

# The Journey to become a virtual CA firm

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  - ❑ DISA 3.0 – Module 6 on Emerging Technologies
  - ❑ Virtual Guide for Accounting Firms
  - ❑ Technical Guide on Internet of Things

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- ❑ The views and apps discussed in this session is only for information purpose and are the personal views of the presenter. The presenter is a practising CA and does not have any interest in any of the applications discussed and neither endorses any application.
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# Agenda

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1. Today's Reality
2. Roadmap to be a Virtual Firm
3. Enhancing Productivity
4. Becoming future ready



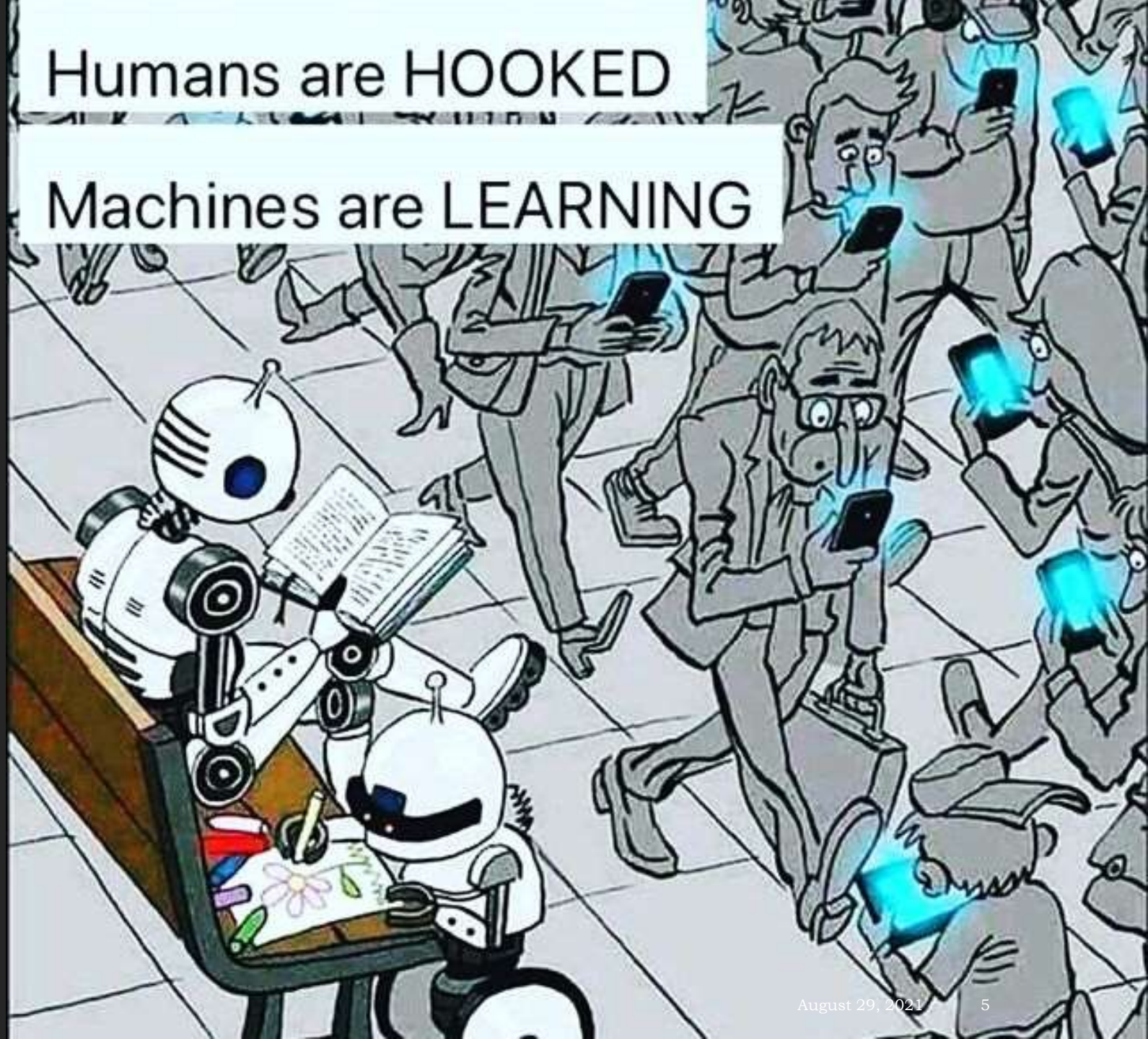


# Today's Reality

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Humans are HOOKED

Machines are LEARNING



### ➤ Increasing demand

1	Data Analysts and Scientists
2	AI and Machine Learning Specialists
3	Big Data Specialists
4	Digital Marketing and Strategy Specialists
5	Process Automation Specialists
6	Business Development Professionals
7	Digital Transformation Specialists
8	Information Security Analysts
9	Software and Applications Developers
10	Internet of Things Specialists
11	Project Managers
12	Business Services and Administration Managers
13	Database and Network Professionals
14	Robotics Engineers
15	Strategic Advisors
16	Management and Organization Analysts
17	FinTech Engineers
18	Mechanics and Machinery Repairers
19	Organizational Development Specialists
20	Risk Management Specialists

### ➤ Decreasing demand

1	Data Entry Clerks
2	Administrative and Executive Secretaries
3	Accounting, Bookkeeping and Payroll Clerks
4	Accountants and Auditors
5	Assembly and Factory Workers
6	Business Services and Administration Managers
7	Client Information and Customer Service Workers
8	General and Operations Managers
9	Mechanics and Machinery Repairers
10	Material-Recording and Stock-Keeping Clerks
11	Financial Analysts
12	Postal Service Clerks
