TO COMMUNICATE
- LACK OF STRUCTURAL TRAINING AMONG NETWORKED FIRMS

OPERATIONAL ISSUES TO BE ADDRESSED

- NETWORK PHILOSOPHY
- COMMON AGENDA/GUIDING FACTOR
- ETHICAL GUIDELINES
- NET WORK CONTROL STRUCTURE
 - GOVERNING COUNCIL
 - SPECIAL AREA ADVISORY PANEL
 - STAFF ALLOCATION
 - POLICIES AND PRACTICES
- LEVERAGING TECHNOLOGY
-

OPERATIONAL ISSUES

- KNOWLEDGE SHARING THROUGH DATA BASE
- CLIENT DELIVERY TRACKERS
- COMMON POOL FOR RESEARCH
- PROFIT SHARING METHODOLOGY
- COST ALLOCATION
- CONTROL ON PARTNER COSTS
- ISSUES OF CONTINUITY AND SUCCESSION PLANS

BENEFITS OF NET WORKING

- INCREASED STANDING AND REPUTATION
- ENHANCED REACH
- INCREASED CLIENT CONFIDENCE
- ACCESS TO SPECIALIZATION
- ABILITY TO ATTRACT TALENT
- SUPPORTED DEVELOPMENT
- BRAND BUILDING

CONCLUSION

- CHANGE IS THE ENVIRONMENT WHICH KEEPS CHANGING
- THE ONSLAUGHT OF MULTINATIONALS CAN BE MET WITH NETWORKING
- DYNAMICS OF CHANGING BUSINESS CLIMATE CAN BE FACED ONLY WITH NET WORKING
- WHEN THE SIZE MATTERS WITH BUSINESS SO AS IT BE WITH OUR PROFESSION ALSO

**THANK YOU FOR
PATIENT HEARING**