Office Management for Small and Medium Sized Practices
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- Planning for your Firm
- Practice Models and Management
- Building and Growing
- Developing a people strategy
- Technology & e-business
- Client Relationship Management
- Risk Management
- Succession Planning
Planning for your Firm

Strategic planning processes and the development and implementation of the strategic plan.

1. Formulate your own personal and business strategic plans
2. Decide on the business operating structure
3. Outline your mission, vision and values
4. Define your strategic objectives
5. Define strategies for achieving those objectives
6. Determine some systems, policies, and actions needed to implement your strategic plan
7. Implementation
8. Monitor and adjust plan as required
Planning for your Firm (Continued) – Strategic Planning

- **Vision**: What will the firm look like when it's finished.
- **SWOT Analysis**: Where is the firm now and what opportunities are there.
- **Mission**: What needs to be done to take advantage of the opportunities.
- **Objectives**: What strategic objectives should the firm pursue.

- **Marketing Strategy**: What clients do we want to serve.
- **Service Strategy**: What services/products will be offered.
- **Finance Policies**: How will fees be generated and growth funded.
- **Personnel Strategy**: How many and what type of people do we require.
- **Technology Strategy**: What hardware and software is required.
- **Change Strategy**: What systems will be used to monitor and respond to change.

- **Marketing Plan**: Building a brand, promotion, client management.
- **Service Development**: Service offering, audit, tax, other.
- **Finance Processes**: Assets, liabilities and equity, revenue and costs.
- **HR Plan**: Recruit people, retain people, succession planning.
- **Technology Plan**: Hardware, software, office applications, CRM system.
- **Change Plan**: Change management principles.
Which Practice model is right for you?

- sole practitioner
- Partnership
- Other corporate structures allowed (Limited Liability company etc.)
Office Management?
- Family members working in the firm
- Remuneration and profit-sharing models
- Partnership

Using networks to add value
- Referral network
- Professional network
- Management support network
- Knowledge networks
Building and Growing

Should the firm grow, and, if so, by how much?

Methods of Growing

Internal growth strategies
- Increase existing services to existing clients
- Introduce a new service to existing clients
- Increase your firm’s charge-out rates or introduce a value pricing model

External growth strategies
- Advertising, Seminars, Networking
- Merging with another firm
- Buying out another firm
- Headhunting a partner of another firm, who brings or attracts own clients
Building and Growing

- Building a brand, marketing and promotion
  - Building a brand
    - “I’m only a small firm—is branding really that important to me? Isn’t it only for big business?” Brand is important, particularly if you are planning to grow.
      - Our logo, Letterhead, business cards, compliments slips, fonts
      - The reports we present to clients
      - The way we speak and engage with clients
  - Marketing and promotion
    - Client solution: the “product” or service;
    - Client cost: the price;
    - Convenience: the place;
    - Communication: the promotion and ongoing engagement.
Developing a People Strategy

- Your people management strategy
  - The mix of employees
  - Clarifying expectations
  - Recruitment

- Leading your team “Tone at the Top”

- Managing and retaining employees

- Training and development

- Rewards and recognition

- Exiting/transitioning employees
Technology and e-business

- Critical for firms to adopt best practice in respect to emerging technologies such as social media, smartphones and cloud computing

- Effective use of technology improves the quality of services, including improved accuracy, faster processing, and enhanced external reporting

- Consider these two important factors when selecting a hardware/operating system platform:
  - Is the platform recommended by your firm’s preferred software supplier/s?
  - Is technical support readily available to support the preferred platform?

- Audit automation software is designed to assist in the management to conduct audits

- Firm management software is the underlying database application every firm needs to manage the business.
New and Emerging Technology

- Paperless office

- Knowledge Management Systems

- Other New and Emerging Technology
  - Cloud computing and hosted applications
  - Social networking/online communities
  - Wikis—collaborative knowledge
  - Multimedia, video sharing
  - Blogs
  - Communications technologies
  - Freeware
Client Relationship Management

- Clients are less vulnerable to persuasion from competitors if client relationships are strong.

- Establishing a deeper client relationship makes good commercial sense.

- It costs far less to retain a client than it does to acquire a new one.

- It’s valuable to understand what’s important to clients.

- Important to understand what Client expectations are in the first place.

- Exceeding client’s expectations will ensure a constant stream of client referrals.
Sources of risk for an accountancy firm

- Management collapse (Principal succession)
- Acceptance and continuance of clients
- Staff and HR issues
- Information management
- IT problems
- Cash flow issues
- Services offered
- Regulatory intervention
- Marketing and communication
- Integrity
Risk Management (continued)

- **Professionalism and ethics within the firm**
  - The *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (the IESBA Code) to guide Risk Management

- **Risk management within the firm**
  - **Internal Risk**
    - Risks posed by staff
    - Risks posed by information technology
  - **External risk**
    - Risks posed by customers
    - Risks posed by competitors

- **Quality control processes within an accounting firm**
  - A system of quality control essentially consists of policies designed to achieve the objectives of the firm and procedures necessary to implement and monitor compliance with those policies.
One of the most common questions asked by practitioners as they begin to consider succession planning is, “Will someone pay me for this firm?” The answer is usually “Yes,” but the answer to the question, “How much?” depends on a number of factors.

If you plan to sell one day, you must always be mindful of your future purchaser. Your future purchaser will need to have the following questions satisfied:

- Is this a good investment?
- Will it provide me with a good return on my investment?
- Does it represent good value?

There are typically a number of key areas in which a firm can improve and which will have a positive impact on financial performance, Key areas for firm assessment include:

- Revenues;
- Profitability;
- Liquidity;
- Debtor control;
- Work in progress control; and
- Growth.
What did you Learn?

- How to develop the strategic Plan for firm
- Practicing Models & Management
- Key stages of operating the firm
- How to grow your firm
- Managing & Developing People
- Technology & it’s Implementation
- Managing Client Relationship
- Importance of Risk Management
- Future of the Firm
Questions ?
Thank You