

# Intangible Gains, Through Tangible Efforts

*Empowering Professionals through Networking*



# Points of Discussion

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Networking and its model

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Status of Professional Practice in India

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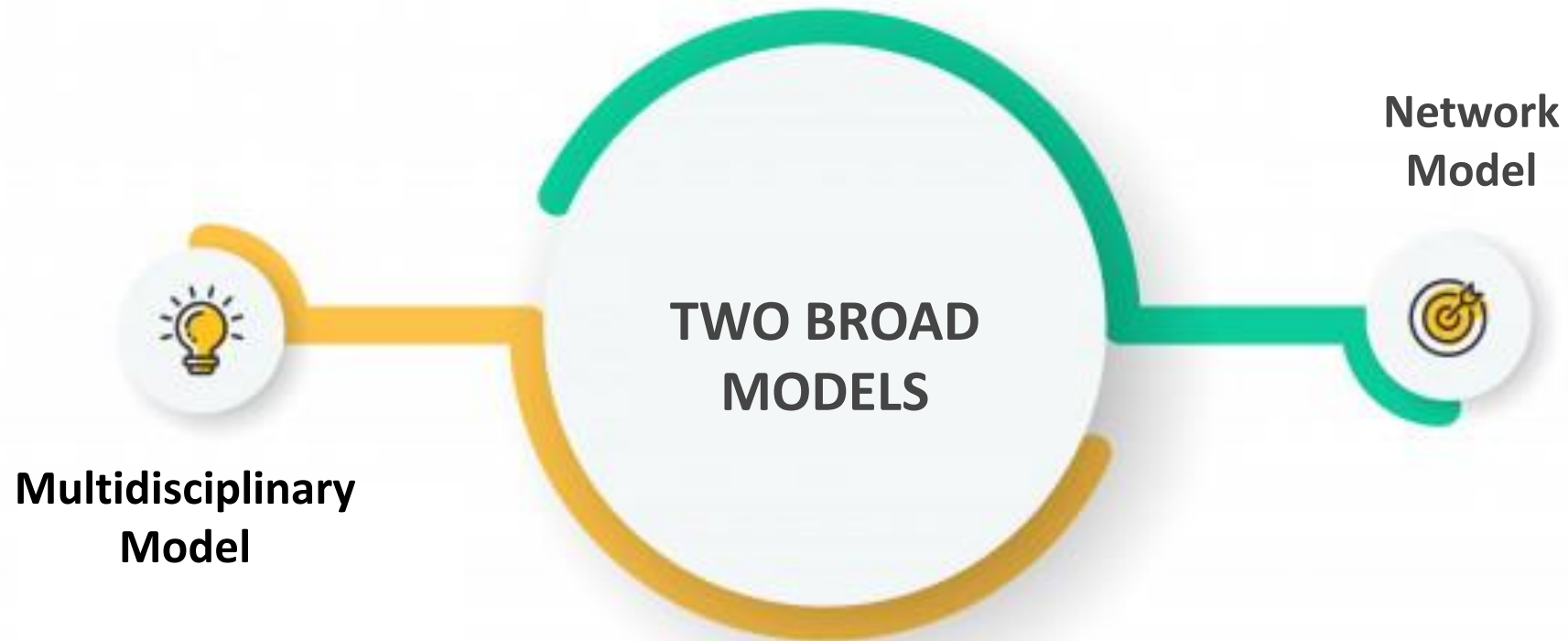
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How to stay ahead of curve

