

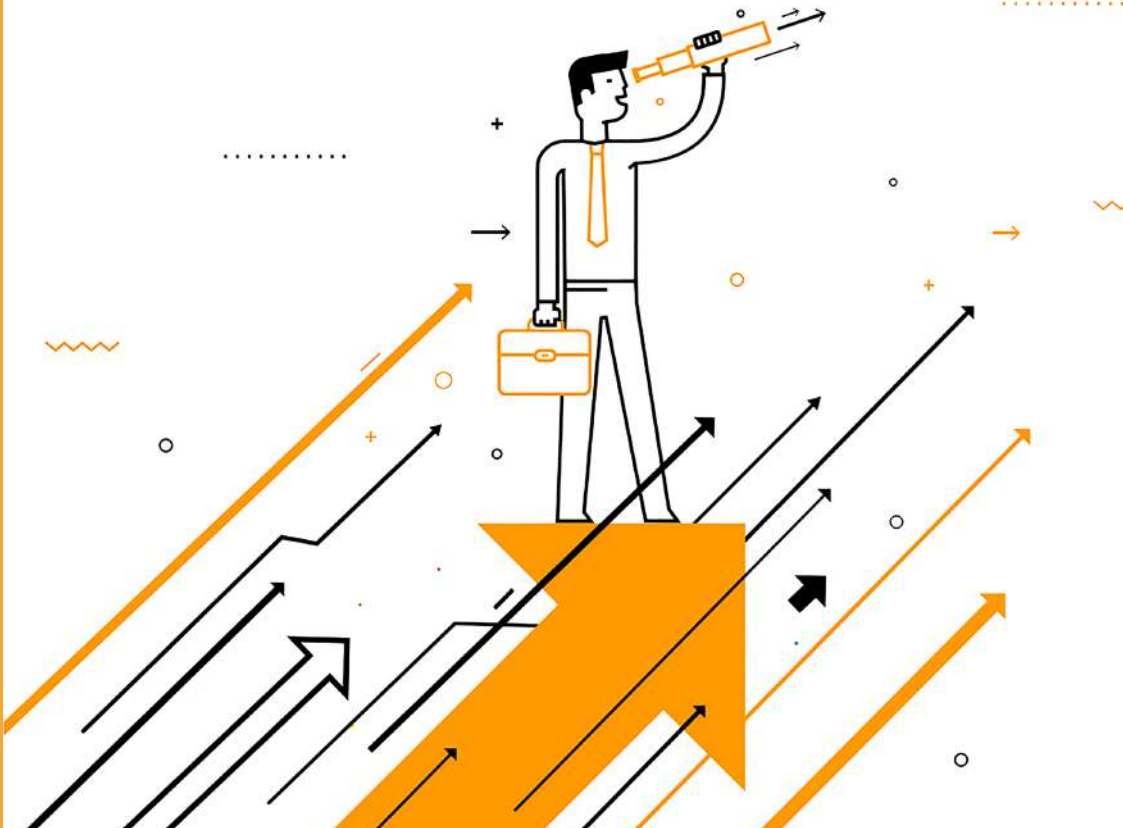


Western India Regional Council of  
The Institute of Chartered  
Accountants of India  
(Set up by an Act of Parliament)



# NE>XT GEN CAs

- GETTING FUTURE READY

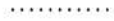




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The Institute of Chartered  
Accountants of India**  
(Set up by an Act of Parliament)



# NE**X**T GEN CAs



**- GETTING FUTURE READY**

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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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## Foreword



It is a matter of great pleasure that we at WIRC have always remained at the forefront in providing information and knowledge for practicing Chartered Accountants. I am proud to say that over the last two years, we have also broadened our focus towards newer and softer aspects for members in practice. As partners in nation building, we have always looked out for society and continue to do so. Paradigm change brought out in the year 2020 has taught us to adapt to new things and embrace the change.

It is increasingly crucial in current circumstances that small and medium enterprises become future ready. In our endeavour to build the capacity of such practitioners and also to provide guide to young CA's, this book "Next Gen CAs - Getting Future Ready" is being released.

The contributors have compiled the information in a lucid manner so as to make the process easier to understand and follow. What this publication does is to present handy principles and ideas which readers can adopt to make their practice more robust and prepare for the coming decade.

I genuinely appreciate CA. Drushti Desai, Vice Chairperson for her efforts, all the contributors namely CA. Jayant Gokhale, CA. Bhavesh Vora, CA. Sujal Shah, CA. Vikram Kotak, and CA. Khushbu Shah for their stupendous contribution.

I look forward to seeing the ideas from this book converted into practical applications, for personal as well as professional functions for all our members.

With Best Regards

**CA. Manish Gadia**

*Chairman - WIRC of ICAI*

## Preface



Dear Professional Colleagues,

WIRC is pleased to present this book on ‘Next Gen CAs - Getting Future Ready’. This book has provided insights of how our practice is going to evolve with new generation Chartered Accountants now entering this space and what shall give us a competitive edge in the coming years for our practise to develop.

The book shall assist all readers to get ready for the changes that are likely to take place and show us the path one has to take for future practice. It also covers the ‘Technology’ part, without which one cannot imagine future landscape and also the changing dynamic of Industry in the coming future. Technical and professional knowledge are necessary to survive but it is these skills, capabilities and attitude that will help us thrive and grow.

I would like to take this opportunity to appreciate the contributors for the immense effort they have put in for this book.

This will indeed guide the reader in getting a better understanding of the topic. I wish all the readers a very enlightening reading and urge them to remember that,

“As long as I live, so long do I learn.”  
– Sri Ramakrishna Paramhansa

Yours Sincerely,

**CA. Drushti Desai**

*Vice Chairperson, WIRC of ICAI*



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## Index

Sr. No.	Particulars	Pg. No.
<b>1.</b>	<b>Flashback Time - Understanding Our Role</b>	<b>1</b>
1.1	Introduction	1
1.2	Roles & Responsibilities	6
1.3	Key Practice Areas	9
1.4	Expectations From A Practicing CA	15
<b>2.</b>	<b>Transition in CA Practice</b>	<b>20</b>
2.1	Looking Back & Recent Trends	20
2.2	Changes In Expectations & Environment	27
2.3	Paradigm Shift In Mindset	32
2.4	What Next? - The Big Question	34
<b>3.</b>	<b>Appreciating Achievements, Preparedness for The Best</b>	<b>40</b>
3.1	Savour The Joy Of Your Achievements - Practice So Far, So Good	40
3.2	Various Dimensions Of A Professional In Practice	45
3.3	Preparedness For A Bright Future	49
3.4	Change Before The Change	51
3.5	Take The First Step Before The Rest	53