13	Sales Rep., Wholesale and Manuf., Tech. and Sci. Products
14	Relationship Managers
15	Bank Tellers and Related Clerks
16	Door-To-Door Sales, News and Street Vendors
17	Electronics and Telecoms Installers and Repairers
18	Human Resources Specialists
19	Training and Development Specialists
20	Construction Laborers

Source:

Future of Jobs Survey, 2020

# So the message is clear...

Automation and affordable  
technology adoption is the need of  
the hour!





# Post COVID-19 Era

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Post COVID-19 era is an era of Digital epiphany

An era of automation, an era of investing into technology

Importance in using technology in the workplace and improving the efficiencies

Digitalization and technology have impacted the way our profession is perceived.

Accounting firms must anticipate and gear up for the technological revolution.

COVID-19 has made all of us realizing the power of Technology

The real question is “how to get started with the technology journey”



# Changes within our office

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- ❑ E-Assessment
- ❑ Cloud based Apps
- ❑ Work anywhere / anytime
- ❑ COVID-19
- ❑ More pressure. Less time.
- ❑ Higher Regulatory expectations
- ❑ Managing youngsters and Next gen



# Virtual Strategy

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# Key Strategy issues

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1. Who are we as a firm?
2. What does our firm want to be known for?
3. Where are we now in our growth strategy?
4. Where do we want to be in future and why?
5. What needs to be done to get there and how?
6. How do we know when we get there?
7. How do we implement required processes and systems to deliver services to reach our goals?
8. What type of IT infrastructure and investment is required to empower the firm and its employees to achieve required services and at desired performance levels?
9. How well are we prepared to meet the challenges of the present and future to deliver services to our clients and what do we need to do be prepared?