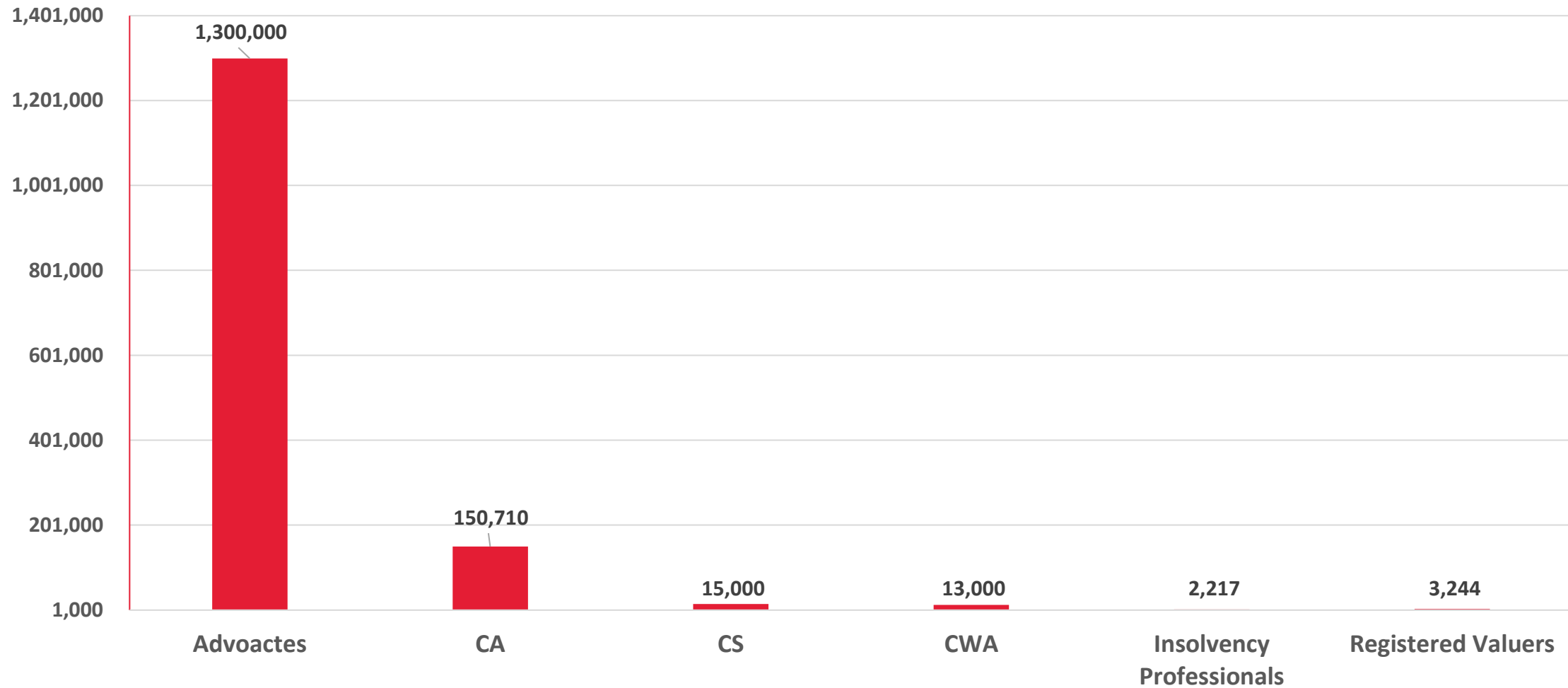
**Networking means Configuration of Resources to achieve Specific Objectives for Mutual Benefit.**

*Each Network can be unique as network model is more subjective than objective.*





# Status of Professional Practice in India



# Status of Professional Practice in India

- 90% individual Practice
- 5% practice done with 2 People
- 5% practice done with more than 2 people