Sr. No.	Particulars	Pg. No.
<b>4.</b>	<b>Let's get Back to School - Unlearn, Learn &amp; Re-Learn</b>	<b>58</b>
4.1	Are You Ready To Take Two Steps Back ?	58
4.2	Learnings From The Pandemic	63
4.3	Journey Of Unlearning To Relearning - The Smart Way	66
4.4	Re-Learn With New Innovations	70
<b>5.</b>	<b>Its Time To Look Within For The New Beginning</b>	<b>76</b>
5.1	Identifying Your Natural Instincts	77
5.2	Connect The Dots With Reality	81
5.3	Maximise Strengths & Leverage Weaknesses	82
5.4	Jump Out Of The Comfort Zone	84
<b>6.</b>	<b>Communication For Impactful Action</b>	<b>88</b>
6.1	Communicating For Success	88
6.2	Ensure A Clear Positive Message - What Are Effective Communication Habits	96
6.3	Translate Communication To Impactful Actions/ Positive Results	99
6.4	Communication - Then & Now	103

Sr. No.	Particulars	Pg. No.
<b>7.</b>	<b>Skill Sets For The “Next Big Bet”</b>	<b>108</b>
7.1	Develop Agility & Resilience	108
7.2	Be The Knowledge Power Bank	112
7.3	Cultivate Productivity	116
7.4	Collaboration & Creativity	123
7.5	Be The ‘Humane’ Being	126
<b>8.</b>	<b>Embracing Reality, Collaborating With Technology</b>	<b>132</b>
8.1	Its Time To Understand The New ABCD	132
8.2	Applications Of ABCD In Practice	135
8.3.	Developing Technology Efficient Work Environment	140
8.4	Optimize Client Servicing Through Technology	144
<b>9.</b>	<b>Core Competencies &amp; Opportunities In Financial Services</b>	<b>150</b>
9.1	Core Competencies	150
9.2	Leveraging Core Competencies	155
9.3	Opportunities In Financial Services	160
9.4	Infinite Possibilities	163

Sr. No.	Particulars	Pg. No.
<b>10.</b>	<b>Uniting Of CAs With Generation Z</b>	<b>168</b>
10.1	Introduction To Tech Savvy CAs	168
10.2	Blending Principles & Technology	171
10.3	Synergy Of Experience & Energy	174
10.4	Creating World Class Professionals	178

From the Contributors' Desk

## How to read this book?

Hello Readers,

We are very grateful, for the opportunity given to us to gather and share our thoughts, experience and insights on some of the most important non-technical aspects concerning our great profession. We all had a wonderful time discussing and compiling various chapters of this book, which is before you. Each chapter of this book covers an independent topic. This book is like a bouquet of flowers. Each one may pick up the flower which he likes or take the whole bouquet. The reader may read each chapter in isolation or as a collective reading, although we feel collective reading of chapters adds extra strength and power to the message which we want to convey.

As a Chartered Accountant, we are lifetime students and we keep learning, relearning and unlearning for our entire lives. Being part of such a fast changing profession, we are more tilted towards learning professional subjects and changes and there is a common tendency to ignore softer aspect of non-technical learnings, which at times results into a severe impact in the way we discharge our duties. Our main objective was to write the non-technical aspects in an easy to understand language, with a clear focus to be of use to younger generations in making some decisions about the profession and for the experienced ones, to introspect.

We believe, the title of the Book, “Next Gen CAs – Getting Future Ready” describes our humble attempt to be of some help to the professionals for getting future ready. This book is an attempt to make the future ride a bit easier. Each one of us have made mistakes in the past but if we don't learn from those mistakes and leave behind some guide for future generations, we will be failing in our duties towards our fellow professionals.

We have focused our energy in presenting different skills which are rare today but could become a new normal in the times to come. We have also attempted to present how scenarios

previously were, presently are and how we see them evolving. This book should be used as a Compass and not as a Map.

We have also mindfully not kept any common style of writing chapters as we are conscious of the fact that each professional have their own individual likings. We have tried to present multiple perspectives to the reader without attempting to standardize the theme of presenting. The contents at some places in this book may be repetitive but we have retained them to justify the flow of the chapter and to provide understanding of different dimensions.

We have had our share of fun of going through the process of writing and we genuinely enjoyed every bit of it. We hope this book adds value to your professional and personal lives.

**“Knowledge is power, Knowledge shared is power multiplied.”**

**– Robert Boyce**

Happy Reading!

**“Life can only be understood backward;  
but it must be lived forward.”**

**- Soren Kierkegaard**



# **1. FLASHBACK TIME - UNDERSTANDING OUR ROLE**

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1.1 Introduction.....	1
1.2 Roles & Responsibilities .....	6
1.3 Key Practice Areas .....	9
1.4 Expectations From A Practicing CA .....	15

## **1.1 INTRODUCTION**

From the dawn of human history and through ages there is evidence which indicates that mankind had resorted to keeping records of events in every civilisation - whether ancient or modern - with or without having commercial background. India can justifiably claim to be the pioneer when it comes to commerce and trade flourishing throughout the world. There are evidences which state that accounting existed in the Vedic and Pre-Vedic period which is much prior to the days of Babylonian empire.

India was an epicentre of the world; it was considered as a place of the world's richest people. There are many references throughout history right from King Solomon to the Roman Empire to the Bible to the Chinese travellers from the 5th to 8th Century and all have written vivid descriptions of the opulent Indian civilisation, the excellent government and widespread education.

There are many analysis that prove beyond a doubt that ancient India had a key business instinct which



characterised the society, trade, commerce and industry which flourished in ancient India on a very large scale. The extensive scale of business could not be carried out without any kind of record keeping. It was discovered that there existed modern-day chamber of commerce in northern India. There are also other indicators that help us understand that there existed a modern system of taxation even before the Mauryan period. Along with these developments, the system of accounting and bookkeeping had originated long ago in ancient India.