# Roadmap to Virtual firm

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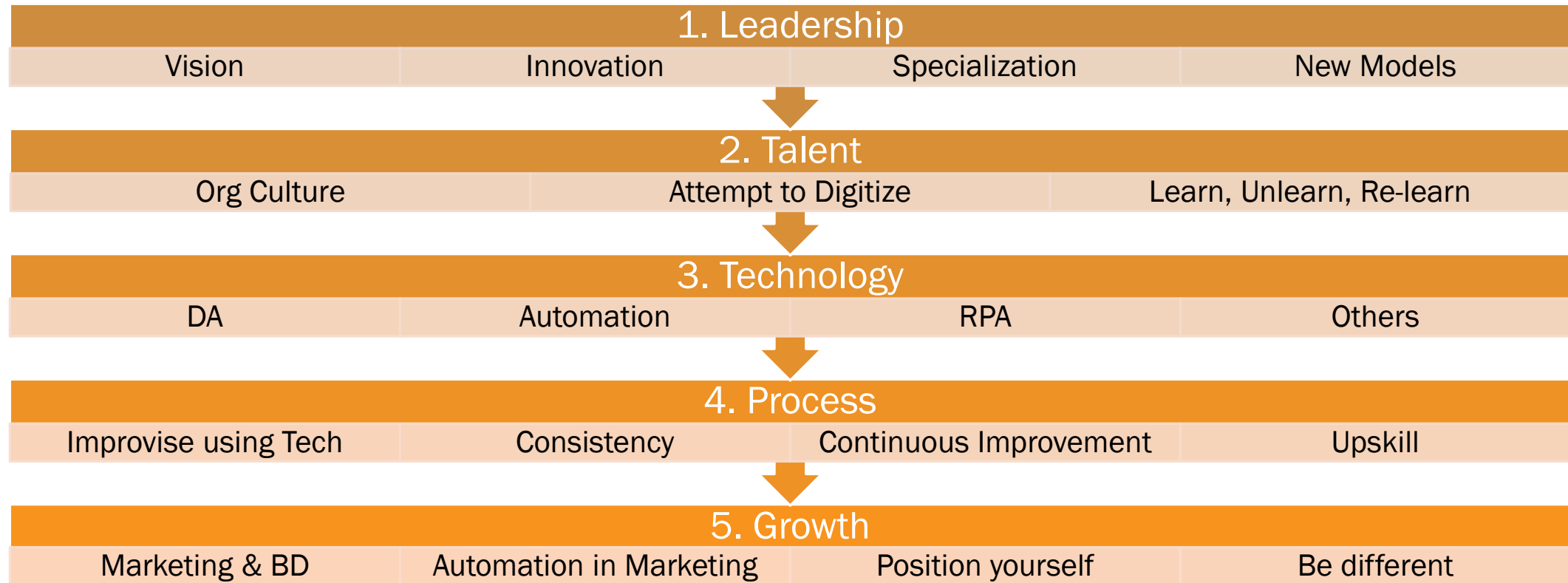


# The Digital Strategy

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# 5-fold Strategy

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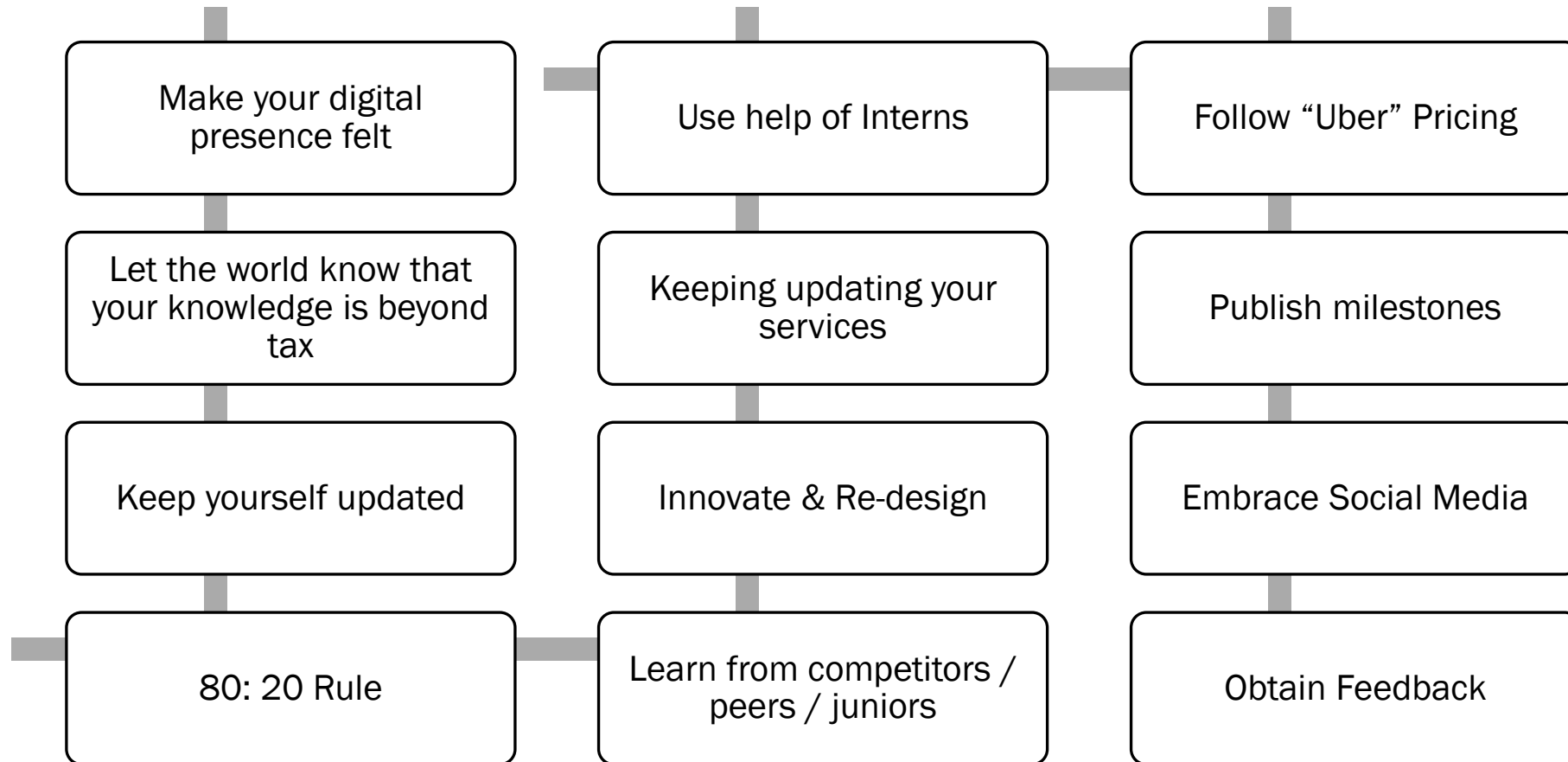
# How to get started?