# Indian CA Firms

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**Lodha & Co**

**Partners - 16**

**Presence** – Calcutta,  
Chennai, Hyderabad,  
Mumbai, New Delhi, Jaipur

**S S KOTHARI MEHTA & CO**  
CHARTERED ACCOUNTANTS

**Presence** – New  
Delhi, Chandigarh,  
Calcutta, Mumbai



**S.R. DINODIA & CO.**  
CHARTERED ACCOUNTANTS  
"We provide intelligent solutions to businesses"

**Presence** – New Delhi  
and Pune

**LUTHRA & LUTHRA LLP**

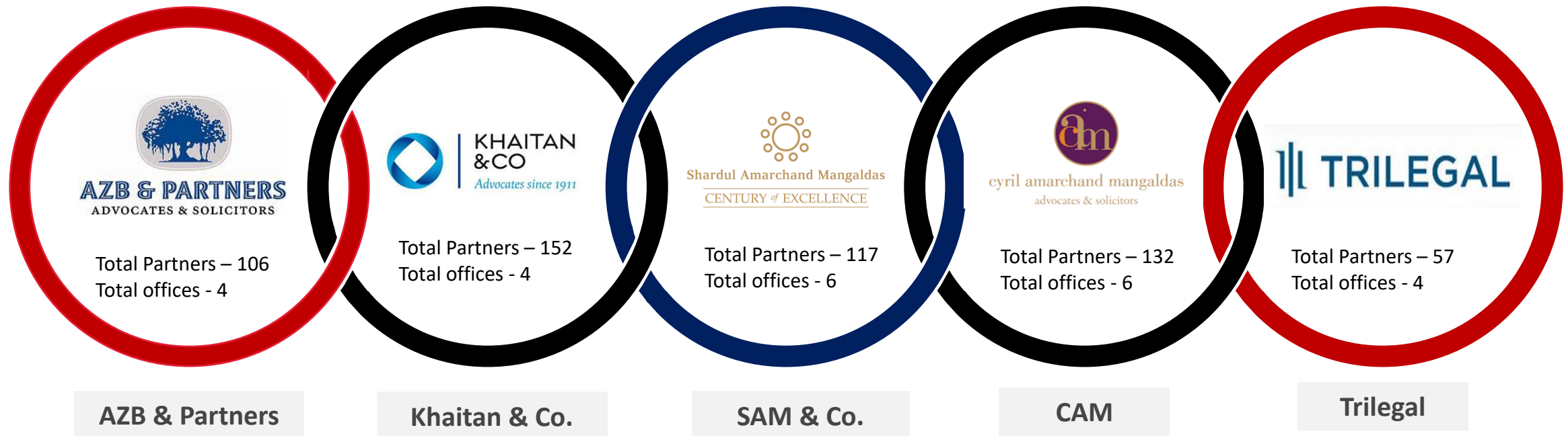
CHARTERED ACCOUNTANTS

**Presence** – Delhi, Mumbai,  
Bangalore, Chennai and  
Noida



**Presence** – Delhi, Mumbai,  
Bangalore

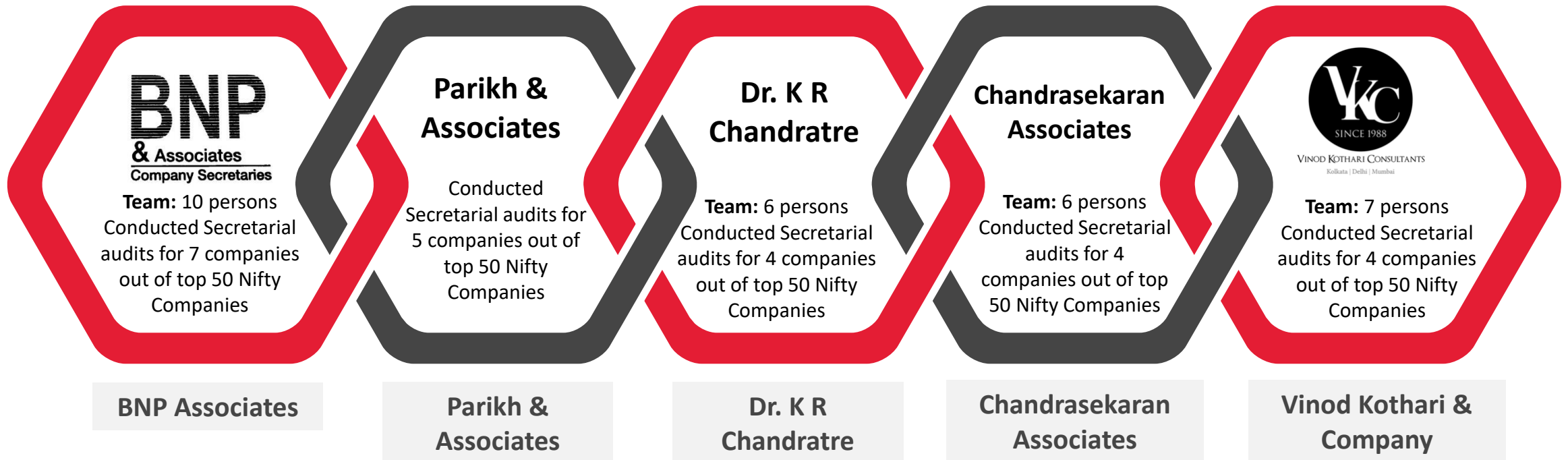
# Top Indian Law Firms





# Big Indian Secretarial Service Provider

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# Market Share of Accounting and Legal Industry

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- **Legal Industry:**

The global legal services market reached a value of nearly \$766.3 billion in 2019, having grown at a compound annual growth rate (CAGR) of 5.4% since 2015.

The litigation market was the largest segment of the legal services market in 2019 at 31%.

Forecast: The global legal services market is expected to grow at a CAGR of 6.5% to nearly \$986.7 billion by 2023.

- **Accounting Industry:**

The global accounting services market reached a value of nearly \$574.4 billion in 2019, having grown at a compound annual growth rate (CAGR) of 5.7% since 2015.

The bookkeeping, financial auditing and other accounting services was the largest segment of the accounting market, accounting for \$424.18 billion or 73.8% of the total market in 2019.