Now travelling through time and coming to the nineteenth century, the Indian companies Act, 1866 for the first time had made elaborate provisions in respect of Audit of Accounts of Companies. This was followed by the Indian Company Act, 1882, which was later replaced by the Act of 1913. Its provisions gave ample indication of establishing a class of qualified accountants to audit the books of the company. When India achieved its independence there was significant development in the accounting profession leading to its gaining of autonomy and statutory recognition in 1949, dealing with specific requirements on the accounts and audit of corporation. It is during this period that, *accountants besides preparing books were also able to share views on audit of financials.*

The **post-independence period** between 1949 and 1972 can be described as formative years in which the focus was to lay a solid foundation for Chartered Accountancy as a career. The subsequent period from 1973 to 1999 can be considered as a period in which activities of The Institute of Chartered Accountants of India (ICAI) have grown beyond imagination. The accountancy

profession developed according to the needs of the society. Accountants were able to increase their scope and have managed to spread their wings to other areas like Taxation, Surveyor/Loss Assessor in respect of Insurance Claims, Secretarial Work, Internal Audit, Tax Audit, Audit of other entities (e.g. Non-Corporate entities, Cooperative society, Sales Tax, Management consultancy service, etc.)

As we moved to the millennium i.e. period between 2000 to 2020, various areas of practice, got expanded and grew even further and CAs also deepened their role by integrating into other aspects of business & commerce. The services offered by a Chartered Accountant were completely revolutionised with the advent of Information Technology and opening up of international boundaries. The services offered are now changing from taxation to compliance advisory, accounting and auditing to management risk and control based audits, compliance to consultancy, domestic tax to international tax and FEMA, etc. CAs also started practice in allied laws, forensic audit, valuation, capital market consultancy, securities law, start-ups, etc.

The role of an accountant has managed to evolve from bookkeeping in Vedic and pre-Vedic era to assurance services in the twenty first century. It can be clearly seen that a Chartered Accountant has evolved throughout from playing a passive role earlier to a more active and proactive role in society. The expectation from Chartered Accountants has increased manifold, thereby increasing their accountability and reliability.

In the years to come, we will witness a paradigm shift as our practice is moving *from assurance to non-assurance and*

*further from non-assurance to non-conventional areas. New thoughts have opened up new service lines such as e-commerce, food tech, fintech which shall open a new vista of professional avenues for a Chartered Accountant. India is expected to be a hub for start-ups and disruptive innovations, Chartered Accountants in time to come is likely to play a vital role from conceptualizing to implementing such projects. With technology, the mode of providing services is also undergoing change and leveraging the technological advancements is creating newer ways of providing services to clients. In order to go from local to global, CAs will have to get future ready to meet the challenges presented by the rapidly changing environment. ICAI through its 'Vision 2030' aims to become the world's leading accounting body, a regulator and developer of trusted and independent professionals with world class competencies in accounting, assurance, taxation, finance and business advisory services.*

ICAI Vision 2030 emphasizes four elements:

**a. To be the world's leading accounting body:**

ICAI envisions becoming the world's leading accounting body by playing a predominant role in setting world class standards in identified service areas, developing thought leadership and research that addresses concerns of countries - developed, developing and under-developed.

**b. A regulator and developer of trusted and independent professionals:**

ICAI will lay further thrust on its regulatory and developmental role that sets the highest standards of professional and ethical conduct of its members as a core value. Each and every member of ICAI will not

only have the obligation to maintain exact standards of clarity, transparency and disclosure and present an independent, informed and balanced opinion but ICAI will make examples of delinquent members to ensure this core value is embedded in the DNA of its members.

**c. Having world class competencies:**

ICAI will ensure that members have the right skills to serve global markets which are regularly updated and are relevant in the changing economic order. ICAI will provide holistic education, effective practical training and continuous professional development to ensure that the knowledge base of the profession keeps pace with emerging global practices and innovations.

**d. In accounting, assurance, taxation, finance and business advisory services:**

ICAI will strengthen facilities available for providing education, training and continuous updation of knowledge and also research and development relevant in current times to establish thought leadership in these areas where members of ICAI have been providing services.

On the path to achieve the vision, ICAI has taken many measures to equip the members to compete at global levels. For e.g.: ICAI entered into an MoU with the World Bank for the arrangement of knowledge enhancement of the members of ICAI and Procurement Audit. This aforesaid arrangement

with the World Bank offer procurement training on Joint Certification basis to the participants of the training programme. These trainings are meant to enhance the capacity of ICAI members to participate in procurement opportunities in Bank Funded Projects for various assignments including external/internal audits; procurement audits/post reviews, and other consultancy assignments for firms and individual members of ICAI. There are many such revolutionary measures which have been taken. With such measures in place, we are seeing a change in roles and responsibilities.

## 1.2 ROLES & RESPONSIBILITIES

Roles are still the same only the dynamics have changed. Previously the responsibility of the Chartered Accountant was restricted only towards the intended users of their work but evolution in the work kept taking place. Currently, the responsibilities are not just restricted to companies but to all the stakeholders who are directly or indirectly connected with the organisation i.e. the responsibilities of an accountant are not only towards shareholders of the financial statements they have audited but also towards society at large which includes various stakeholders like lenders, government, employees, creditors, society and others.

The reliability, usage and significance towards the financial statements has increased drastically. The roles in relation to accounts have not been restricted to preparation of accounts, consulting on accounting matters, preparation of Management Information Systems

(MIS) but changes in expectations have resulted in additions to the existing other factors such as guiding on matters like corporate governance, environmental, social and governance reporting, advisory on complex regulations, applicability of international transactions and accounting standards, liquidity projection, viability and feasibility studies, measurement of complex financial products, studying intricate contracts, CSR, etc. Worldwide, various stakeholders are looking for reporting for a better presentation on ESG and have understood that the stakeholders are paying attention to the overall health of the company.

Responsibility of a CA can be broadly categorized into 5 categories and within each category a professional has a different role to play:

- **Towards the Profession**

The profession is made of professionals. Every professional carries responsibility to bring good governance, integrity and respect to the profession through his conduct. The respect is not only through professional work but all other activities put together.

- **Towards the Practice**

The kind of practice a professional takes up in his career, the way of working, the approach towards his clients, the sincerity and dedication for knowledge updates, steps for upskilling himself for the betterment of practice, all count towards his responsibility towards the practice. *One needs to*

*understand that how you manage your practice is what a future CA will see and learn.*

- **Towards the Client**

The client places immense trust on the knowledge and skills of the professional. He wishes that the CA shall serve him in his best interests and makes them compliant with all the regulations and also assist him in becoming a law-abiding citizen. It is the duty of the professional to provide value based and best quality services.