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# Pricing & Marketing Strategies

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# Digital Presence

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# Digital Presence

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Website



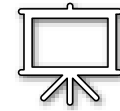
SEO



E-mail  
Communication



Blogging



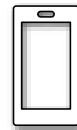
Webinars



CRM



Do Online  
Surveys



Mobile App

# Where to get started?

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# Using DCMM

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# Background

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- ❑ “Digital Competency Maturity Model (DCMM) for Professional Accounting Firms – Version 1.0” was released in 2017.
- ❑ provided a set of minimum requirements which the firms can evaluate on a self-assessment basis.
- ❑ build a strategy for up skilling, to leverage the opportunities which will unfold in the digital era.

# DCMM Version 2.0 v/s DCMM Version 1.0 :

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- ❑ Discipline specific categorization based on the firm's profile for assessing its digital competency with respect to level of automation.
- ❑ New Section on “Adaptation of Advanced and Emerging Technologies”, which encourages firms to embrace emerging technologies and get ready for the future digital landscape.
- ❑ Includes detailed Implementation Guide to help accounting firms with practical tips on moving to the next level of digital competency.

# Overview of the DCMM 2.0

## Section A: Level of Automation of Firm's Internal Processes –

- usage of IT by the firm for its own internal processes for example, billing, document management, client relationship management, and staff attendance and work tracking, cyber security

## Section B: Availability of Qualified Resource Pool and Talent Development Relating to Digital Competencies –

- attracting, retaining and developing staff with requisite qualifications and skills.

## Section - Discipline specific Categorisation

- C1 - Audit
- C2 - Taxes and compliance
- C3 - Accounting and support function
- C4 - Other Management Consulting Services

## Section D: Adaptation of Advanced and Emerging Technologies

# Firm Maturity Rating

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## Level 1 Firm -

- indicates that the firm is in very nascent stages of adopting digital technologies but will have to take immediate steps to upgrade its digital competency or will be left lagging behind.

## Level 2 Firm -

- indicates that the firm has made some progress in terms of adopting digital technologies but will have to fine tune further to reach the highest level of digital competency.

## Level 3 Firm -

- indicates firms which have made significant adoption of digital technologies and should focus on optimising it further to be in the forefront of use of emerging technologies like, Artificial Intelligence and Blockchain.