Employment offered: 600,000 people worldwide

# Big International Multidisciplinary Firms

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**Deloitte.**

**Partners** - 12000 +  
**Revenue** - US \$46.2B  
**Presence** – Over 140 countries



**EY**  
Building a better  
working world

**Partners** - 12400 +  
**Revenue** - US \$36.4B  
**Presence** – Over 150 countries



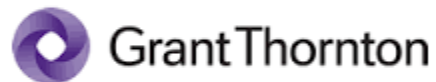
**pwc**

**Partners** - 11500 +  
**Revenue** - US \$42.4B  
**Presence** – Over 157 countries



**KPMG**

**Partners** - 10000 +  
**Revenue** - US \$29.75B  
**Presence** – Over 147 countries



**Grant Thornton**

**Revenue** - US \$5.72B  
**Presence** – Over 130 countries



**RSM**

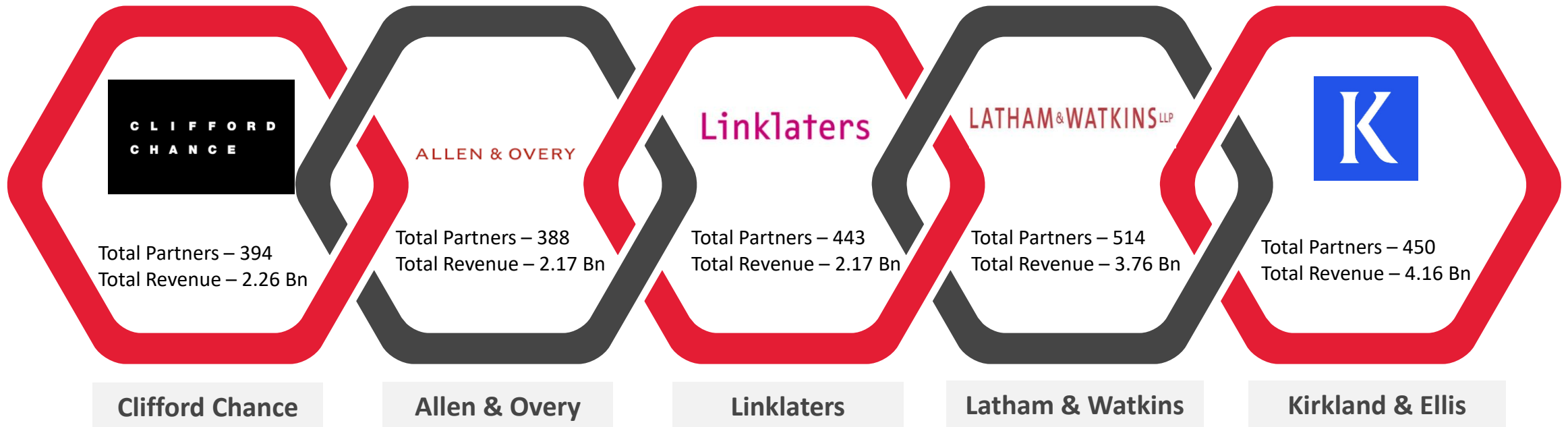
**Revenue** - US \$5.74B  
**Presence** – Over 120 countries



**BDO**

**Revenue** - US \$9.6B  
**Presence** – Over 162 countries

# Big International Law Firms



# Big International Consulting Firms

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McKinsey  
& Company

*Revenue - US \$8.80 B*



*Revenue - US \$6.30 B*



BAIN & COMPANY

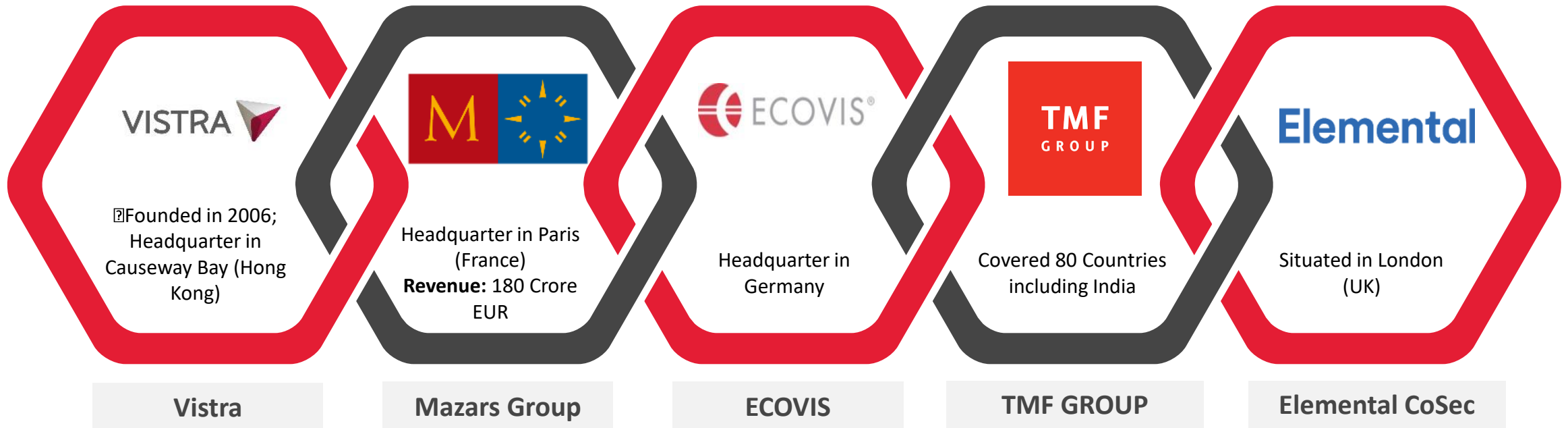
*Revenue - US \$3.87 B*



*Revenue - US \$6.10 B*

# Big International Secretarial Service Provider

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# Global Network Facts & Figures



# Top International Legal Networks

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191 firms  
96 countries  
7485 lawyers