- **Towards the Institute of Chartered Accountants of India**

The governing body for Chartered Accountants is a representation of Chartered Accountants globally and as a professional, it is our duty and responsibility to hold good conduct, carry out activities in a professional manner and follow the fundamental principles laid down by the Institute. ICAI is a body reflecting the image of all members collectively.

- **Towards the Regulators**

The regulatory authorities require various audits and certifications from practicing CAs for various purposes such as granting licenses, adherence to compliance, filing, disclosures, payment of taxes, etc. Being a professional, he is duty bound and accountable to the regulators for reporting correct information and facts. Professionals are also looked upon for providing suggestions, feedback and

representation for proposed regulatory amendments. The CA has a major role to play in nation building along with government.

- **Towards the Community**

As professionals, people all around the globe look up to CAs with utmost respect. Information certified by them and documents signed by them are considered as the most reliable documents and many decisions are taken through such information. This puts immense responsibility on the professional towards the communities which rely on it. One needs to keep in mind that professional work alone is not sufficient, if it does not culminate into the larger goal of development of society.

### 1.3 KEY PRACTICE AREAS:

**Background:** Chartered Accountants have been a strong support system to the Indian economy. The fields which are covered below are not exhaustive but they have been the pillars of foundation for CA practice. All practice areas have significantly changed post the technological boom, post digitalisation and with lots of young practitioners entering into the profession. The disciplines which have strongly supported us over the years are accountancy, taxation, assurance and compliance.

#### **Accounting**

This has been a key area in which accountants have constantly been actively involved and have regularly provided services in this domain. The development of this



field has evolved from paper to software and from man to machine. Previously Accounting Standards (Indian GAAP) were followed throughout India but as India is matching up with global peers, Indian Accounting standards (IND AS) have been introduced for larger corporates. Entities have started entering into more complex transactions, therefore, viewing the transaction with the same lens would not do justice. Albeit, principles of accounting remain the same, application of those principles can be different as businesses have started evolving in this dynamic environment.

## **Taxation**

Earlier there were two types of taxation - Direct Tax and Indirect Tax. The centre and many of the state authorities have prescribed various other taxes based on the local laws, the practice area of which is also expanding. Direct Tax has been in existence for more than 50 years. Before the advent of digitalisation, the processes of tax were lengthier, time consuming, complex and with too much paperwork but post digitalisation the systems and procedures have been simplified. The development has been so robust that submission and assessment have been switched to electronic mode and made the work easier and remotely possible. The regulatory authorities look upon building a strong digital infrastructure for smooth functioning for collection and compliance of Taxes in coming years. *The role of a CA shall be more towards value added work and mere compliances with taxation laws would not suffice as processes are now getting outsourced to technology.*

## Assurance

Audit is evolving rapidly through the effect of technologies and legislative changes in recent years. The pandemic has forced business to operate remotely and embrace technological tools. The volume and scale of businesses is increasing rapidly and for CA firms to cater to large number of companies, that too belonging to different industries is becoming difficult. Instead, audit practices are now seeing a shift towards specialisation. This was once a generational practice but has now become a specialised practice. Chartered Accountants previously conducting audit of many listed companies are now moving towards audits belonging to same industries and the same sector. The number of variables to deal with in audit is increasing and thus the complexities have also tagged along. In such an environment, the scope of Complex Audit has gained importance. *Audit which was once upon a general practice will move to specialisation practice.*

There is an increasing global trend among the young investors to focus on non-financial factors such as ESG which stands for Environmental, Social, and Governance. ESG metrics are now a part of Business Responsibility Reporting which is mandatory for companies who fall under top 1000 on the basis of market capitalisation and companies are increasingly making disclosures in their annual reports or in a standalone sustainability reports. The constantly upgrading of technology, shall provide more support to accounting activities in the near future. It also has the ability to displace the need for certain functions of a Chartered Accountant and convert it digitally with the help of new of technologies which are covered in detail in the upcoming chapters.

## Compliance

Compliance practice is a practice of the past, present and future. The practice which was conducted in this domain was merely to comply or adhere with the guidelines. With the new generation professionals in the businesses, compliance is no more a checklist job. The scope has increased tremendously in terms of consultancy and advisory services emanating from compliances. Firms can now offer services in their specific domain simply through internet. In the financial service sector, regulators like SEBI, RBI, IRDAI, etc. have provided for uploading returns through digital mode only. Regulators have defined returns through their inbuilt software support and compliances are done through digital mode. Regulatory filings are conducted in such a way that adherence to compliances are synchronised with the portals. Compliances have increased irrespective of industry, segment, sector, demographic presence it belongs to. *The innovations and complexities in business will add more compliance and there is no sign of respite even in future and CAs can think of building an in house software to ease out compliance pressure.*

## Other Areas

We now have to think of providing services which can be the future practice areas. So far we have worked on accounts, tax, audit and compliance, and CAs play invaluable role in assisting business organisations to utilise resources effectively, increase their efficiency and achieving their goals and objectives. There are many emerging areas which hold scope for expansion of practice areas, such as:

- Developing management information system,

- Designing budgetary and control system,
- Determining measures of the effective utilisation of capital,
- Installing cost accounting system,
- Assisting the management in the efficient use of working capital as an aid to improve productivity,
- Advising management on principles of organisation and methods for effective delegation and planning of work,
- Rendering advice on international taxation matters, foreign collaborations, joint ventures, double taxation agreements etc.,
- Reviewing procedures and equipment for operational control,
- Review of financial planning and policies for effective utilisation of resources,
- Rendering secretarial services and advice on Corporate Law matters,
- Advising management on amalgamations, reconstructions, takeovers and expansion schemes,
- Assist in the preparation of feasibility studies of new project and expansion schemes,
- Advise on the system analysis and design, including selection of hardware and development of software and feasibility of incorporating computer applications for accounting and commercial activities,

- Assist in finding solutions for specific business problems such as product mix decisions, pricing decisions, making representation to Government on various matters, etc.,
- Appraisal of personnel policies and practices,
- Assist in the selection of executive personnel in the areas of production, marketing, accounts, data processing, personnel, general administration etc.,
- Acting as advisor or consultant to an issue, including such matters as drafting of prospectus and memorandum containing salient features of prospectus, preparation of publicity budget etc.,
- Providing compliance and advisory service to SEBI/RBI intermediary,
- Providing valuation for different regulatory requirements,
- Insolvency & dispute resolution practice, domestic and international arbitration and conciliation,
- Providing corporate trainings,
- Planning & structuring revenue models,
- Handholding start-ups and help them from structuring to listing and
- Forex management consultancy.