# Implementation Guide

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DCMM Version 2.0 includes implementation guide in the form of implementation clues.

practical based and are a sort of handholding for small and medium firms for adopting new technologies

Implementation Clues given in this guide are generic and are minimum requirements under each domain

is prepared to assist the Professional Accounting Firms (Firms) in implementation of the various digital initiatives and enhances their digital maturity competency

# DCMM Road Map for Moving Up the Next Level of Maturity

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## Step 1: Benchmarking

- Benchmark the current maturity level of the firm by completing the DCMM, and document list of specific aspects that the Firm is currently lacking, and which needs to be initiated to move the next level of Maturity model.

## Step 2: Planning Initiatives

- Convert the initiative to be taken into an action plan- with timelines- quarterly/annual.

## Step 3: Identifying resources and execution plan

- Identify a small cross functional team to own the execution of the plan, with a leader and make the execution of the plan, an important part of the Key Result Areas/KPI of this team. Define accountability for reporting progress and challenges in implementation.

## Step 4: Assessing progress and re-validation against the DCMM

- Assess the progress by re-evaluating against the DCMM and re-visit the execution plan half-yearly.

## Step 5: Perform a peer review/ review by external firm, if necessary

- The firm may on a voluntary basis perform a review by an external firm or a peer review and assess the position at periodical intervals. It is recommended to perform peer review on a regular basis by external firms or at the time when firm ascends to next level.

# How to prioritise?

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# Prioritizing IT deployment based on cost-benefit analysis and growth strategy

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## Prioritise projects based on value to the Firm

- One could begin by looking at each project on the list and ask a simple question: “How will this project / IT deployment impact my firm?” Projects which can bring in more clients, improve efficiency, render better quality of services, should take the priority.

## Set priorities by identifying urgent and important projects

- With COVID-19 and remote working, solutions pertaining to remote working may be a priority in comparison to developing a website. Choosing the right prioritization matrix is essential process. While the IT deployment may be important, it may not be urgent.
  - An important project brings value to your business, whether you feel its impact today or years down the road.
  - An urgent project requires immediate attention to stay on track or keep business going.

# Time management matrix by Stephen Covey

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	URGENT	NOT URGENT
IMPORTANT	Priority 1	Priority 2
NOT IMPORTANT	Priority 3	Priority 4

# Time management matrix by Stephen Covey

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## Priority 1- Urgent and important:

- These are a hard deadline that one can't afford to miss? These must be prioritised first. Ex: Deploying a work from home technology, IT Security Solution etc.

## Priority 2 - Not urgent but important:

- These are important projects, but do not have an immediate deadline but matter to the firm. Ex: Implementation of Task Tracking Tool, Deploying Data Analytics for improving quality of engagements etc

## Priority 3—Urgent but not important:

- These projects may call for quick attention but may not serve the goals of the firm. There is a possibility of delegating it. Ex: Deploying an IT Solution which may be a required for only one client engagement or for an one-off engagement.

## Priority 4—Not urgent and not important:

- These projects can be ignored for the time being, so that once can free up some time and resources for more worthy work. Ex: Introducing an Asset / license tracking tool/preparing a solution for internal training, knowledge repository etc.

# 3 Most Important things to start with:

## Mindset

- Develop a strategy
- Who do we want to be, what services do we want to deliver to clients?
- How do we build the business model around this?

## Skillset

- What skills do our staff need
- How do we make sure they obtain these?
- How can we attract people with the right skills?

## Toolset

- What tools can we use to leverage our strategy



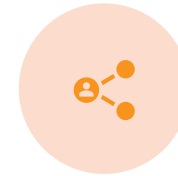
# + Why Technology?



Efficient tracking and scheduling of work.



Maintaining records and contact with the firm's client database



Sharing data with their clients.



Improvisation in the communications process



Storing and retrieving data efficiently and with adequate disaster recovery mechanisms



Enhancing the presentation of the firm's work



The marketing of the firm and their value proposition; and



Managing time pressures.

# Typical areas of Services of CA Firms

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## Process Outsourcing:

- This covers general services such as Book-keeping, Accounts Reconciliation, payroll processing, etc.

## Regulatory Compliances:

- This covers tax payment, returns filing and other statutory requirements.

## Audit & Assurance:

- This covers the various types of audits. Examples: Internal Audit, Tax Audit, GST Audit, Company Audit, etc.