19,000 lawyers  
150 firms



150 member firms  
700 firm offices  
25 countries



7,500+ lawyers  
150 cities



10,000 lawyers  
150 commercial  
centres  
\$5BN Annual Revenue





# Top International Accountancy Networks



**146 member countries**  
**Revenue: US\$3.9 bn**



**258 firms**  
**127 countries**  
**Revenue: \$4.3 billion**  
**revenue**



**+ 200 independent firms**  
**4000 plus personnel**  
**+130 countries**



**700 partners**  
**350 offices**  
**100 countries**



**30,000 professionals**  
**260 firms**  
**110countries**

# Top International Multi-disciplinary Networks



290+ member firms  
110+ countries



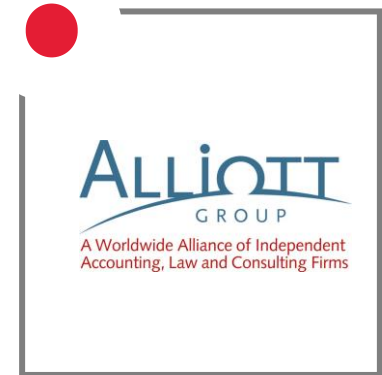
150 member firms  
76 countries  
Revenue: US \$956  
million



120 firms  
150 jurisdictions



605 members  
+4,000 partners  
126 countries  
Revenue: + US\$5.6 bn



165 firms  
70 countries

# Facts & Figures of Global Networks

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- Total Law and Multidisciplinary Networks: 150+
- Spread over 160+ countries out of the total 195 countries in the World
- Professionals: 500,000+
- Offices: 5,000+
- Revenues: \$180 billion USD (Apprx.)
- Clients catered: Virtually all significant businesses on the Earth

# Comparison of International vis-à-vis India

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- Global presence Vs Regional Presence
- Collaborative Model Vs Personal Practice
- Focus on Brand Vs I, me and myself approach
- High Revenue Model Vs Struggle in charging Standard Fee
- Multi Services Vs Single line Services
- Global Expertise Vs Generalist Approach

# Networking: Regulatory Framework in India

S. No.	Professions	Governing Body	Governing Statute
1	Advocate	Bar Council of India	Advocates Act, 1961 Bar Council of India Rules
2	CA	Institute of Chartered Accountants of India	Chartered Accountants Act, 1949 The Chartered Accountants Regulations, 1988
3	CS	Institute of Company Secretaries of India	Company Secretaries Act, 1980 Company Secretaries Regulations, 1982
4	CMA	Institute of Cost Accountants of India	The Cost and Works Accountants Act, 1959 (External link to MCA website) The Cost and Works Accountants Regulations, 1959
5	Insolvency Professionals	IBBI	The Insolvency and Bankruptcy Code, 2016 and rules
6	Registered Valuers	IBBI	The Insolvency and Bankruptcy Code, 2016 and rules

# Networking: Regulatory Framework in India

	Company Secretary	Chartered Accountant	Cost Accountant
<b>Relevant Law</b>	Company Secretaries Act, 1980 read with  Reg. 165A, 168A and 168B of the Company Secretaries Regulations, 1982	Chartered Accountants Act, 1949  Reg. 53A and 53B of the Chartered Accountant Regulations, 1988	Cost and Works Accountants Act, 1959  Reg. 111B and 111C of the Cost and Works Accountants Regulations, 1959
<b>Allowing practicing partnership with members of other professions</b>	Yes  (with Chartered Accountant, Cost Accountant, Advocate, Actuaries, Architect)	Yes  (with Company Secretary, Cost Accountant, Advocate, Actuaries, Architect)	Yes  (with Chartered Accountant, Cost Accountant, Advocate, Actuaries, Architect)
<b>Sharing of profits or payment of commission or brokerage in the fees</b>	Yes	Yes	Yes
<b>Exclusive Services</b>	<ul style="list-style-type: none"> <li>• Secretarial Audit;</li> <li>• Annual Secretarial Compliance Report for Listed Companies;</li> <li>• Certification and Signing of Annual Return</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory Audit under the Companies Act;</li> <li>• Tax Audit under the Income Tax Act.</li> </ul>	Cost Audit under the Companies Act, 2013

# Networking: Regulatory Framework in India

	Company Secretary	Chartered Accountant	Cost Accountant
Ceiling on audits/certifications	<p>A. Secretarial Audit</p> <ol style="list-style-type: none"><li>1. 10 Secretarial Audits</li><li>2. Prescribed additional limit per partner basis</li></ol> <p>B. Annual Secretarial Compliance Report</p> <ol style="list-style-type: none"><li>1. 5 reports per partner/ PCS, and</li><li>2. Prescribed additional limit per partner basis</li></ol> <p>C. Annual Return</p> <ol style="list-style-type: none"><li>1. Annual Return Certification <math>\leq</math> 80 companies</li></ol>	<p>Statutory Audit under the</p> <p><b>A. Companies Act</b></p> <ol style="list-style-type: none"><li>1. 20 Audits/per partner</li></ol> <p><b>B. Tax Audit</b></p> <ol style="list-style-type: none"><li>1. 60 Audits.</li></ol>	No ceiling limit.

