

## The Quintessential Chartered Accountant – Can we copy the Corn Farmer?

Automobile companies have set up Supplier Parks to make parts and accessories for other manufacturers including their own competitors. Telecom Companies have transformed themselves into sleek operators and unlocked tremendous valuations by hiving off their passive infrastructure to create large tower companies. Entities today outsource their operations to entity and business agnostic yet process specific BPO's.

Why do entities do this kind of strategic sharing that was hitherto unheard of? These decisive changes are prompted or perhaps even compelled by a driving need to grow and stay competitive and they chose to do this by staying customer and quality focused. Nothing else mattered and hence operations, manufacturing, accounting, taxation are all considered peripheral while marketing and quality are deemed core to growth and success in the market place and hence central to an entity's heart, soul and stomach

Elsewhere in the world, there is an oft repeated prize winning story on a corn farmer that goes as follows. An American Corn Farmer who supplied his neighbours with the best quality seeds was asked as to why he was creating competition that would kill his business. His reply was "Why sir," said the farmer, "didn't you know? The wind picks up pollen from the ripening corn and swirls it from field to field. If my neighbours grow inferior corn, cross-pollination will steadily degrade the quality of my corn. If I am to grow good corn, I **must** help my neighbours grow good corn."

And this perhaps leads us to an exquisite mystery on what the connection of the above paragraphs is to this edition's QCA. I have attempted to articulate a few of my thoughts on how Shared Knowledge and Practice repositories can be the first step to the Aggregation of CA firms, a much needed proposition critical to the survival of the Practicing CA community

Much is spoken and written about the Big Four. The time has come to move out of the realm of opposition and perhaps look at Affirmative Action. This means actions for prioritising local firms over the MAF's operating in India. My merely suggesting this abstraction does not mean it can be operationalized for there are likely to be many differing views. But it is well worth trying

However one of the key challenges to implementing this and promoting alternatives to the Big Four is the way we SMPs work. As of date, there are few firms which can match the Big Four in terms of our practice tools, work methodologies, data management practices, information repositories, research teams and trainingsystems.

Whilst our Big brethren have perfected this over the decades of their existence and show case this brilliantly, we are perhaps even yet to identify the total landscape that we need to understand and possess to compete with the Goliath's. All we know is when our clients become bigger, our practices can smaller

The present alternatives available are one, stay as is – small or medium, two - networks or three - mergers. The first is a no brainer and a potential Ground Zero, the second is sub optimal while the last option is often scary. Surely there must be options between the tuft and the tonsure.

One such option is to create a **League of Firms**(5 – 10 firms) that will do nothing else but share practice infrastructure comprising the following. These firms will compete on the strength of their capabilities to market and based on their delivery excellence and will be enabled by access to the below mentioned essentials on a cost sharing basis.

- Pitch Kits and Knowledge repositories
- Training Methodologies
- Data Management
- Research Teams

An initiative such as this would result in the emergence of a new category that would actually rock the market place (much like an FMCG launching a slew of soaps rather than one standalone). Should the leagues prove good, these would lead to end state mergers. Cross referrals across firms for conflicting engagements would add buoyancy to the model

What does all this entail? This infant idea needs Three Tiny Things – Money, Mindset and a Mentor. Should some firms be willing to think on these lines and commit small investments, the **Mahayana or the Great Vehicle** is ready to emerge.

Was is a Buddhist proverb that says "When the **studentis ready**, the **teacher** will **appear**" and is a mentor reading this ?

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