## Consulting & Advisory:

- This covers consulting and subject-matter advisory services provided. Examples: Financial advisory, management consulting services, etc.

## Litigation & Assessment:

- This covers litigation & assessment services provided. Examples: Filing of Appeals, etc

# Example for identifying avenues

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# Identifying Areas of Automation for CA firms

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- ❑ By automation of client's operations resulting in most of the client's data turning digital.
- ❑ Automated regulatory compliances can be performed digitally. Most of the compliances can be performed only by using automation.
- ❑ CA firms are compelled to use IT in their own offices as relevant to provide services of assurance, compliance or consulting.
- ❑ Exchange of communication and Information has become extensively digital and paperless requiring technology by most of the employees in a CA firm.

# Activities that can be automated in CA office

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- ☐ Payroll & Exp Mgmt.
- ☐ Timesheet
- ☐ Invoicing & Debtor Reconciliation
- ☐ Document Management
- ☐ Task Allocation & Tracking
- ☐ Rolling out Initial Checklists
- ☐ Periodical Backup
- ☐ Periodic Return Filing (case to case)
- ☐ Preparation of Financials
- ☐ Periodical Reminders



Disruption creates  
opportunity

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# Disruption creates opportunity

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- ❑ Digital disruption is a strategic opportunity for all of us to adapt and grow, however not without risk.
- ❑ With the growth of automation, we will see some traditional revenue streams dry up as these services become increasingly commoditized by companies.
- ❑ A bot who does my bookkeeping!
- ❑ We need to work out what the newer business models are. Those to take willing to take the risk in this transitional phase, will be rewarded with fantastic opportunities to serve.
- ❑ These new technologies also present opportunities for organisations to reskill the workforce and its resources. This transition provides us with direction and an opportunity to step up to interesting and new challenges.



# Future of Work for professionals

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## Clients

Beyond Geographic Boundaries  
One Stop Solution  
Technology driven solutions  
May not be loyal



## Services

Focus on Advisory from Compliance  
Bundling of services  
Non-traditional services  
Phygital Workplace



## Talent

Multi disciplinary powered by Technology  
Risk taking ability  
Limited loyalty  
Managing millennials

# Future of Technology for professionals - Immediate

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Advanced work from home and remote working solutions



Flexible working – boon for woman



Automation of accounting and compliance



Data will move automatically from clients and their bank accounts into the accountant's systems.



Remote Audit



Accountants will have a real-time overview of client matters



Fees based on value added and not time spent.



Increased in Audit of IT Systems and Forensic Engagements

# Future of Technology for professionals – Distant Future

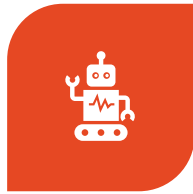
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Proactive alerts to auditors



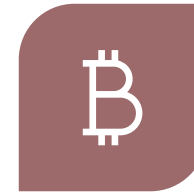
Analytics powered newer services



AI as a service provider



“Bot-keepers” from bookkeepers.



Blockchain powered solutions will soon be a reality



Technology solutions require domain expertise of CA

# Gearing up for the challenge!

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## Identify the need

- as simple as writing a Macro in Excel to automate a process or go as complex as defining a Machine Learning algorithm to model data

## Explore and research

- In the digital age information is just a click away

## Test before you commit –

- Once you have identified a technology or product you are interested in, request a demonstration or the trial version of the product

## Develop standard procedures

- This ensures the entire staff uses and understands technology

## Measure the results

- The true test in confirming whether a new technology has been successfully implemented is whether it produces tangible results



# The World's Biggest Problems are the World's Biggest Opportunities

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# Concluding thoughts

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- ❑ Technology is the language of Business which facilitates enterprises by providing Products and Services to their Customers.
- ❑ CAs as Knowledge Workers empower enterprises to run businesses by providing assurance, compliance, and consulting services to their clients.
- ❑ The Right Technology Infrastructure provides a strong platform for CAs to use their professional skills more effectively and efficiently