	Insolvency Professionals	Registered Valuers
Relevant Law	Sections 196, 207 and 208 of IBC, 2016 read with IBBI (Insolvency Professionals) Regulations, 2016	Section 247 of the Companies Act, 2013 read with the Companies (Registered Valuers and Valuation) Rules, 2017
Qualification	<p>Insolvency Professional (IP) can be a professional (Chartered Accountant, Company Secretary, Cost Accountant or an Advocate) having 10 years of experience, or graduates having 15 years of managerial experience who:</p> <p>a) enrolled with an insolvency professional agency (IPA) as its member after passing the limited insolvency examination; and</p> <p>b) registered with IBBI as an IP.</p>	<p>An individual shall have the following qualifications and experiences to be eligible for registration as Registered Valuer:</p> <p>a) Chartered Accountant, Company Secretary, Cost Accountant or Actuary with at least 3 years’ experience; or</p> <p>b) post-graduate degree or post-graduate diploma and at least 3 years of experience; or</p> <p>c) a Bachelor’s degree and at least 5 years of experience.</p>
Allowing practicing partnership with members of similar profession	Yes	Yes
Allowing practicing partnership with members of other professions	No	No
Sharing of profits or payment of commission or brokerage in the fees	Yes	Yes
Exclusive Services	Insolvency proceedings under IBC, 2016.	Valuations under the Companies Act, 2013 and IBC, 2016.
Ceiling on Assignments	There is no ceiling limit but an IPE can take assignment upto their capabilities.	No Ceiling.



**Big Question:  
Why people do not join  
Networks?**



# Big Question: Why people do not join Networks?

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- Conundrums and Fears about Network
- Finding the right Partner
- Unrealistic expectations
- Trust issues
- Fear to lose own identity
- Fear to Lose clients
- Fees Sharing Dispute
- Independence Issue
- Independence Issue
- Networks are affected by other externalities, such as regulations, economic conditions, and technology

# Big Question: Why people do not join Networks?

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- Professional Accountability and Liability
- Lack of clarity on Code of Conduct
- Inequality amongst Member Firms in terms of branding, size and capabilities.
- Focus on Immediate benefit from Network
- Higher internal competition

# Issues with personal Practice

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- Scarcity of Resources
- Limited Investment
- Less fees
- Dependency on a few clients
- Weak internal systems
- Lack of Standardization and Quality
- Limited technology advancement

# Need of Network



# Need of Network

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- To grow bigger and better
- To break the shackles of physical boundaries, small size, less revenue, few clients, less experience, etc.
- To empower branding and business development
- For shared expertise, experience and cooperation
- To convert competition into synergies
- To explore the hidden opportunities
- To increase business horizon
- To optimize the specialization
- To be future ready

“



**We are “Stronger”**

**“Together”**

”

# Advantage of the Professional Networking





# Advantage of the Professional Networking

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- Your network, Works for you
- Increased Referrals both Inbound and Outbound
- Greater Exposure to Clients reduces dependency on small pool of clients
- Increases Risk Appetite
- Builds confidence
- Builds the community of like-minded people
- Converts competition into synergies
- Converts competition into synergies
- Opens new Opportunities
- Promotes and Pools Expertise and Experience
- Builds a bigger brand

# Advantage of the Professional Networking

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- Access to better knowledge and expertise
- Promotes best practices enhances quality standards
- Preserves the sense of Independence
- Better client retention generates profit from change and conserve resources
- Helps in attracting and retaining Talent
- Increase in reputation

“

**Networking is more about  
farming than hunting; it's  
about cultivating  
relationships.**

Ivan Misner, BNI

”

# Why Big 4 are so successful?



**Deloitte.**



# Why Big 4 are so successful?

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- Powerful Branding
- Diversified business portfolio from Law to Digital Marketing, IT and Engineering.
- Robust & Diversified internal as well as external professional network
- Significant Investment in Human resources
- Employing State-of-the-art technology
- Specialization due to - Repetition – Repetition – Repetition

“

**Alone you can Survive,  
together we can thrive**

”

# What is required to join Network?



# What is required to join Network?

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- Vision to Grow Bigger and Better
- Expertise along-with Entrepreneurship
- An Open-Mind toward knowing and understanding the “New
- Willingness to do more than the routine things
- Trust
- Contribution (Financial and Non-Financial) toward the Network
- Commitment toward Quality
- Capability to deliver as per clients need
- Quick Learning and openness to Feedback
- Flexible Approach toward way of working
- Patience along-with Perseverance.