With the change in expectation and requirements from the client, *Practice area which was not perceived in the past became the present and the practice areas which are unheard as of today will be a key practice area tomorrow.*

## 1.4 EXPECTATIONS FROM A PRACTICING CA

If we look at the CA community, there are around 3.27 lakh members of ICAI as on 01st April, 2021 and there were around 2.56 lakhs members as on 01st April, 2016, it is fair to say that more than sixty-five thousand members have achieved their charter in this period of last 5 years. It represents more than twenty percent of total members. As the numbers of CAs show an increase over the years so are the expectations from them as well.

No profession exists in a vacuum and the basic rule of survival is the rendering of services which are needed by society. Since the needs of our society keep changing constantly in such a dynamic environment, it follows that the expectations from any profession must be identified with the changing needs of the society. There are two factors through which the expectations can be met.

- Firstly, it is dependent upon the development of the members themselves. It is their skill, experience, integrity and adaptability which will shape the future.
- Secondly, it is dependent on the ICAI's guidance and training to provide a sense of direction and to ensure that practical measures are taken to build-up the capacity of members. ICAI is leaving no stone unturned in this area.

The overall image and reputation of the profession is determined by the role played by each individual member. The government, financial institutions, investors, clients, employees and other connected directly or indirectly with the enterprise rely on the objectivity and integrity of the Chartered Accountants. No professional can remain static

and has to update his knowledge, upskill himself in order to meet and achieve stakeholder's increasing expectations.

Why expectations are increasing?

- Laws are getting complex,
- Businesses getting more dynamic / challenging,
- Changing risk dynamics in business,
- Real time flow of information / news,
- Technology and speed of Turn around Time,
- Regulators rightfully becoming stringent and using digital mode of monitoring / compliances,
- Increased level of awareness amongst stake holder,
- Speed of change faster than one can comprehend,
- Opening of innovative and disruptive business and
- Globalisation, global standards, global business needs, etc.

This has led to physical as well as mental pressure on a working professional to match ever changing expectations of stakeholders and provide most accurate, reliable and timely services. It is still ambiguous, whether stakeholders require correct information or perfect assurance from Chartered Accountant. In order to match this expectation, Chartered Accountant will have to build competency, skills, expertise, technological support and keep learning softer skills.

To highlight a few traits expected from a practicing-Chartered Accountant under different scenarios and based on the nature of assignments are:

- Updated knowledge base,
- Reliability,
- Authenticity,
- Speed,
- Cost-Effectiveness,
- Mode of Delivery,
- Accuracy,
- Truthfulness,
- Holistic Approach and Perspective,
- Conviction,
- Assurance,
- Confidentiality,
- Turnaround Time,
- Quality Control and
- Team Work.

Many Chartered Accountants have not been able to adapt to the expectations of the society they serve and this may result in losing relevance and lustre in changing times. *However, change is an integral part of personal development and should be embraced with grace and willingness. Change touches all aspects of life, but embracing change in one's career, can contribute enormously towards positive personal development.* Change as a topic in itself will be discussed at length in the upcoming chapters.



With this backdrop, we re-affirm our foundation and our dimensions of practice and the responsibilities and expectations that flow as professionals. This shall help us understand and create a base for learning the finer nuances of the professional's growth journey and getting ready to embrace the change.



**“The secret of change is to focus all of your energy,  
not on fighting the old, but on building the new.”**

**- Socrates**

## 2. TRANSITION IN CA PRACTICE

2.1 Looking Back & Recent Trends .....	20
2.2 Changes In Expectations & Environment .....	27
2.3 Paradigm Shift In Mindset .....	32
2.4 What Next? - The Big Question .....	34

### 2.1 LOOKING BACK & RECENT TRENDS

The practice of the profession of accountancy has evolved over the last couple of centuries and as with the rest of the environment - the pace of change is accelerating rapidly. To better understand our current position and the vector of progress; let's first take a look at the evolution of our profession. Globally, we trace our ancestry to the munims, bookkeepers and royal auditors (which gives rise to the word audit, from the root - audiere - i.e. to hear). In each of these roles, the accountants were primarily in employment. As bookkeeping became more intricate and with the growth of the corporate form of business (post the Industrial Revolution); the concept of external auditors evolved. Auditors were perceived as those who could be trusted to examine and report to the stakeholders on the accounts, maintained by the management. **Thus, two essential factors were woven into the fabric of the profession, the concept of trust (integrity) and independence.**

In order to protect independence it was essential that the auditor should not be an employee of the company.

This led to the establishment of independent firms of professionals who were granted a royal charter to act as auditors. Thus, the profession of accountants or auditors who are independent and in professional practice is fairly recent (going back to less than 150 years).

Thus, barely 150 years ago the emphasis of the CA profession was on accountancy with a bit of flavour of auditing. Over the next 50 years, there was a shift in emphasis to audit, coupled with the increased oversight exercised by bodies such as the Securities Exchange Commission (SEC). In India, the corporate form of organisation took longer to become popular. Hence while the profession of accountancy got established and the Chartered Accountants Act 1949 was passed by Parliament of India even before the country adopted its Constitution, our role as independent auditors was relatively limited. Thus, the Registered Accountants (RA) & diploma holders in accountancy (GDA) became the initial members of the ICAI in 1949 but the number of Indian professional firms were relatively few (total membership in 1950 was less than 2000 members).

As the intelligent workforce - passing an extremely difficult examination, after arduous articleship training of 3 to 4 years started increasing; their attention turned to a more challenging professional area. The Income Tax Act 1960 (as a successor to the 1922 Act) provided a complex maze for intelligent minds to conquer. Given the mind-boggling tax rates in excess of 90% (which combined with wealth tax, gift tax and estate duty tax exceeded 100%), the services of Chartered Accountants (CAs) as advisers in the tax field was huge. This period saw the enormous

increase in local firms and professional practices rendering tax planning, return filing and tax compliance services. The most intelligent young CAs were drawn to this area of practice and achieved stature and success in this field.

Parallely, as the economic policies encouraged small-scale industries coupled with the concept of tax audit that was introduced in the early 80s, the practice of auditing was gaining ground. The focus of mid-size and small firms of practising Chartered Accountants thus started shifting towards this rapidly growing area of practice.

The economic liberalisation of the 90s and the subsequent rapid exposure to capital market led growth has brought the auditing side of the practice into much greater prominence. Correspondingly, the purported simplification of deduction provisions in the income tax, abandoning largely the Estate Duty and Wealth Tax have seen a shrinking in that traditional area of practice. Of late, the trend of seeking to reduce litigation, encourage e-filing returns and faceless assessment and appeals is further hastening the move of professional chartered accountants away from the tax field.