# Recommended Reading

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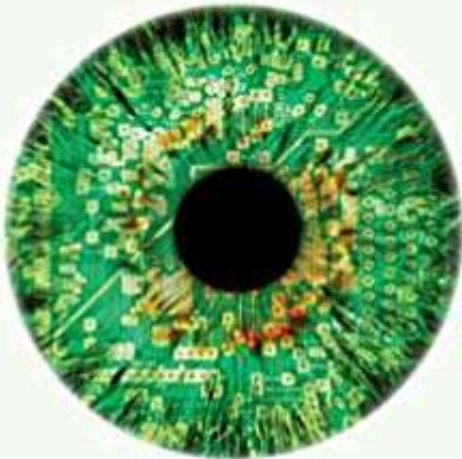




# Future of the Professions

How Technology Will Transform the Work of Human Experts

RICHARD SUSSKIND DANIEL SUSSKIND



THE FUTURE OF  
THE PROFESSIONS

HOW TECHNOLOGY WILL TRANSFORM  
THE WORK OF HUMAN EXPERTS

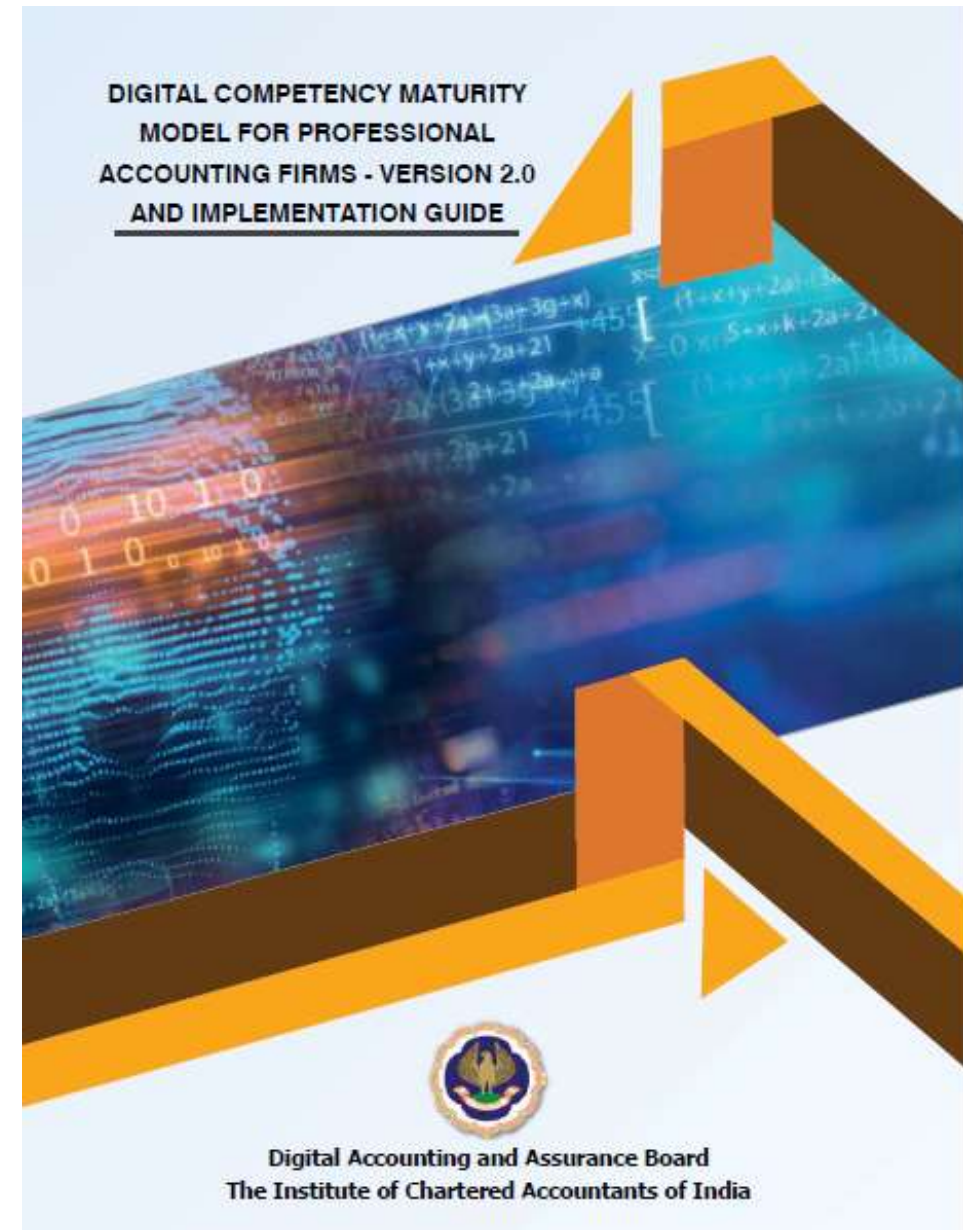
- ❑ Professionals autonomy vs Online Knowledge
- ❑ AI change
- ❑ Tax Filing
- ❑ Standardization of Work
- ❑ Traditional jobs will disappear