“

**You can have everything in  
life you want,  
if you will just help enough  
other people get what they  
want**

**Zig Ziglar ”**

# How to stay ahead of the curve



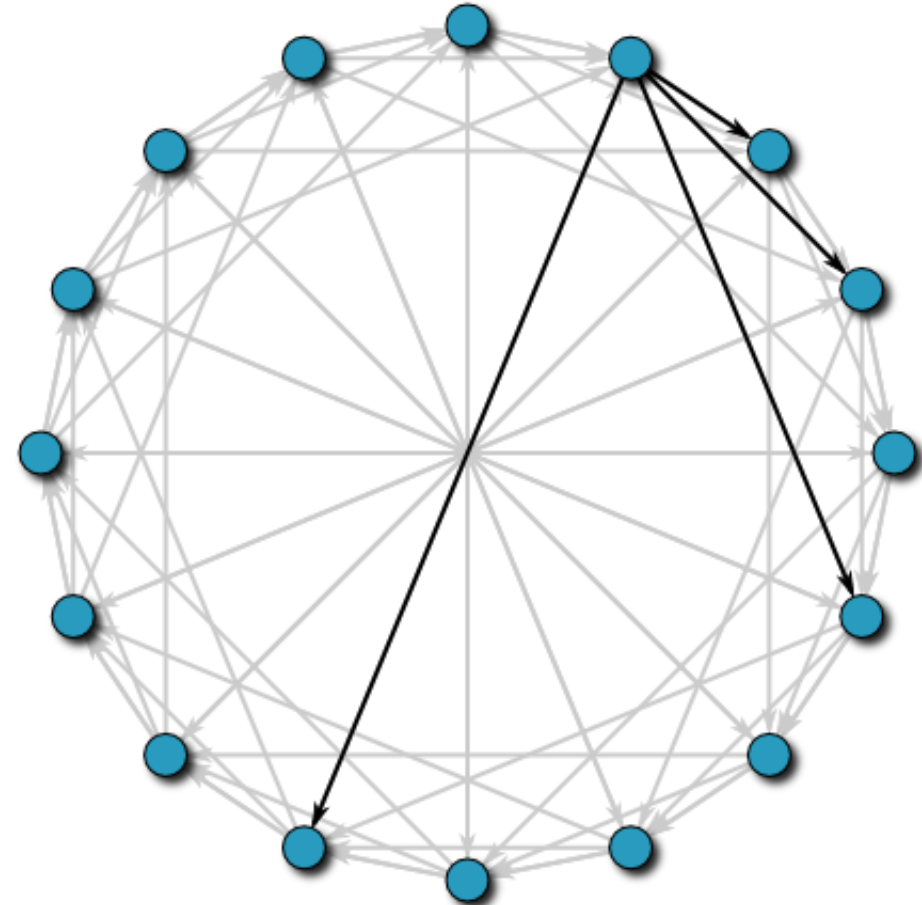
# Solution:- Join Network

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- Find the right partners
- Work with clear expectations
- Scale up while preserving your own identity, independence and without losing clients
- Get Global from Regional
- Optimize your specialization
- Push your growth through competition and synergies