In short, within a short span of 70 years - the shift of focus of professional practice has been significant and rapid. In a historical perspective, 70 years is the blink of an eye. It, therefore, stands to reason that every person who is practising the profession will see accelerating rate of change in the nature of practice. The one and only message from this brief overview of the history of the Indian accounting and auditing profession is that change is the only constant and inevitable. And these changes

coupled with the changing commercial and technological environment have got massive economic consequences for the practicing professional.

### **Learning from History - Evolve or Perish**

Thus, for a Chartered Accountant in the early stages of professional practice today - the one and only message is evolve or perish. The maximum career spans of a CA in practice would be 50 years. Within this period there will be challenges to be faced by way of changes in the:

- Knowledge base,
- Organisational structure,
- Type of client to be served,
- Expectation of client,
- Perception of reasonable remuneration,
- Core areas of practice,
- Change in the commercial and economic environment,
  - Including laws and regulations,
  - Approach of regulators and
  - Expectations of regulators

Apart from the multiplicity of changes that a CA will be facing, there will be further pressures created by two more factors.

- Changes in the various areas mentioned above will be happening simultaneously - leading to a multiple cause and effect relationship.

- Changes are driven at a pace determined by external factors and not as per the comfort zones of the CA. The changes will therefore kick in - whether or not the CA is prepared for them.
- Changes taking place will be in the nature of tectonic shifts rather than the gradual, creeping changes that took place in the 1900's. These may often be regulatory, technology or economy driven.

Thus, tax audit limits were raised and mandatory requirement of audit trail in corporate accounting software was introduced with almost immediate effect. Artificial Intelligence and Robotics applications in accounts could be the game changers in the next few years.

This may sound alarmist. But take a look at your environment. You will see that the revenue streams of old firms have undergone an almost complete transformation from what they were 20 years ago. At that time the majority of the revenue of practising CAs came from tax litigation (appeals), company audits in manufacturing sector [that too mostly in core industries like steel, cement, vehicles and power]. Some software companies had just emerged on the client list of CAs. Today, if the same firm continues to operate successfully, they would probably have their major clients in audit areas such as software and technology related services, BFSI, etc. More importantly, sectors like green energy projects, start-ups in service sector, food industry and ed-tech (online education) which simply did not exist 20 years ago are now probably some of the most important revenue sources. **Following the same trend, sectors that are**

**unheard of today may become the core drivers of professional practice in the next 20 years.**

The key to success would therefore lie in understanding which are the sunrise or greenfield areas in which a CA should be building his proficiency and ability over the next few years in order to make hay when the sun shines on a particular sector. Conversely, it is equally important to understand which sectors or areas of practice are likely to see a decline in opportunities/earnings. This is something similar to the manner in which the stock market gives greater weightage to future potential rather than just present earnings or payouts. **That is because over the last century stock markets have understood the same basic logic i.e. what is good today may not necessarily be good for tomorrow.** On the other hand, what may be good in three years could still be good for the next 15 to 20 years. That is what a CA who has been in practice for the last 5 to 15 years needs to look at if he is to make the most of the opportunities that will come to him in the next 20 years.

The overall trend of government policy would indicate that except for a very small number of highly specialised tax specialists - the large number of CAs engaged in activity such as tax audit, return filing, appeals at CIT (Appeals) level would be less in demand. As the scale of activity in these areas reduces, the indirect cost of rendering such services would have to be spread over a smaller number of clients making the services even more costly and thus unattractive to most clients who continue to use these services. That is why, instead of these services being commonly rendered by CAs - only a few



firms who have considerable specialisation and bandwidth in the direct taxes sector would find this activity profitable. On the other hand, a large number of CAs, particularly in the smaller towns and cities; are likely to find themselves squeezed between reducing work/ revenues from tax practice, declining margins and increasing costs.

Undoubtedly, the area of GST compliance has opened up new avenues for these CAs. However, since much of this work can easily be linked to capturing data in the basic accounting software (which will soon become pervasive even in small businesses); the role of CAs in this area too may be fairly limited and may certainly not be considered as a major growth area.

The increasing responsibility cast on auditors, application of stringent auditing standards, oversight and review mechanisms and consequential importance of planning and documentation have significantly increased the cost and the risk associated with audit. Small firms are often unable to get commensurate increase in fees, resulting in their margins being squeezed. Tax authorities too are reducing their reliance on audit reporting (Tax audit, GST audit). *The emphasis is now more on self-declaration. This will be increasingly supplemented by increasing use of data analytics on the enormous base of assessee data.* The results are already visible. GST audit requirement has been done away with. Tax audit limits have been increased from ₹ 40 Lakhs to ₹ 500 Lakhs. It is not difficult to predict that in the near future, audits of private limited companies and other businesses below or certain threshold shall no longer be mandatory. When this happens, especially in conjunction

with the reduction in tax practice as mentioned earlier; a large segment of CAs practising in small towns and mofussil areas will find this avenue of work becoming unremunerative.

So does one conclude that the outlook for the profession is gloomy? Certainly not. In a highly competitive scenario, Indians have proved to be extremely adaptable to change. Professionals like CAs who have the training and intelligence have demonstrated in the past their ability to adapt to the environment. However, this process of adaptation is neither automatic nor painless. It may involve the difficult job of unlearning and the extra effort of learning and mastering new skills and capabilities. Further, not all CAs will embrace change with equal speed and willingness. **Therefore, it is important to understand that those who make this effort at the earliest, prepare themselves individually and organisationally to benefit from this changing environment are the ones most likely to be the most successful.**

## 2.2 CHANGES IN EXPECTATIONS & ENVIRONMENT

The first step in being future ready is to understand the direction in which we are headed as an economy and as a profession. Thereafter, every CA will have to identify the areas that he believes he would prefer to focus on. While the correct choice is important; one must remember that the emerging areas are probably new for almost everyone. Therefore, even if you realise after a year or two that your chosen field does not really suit you, you could always switch to other alternatives. However, getting it right at

the first shot would be greatly advantageous. For this selection to be right, let's look at the various emerging options available.

Some areas which may see large potential for growth could be:

- Internal audit in a transformed avatar - focusing on narrower areas rather than a general transaction audit.