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## Strategic Roadmap for CA Firms to Operate as Virtual Firms

# DIGITAL COMPETENCY MATURITY MODEL FOR PROFESSIONAL ACCOUNTING FIRMS - VERSION 2.0 AND IMPLEMENTATION GUIDE



# Accounting Plus Skills Framework

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**Exhibit 4**  
**Accounting Plus Skills Framework**

Analytic Skills	Personal Skills	Mindsets	Accounting/Audit Knowledge	AI/Disruption Understanding
ERP systems	Personal agility and resilience	Global	FASB standards	Robotic process automation
Programming logic	Client connection and communication	Questioning and challenging	GASB standards	Intelligent process automation
Data visualization	Likeability	Business acumen	PCAOB, ASB, IAASB standards	Watson, deep learning methodology
Analytic modeling	Presentable		Specialized industry understanding	Cognitive computing tools
Extract, transform and load (ETL) tools	Political correctness		Understanding of markets and investor needs	Blockchain and smart contracts
Text mining	Leadership		Measuring and understanding cybercurrencies	Effect of cybercurrencies on the environment
Audit software			Understanding of SOC certificates	Cybersecurity
Legacy systems				

Source: *The Future of Audit: Preparing Students to Succeed*, Ernst & Young whitepaper, 2018.

ERP=enterprise resource planning

SOC=service organization controls



# About Us



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Technology Consulting Firm**

**Digitization | Analytics | Risk | GRC | SOX  
| ISO | SOC | Forensic Audit | Privacy Law**



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**KEN & Co.** is a Bangalore based professional firm with a right combination of zeal and experience in emerging areas such as Information technology advisory, process audit, systems implementation, gap assessment in existing systems & processes, in addition to tradition areas of tax, assurance, consulting and business advisory.

Considering the growing business challenges in day to day world and new complexities cropping every now and then, we adopt a multi-dimensional approach and help you better your business processes and services. As business grows beyond frontiers, we believe in adding value to every activity we perform!

Our area of operations ranges from traditional areas like tax and assurance to the new transpiring areas like Process Audit, Information Technology Audit, catering to the needs of e-commerce and start-ups.

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# Tech-enabled Solutions



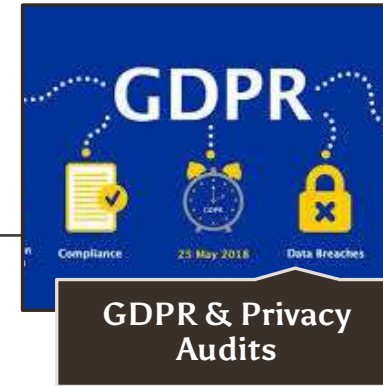
IT Governances & Compliance



IT Assurance Services



Data Analytics & Business Intelligence



GDPR & Privacy Audits



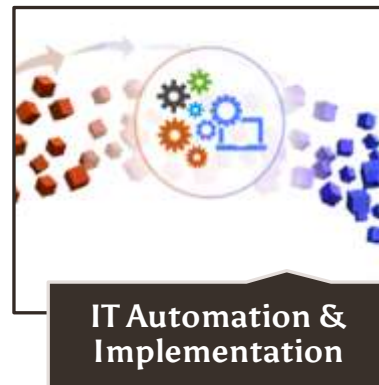
Emerging Technology (AI, Blockchain, IoT)



Enterprise Risk Management



Forensic Audit



IT Automation & Implementation



Cyber Security



IT Consulting



ISO, PCI DSS, CMMI Compliance



SOC Assessments



IT Training





<https://www.capsfoundation.in/>

# Thank You! Questions?

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