## Decide which model suits you

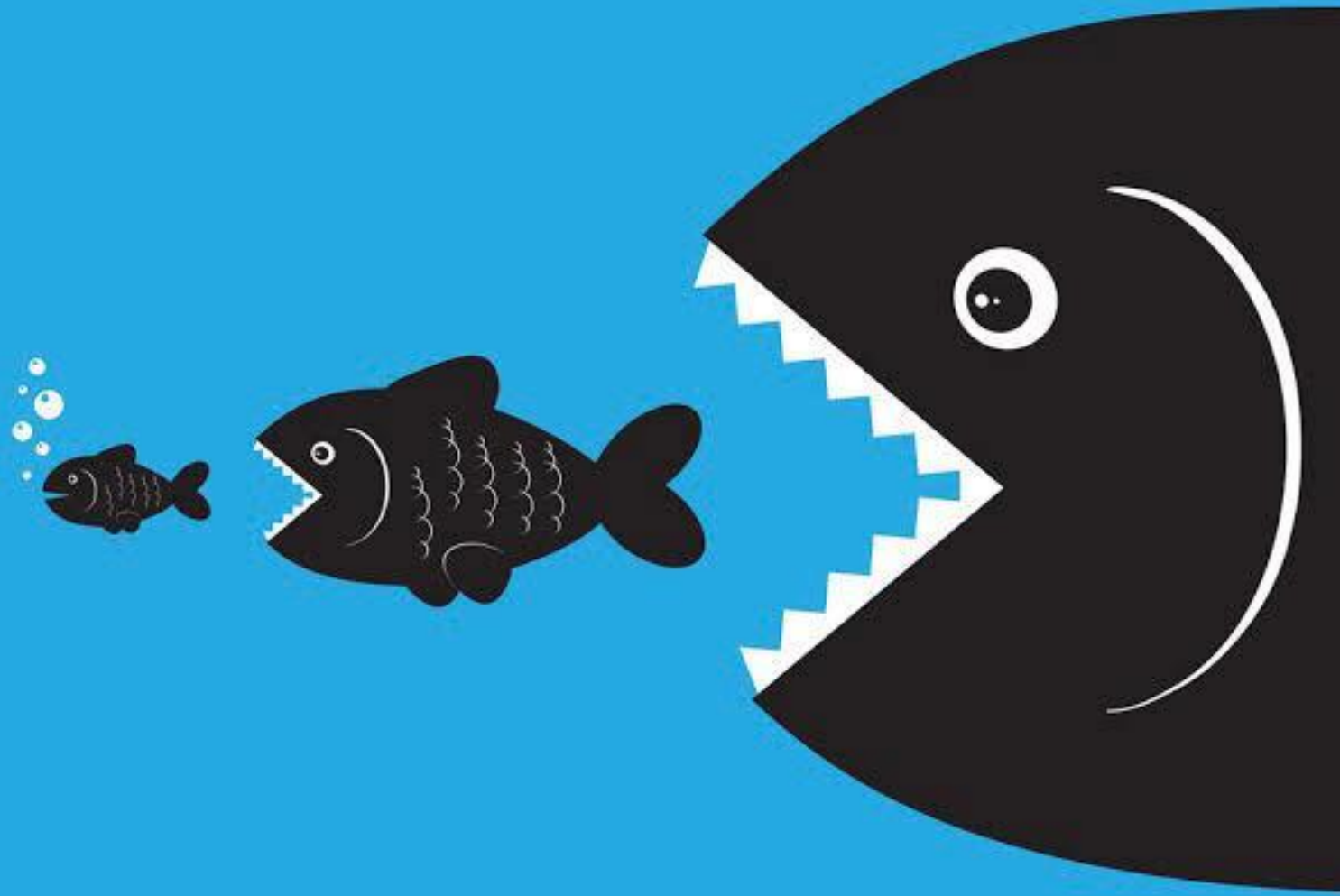
- Multidisciplinary or
- Network Model

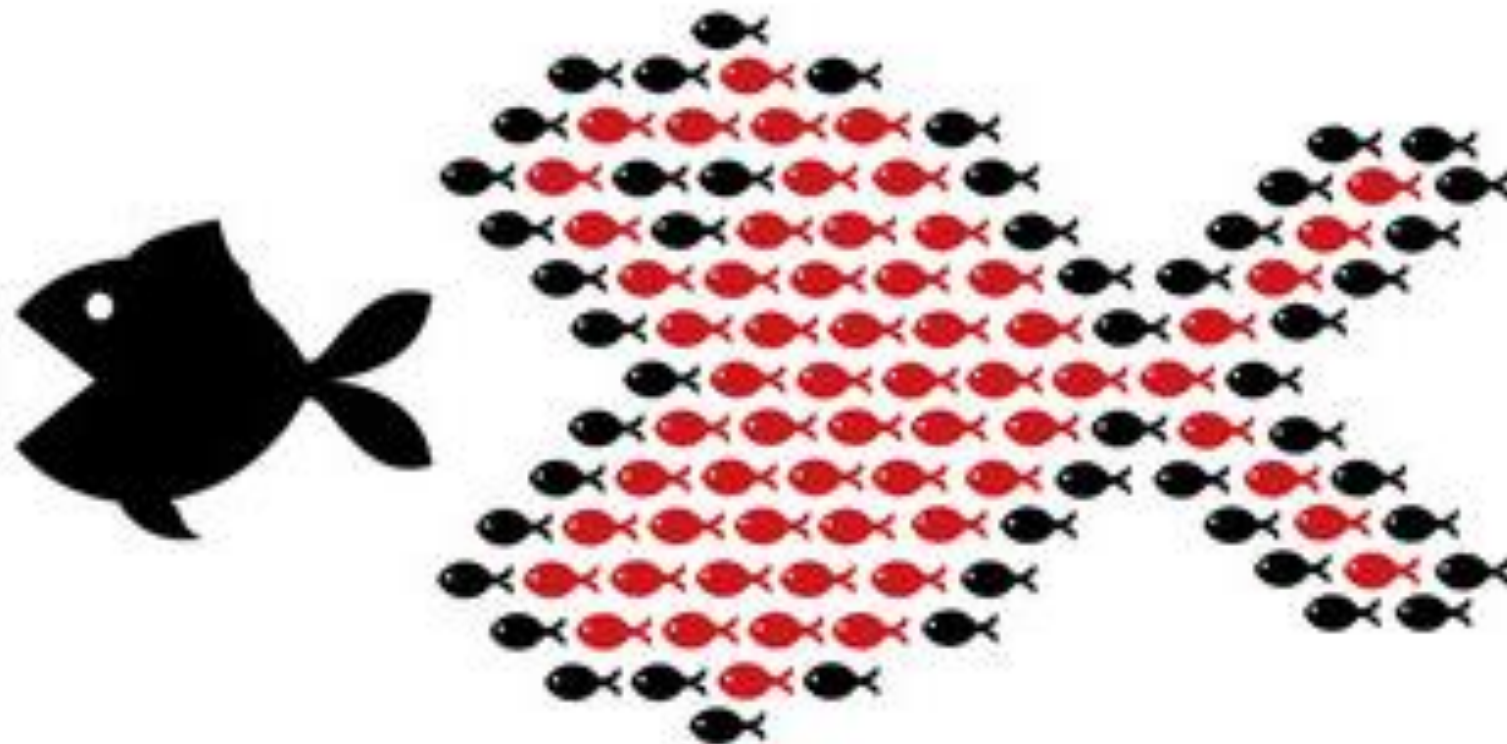


# How to stay ahead of the curve

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- Be clear with your objectives, aim and purpose
- Check the complexities involved
- Know your Partners/Network Members
- Understand the expectations and deliverables i.e. T&C





“

**If you want to walk fast, walk  
alone.  
But if you want to walk far,  
walk together.**

”



**THANK  
YOU**