Thus, there could be specific role for Capex Audit, Expenditure audit, IFC audit, Investment and Treasury audits,

- Assistance in compliance including filing of returns - in vast range of areas such as GST, SEBI rules and regulations, transfer pricing, TDS/TCS etc.
- Outsourced bookkeeping services starting from capture of basic data to generating a legally compliant set of financial statements.
- Providing accounting and consulting services to a vast array of government and semi-government organisations including local bodies (Municipal Corporations, Councils, Zilla Parishads, Panchayats and even the hundreds of social benefit & CSR schemes that are being implemented by governments and corporates across the country). While this may seem very optimistic, such work could provide a good opportunity to CAs in the smaller towns who have locational advantage with such schemes and who maybe facing a shrinking work profile as mentioned in the preceding paragraph.

- Providing corporates with specialised services such as defining SOPs, e-CFO, controls, undertaking system audits, etc.

*While it is true that one cannot prepare for something which you do not know - it is equally true that a basic level of preparedness and willingness to explore new areas will help in facilitating your adaptation to change.*

Similarly CA's would have to keep learning about emerging areas such as crypto currency, block chain, etc., even though these may not have an immediate application in your professional practice. *The fact that you're habituated to learning and adapting will itself pave the way for greater success when you choose the area to focus on.* So while one cannot fully anticipate the exact change in focus and skill sets that may become essential, it is important to remain equipped to embrace change at short notice, referred to as agility in a different chapter of this book. This agility has to be maintained in terms of personal qualities, mindset and organisational structure.

**“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change”**

**- Charles Darwin**

One of the drivers of change that the profession faces is the **changing nature of expectations** that society has from the profession. Besides, each segment of the society or environment in which CAs operate have different expectations. Those who can meet the maximum number of such requirements are the professionals who

are successful. In order to meet this challenge, at the root of all this is a fundamental change in the mindset of the professional.

### **CA as a Service Provider / Solution Provider**

Considering the enormous competition in the service sector (starting from food delivery to pathological laboratories), the mindset of the user has also become far more demanding. *Consumer activism and the consequential importance given to consumer rights has made it essential for even professionals to recognise that notwithstanding their high qualifications - they are essentially service providers.*

This requires a significant **mindset change**. Contrary to the earlier practice, a CA in practice today would have to identify the specific needs of the client and ensure that the requisite service is delivered. Thus, a client would no longer be satisfied with the mere information that a return has been filed. He would probably expect an assurance that no subsequent query / scrutiny would arise. Similarly, in the field of audit users of our services are looking to the opinion on the financial statements. In their perception, the basis of reaching such opinion, the framework within which such opinion is given, etc., is not so important.

It is in recognition of this important shift in user perception that the format of the audit report as specified in SA 700 has undergone a change. Another illustration of how the profession and even regulation has had to adapt to the change in expectation is the introduction of 'Key Audit Matters' (KAM) and Emphasis of Matter (EoM) in audit reports. Users of the audit services often felt that

the audit report concealed more than it communicated. There was also perception that after months of effort and sizeable fees - the auditor simply reproduced the preceding years report changing only the relevant financial year. The CAs argued that each audit poses its own unique challenges and issues for consideration. *This is what has resulted in greater transparency by the auditors who are now required to communicate what these significant issues and challenges were - and this communication is now required in the form of the EoM & KAM.*

You will see that even at the regulatory and legislative level the change in expectation has to be made by providing tailor made solutions. Needless to say, at an individual level CAs and accountancy firms will have to be even more **responsive to change in expectations** - at times even before the necessary legislative or regulatory changes are brought about.

Other important authorities such as the Quality Review Board (QRB), NFRA, SEBI, the judiciary and administration also have increasing expectations from the profession which are reflected in their approach, orders and pronouncements. It is not as if all the expectations are uni-directional. CAs as individuals and professionals also have their own change in their expectations from the regulators and clients. Thus you will see that in today's context it is quite normal for CAs filing tax returns - to obtain a declaration from the client confirming that they have disclosed all relevant information to the CA and that the CA will not be responsible for consequences if it is found that some relevant information (for example, a bank account or a demat account) was

not disclosed. Similarly, management representation letters and clarifications from TCWG and audit committees have become more common.

## 2.3 PARADIGM SHIFT IN MINDSET

It will be apparent that the environment and expectations are in a constant state of flux. More importantly, change is a two-way traffic. Changes in the external environment and expectations trigger changes in the profession. As the profession adapts and changes accordingly, the regulatory framework and client expectations and expectations of professionals themselves keep changing. There is no clear distinction between cause and effect.

*The interplay between the two is like watching a continuously changing kaleidoscope where no pattern repeats itself over a million variations.* Thus, there is no single guidance or solution that any senior can give. **Each professional has to evolve his own solution;** keeping in mind his own unique circumstances. He can only be guided by the fact that certain fundamentals and ground rules do not change. That is where the intelligence, sound theoretical background and adaptability of the professional comes into play. Equipped with these tools, a CA can certainly overcome every such challenge. What is critical is whether we have the will and the drive to recognise that stagnation is death and rapid evolution is the one formula for success.

One of the drivers of change that we have noted above has been the changing perception about our profession. A famous judgement in regard to the role of CAs as auditors had mentioned that the auditor is not expected

to be a 'bloodhound' and it is enough if he is a suitable 'watchdog'.

All CAs want society and clients to recognise our true worth. We may recognise that due to our rigorous training as auditors, we often tend to find fault with anything and everything. However, the role that is valued today is that of a service provider. That is the capability that the CA has to build and enhance today. We have to **add value in every service** that we perform whether as auditors, consultants, solution providers. In addition to adapting to this role, CAs have to become more proactive and possibly a little more aggressive in the projection and provision of our expertise. This is part of the change that has to be driven internally due to the changing expectations of CAs themselves. It is only when society and clients understand that not only are such specialist services available from CAs, but it is in the clients own interest to avail of these quality services because they add value to his business. Once this hurdle of identification is crossed; the CA would find no difficulty in seeking and securing a reasonable remuneration along with respect and reputation.

All this sounds very easy to state and very obvious to understand. I may, mention that the most difficult thing to change is 'mindset'. Solutions that may look apparent are often not attempted not because these are not visualised or are difficult to implement. Often the real reason is that our mind refuses to leave the rut of 'traditional solutions' that even the clients have become accustomed to. It is imperative to understand that if the traditional solution (which has often already been used) was workable in the



changed environment - often the client would not have faced the problem itself. The fact that the problem arises and which the CA is expected to resolve; indicates that there is a need for a fresh look. As a professional, CAs are capable of letting fresh light shine upon old problems. Once that is done, an intelligent professional like the CA will automatically come out with new customised solutions.

*Therefore, a dynamic and forward looking approach to practice, to challenges faced by the client and openness to possible solutions are what will characterise the successful next-gen CA. The question that you have to decide is simply that 'are you going to be one of those successful CAs' - if that is your target - then the roadmap is clear.*

## 2.4 WHAT NEXT? - THE BIG QUESTION

But **having a roadmap is not enough** - you have to decide your unique path and traverse that path yourself - that journey cannot be undertaken by your mentor or guide.

This journey is like the traditional tale of a prince embarking upon a perilous journey to rescue a princess from a castle or a 'Rakshas'. In most of these tales, the brave prince will receive the assistance from some well-meaning wizard or God who will provide him with a magical weapon like a sword or an arrow. Your path to success is somewhat similar. What ICAI or a mentor can give as a 'magical weapon' to conquer the numerous challenges you will face is "technology". Needless to say - **technology** and software are force multipliers. Coupled with the capabilities of artificial intelligence and data analytics a single CA can move mountains.

I have used the analogy of the prince's journey, because as these tales will show - you cannot join battle and then think of your weapon. You have to be suitably equipped before the battle begins. Similarly, CAs cannot adopt an approach that they will learn about these technologies when the situation arises. By then it is too late. What the CA today has to do is to acquire the basic skills and knowledge in all these emerging areas. While you do not need expertise in fields like block chain, networks and bots - a knowledge of their functioning and capability is essential. Only then will you be able to select the apt weapon for the right battle. These matters may not be part of the CA syllabus. But in real life, that can never be an excuse when faced with complex situations that the client wishes you to address. Therefore, technology upgradation and updation are continuous processes which anyone wishing to be successful in practice can ignore only at his own peril.

The practising CA today has to overcome numerous challenges in the form of increased regulatory supervision (both, of the client and of your own professional practice). The CA would also have to evaluate and report on numerous compliances. These reporting requirements are also not static. We have seen the rapid changes that every crisis brings in; from Long Form Audit Reporting (LFAR), NPA compliance, Basel Norms, SOX reporting, testing and reporting on IFC, insolvency and NCLT criteria, fraud reporting etc. Understanding, analysing and reporting on such compliances would invariably require a CA to understand or use specialised software packages and analytic techniques. The above changes only took

place in the banking sector in the last couple of decades. This will give you an idea of how varied and rapid the changes are and how much a CA would need to learn and unlearn.

The other areas where similar challenges would be faced would include changing expectations in regard to transparency, governance and social responsibility. The benchmark of expectation in regard to each of these areas is also constantly evolving and the CA has to keep track of this and also meet the expectations of clients, stakeholders and regulators in regard to each of these. The list of such changing requirements is inexhaustible. But these illustrations are sufficient to emphasise the fact that the *CA has to remain well equipped technically, technologically and mentally to deal with these requirements.*

## **The Bond of Trust**

The CA who wishes to remain so equipped and is willing to put in the essential hard work, can certainly achieve this target to remain abreast of change. In the process you will also lay the foundation of your success. There is however one particular ‘cement’ which alone can hold together this entire foundation mentioned above. That cement is the unwavering **bond of trust** that must exist between the CA and clients, stakeholders, regulators, government and society at large. The foundation and raison d’être of our profession is that the assurance given by the CA is a trusted assurance.

The CA who wishes to be successful has to ensure that the persons to whom he provides service or assurance, trust his knowledge, expertise, technical capabilities and

finally trust his ability and willingness to give an honest opinion. This trust arises from the letters CA, but that is only the beginning. A relationship of trust has to be built based on conduct, reputation and performance. These are all ultimately dependent on how you are able to perform consistently in a constantly changing and evolving environment. That is why this approach and mindset is critical to success as a CA. The areas of practice generally and your own chosen area of focus will keep changing.

There is no limit to the number of new areas in which a CA could render service. Each will have its unique learnings and challenges. It is your ability to adapt, to equip yourself with the latest knowledge and technology and your ability to consistently deliver good results, meeting expectations to the maximum extent possible and thus continuously enhancing the trust that society placed in you, which will determine your success. If these golden rules are followed - every new area of practice will be an opportunity rather than a challenge.

While we move towards what next, don't forget to pat yourself for the achievements so far and whole heartedly welcome the bright future ahead.





**“The future depends on what you do today.”**

**- Mahatma Gandhi**

### **3 APPRECIATING ACHIEVEMENTS, PREPAREDNESS FOR THE BEST**

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3.1 Savour the Joy Of Your Achievements- Practice So Far, So Good .....	40
3.2 Various Dimensions Of A Professional in Practice .....	45
3.3 Preparedness For A Bright Future.....	49
3.4 Change Before The Change .....	51
3.5 Take The First Step Before The Rest .....	53

When a professional sits back and analyses the professional journey so far, memories of various experiences scrolls like a feature film. In that journey one finds some experiences which are good, bad, challenging, satisfying, difficult and so on. When one goes deeper into these experiences, *one realises that there is a lesson to be learnt from each of one of them.* It is most likely that an incident which was considered as bad at a point of time, turns out to be a blessing after some time. Let us discuss some of the lessons learned from the past and understand how best we can prepare for the future.

#### **3.1 SAVOUR THE JOY OF YOUR ACHIEVEMENTS - PRACTICE SO FAR, SO GOOD**

##### **What are the core qualities of a professional?**

A professional needs to identify the qualities which helped him to reach a particular height in the profession. Some qualities could be:

- Sound domain knowledge;
- Meticulousness,
- Transparency,
- Innovative thinking,
- Attitude of finding solutions rather than problems and many more

These positive qualities in a professional needs to be preserved at any cost. One step further, a professional will have to continuously work on improving as well as adding positive qualities as time goes by.

Likewise, one should also analyse what could have gone wrong and which are the qualities which have worked negatively in a professional's career. Some of the negative qualities could be:

- Unprofessional Behaviour,
- Bad Temper,
- Not able to lead manpower,
- Not open to change based on need of the hour, and so on...

### **What can be a different approach?**

This kind of analysis gives a feeling of satisfaction and also gives a chance to think as to what could have been done differently. Some of the areas where a different approach could have been followed, may be:

- Joining an industry (either in India or abroad) v/s Starting a Professional Firm or Joining an existing Professional Firm



- Having an Office at a particular City or a Town
- Within a City to have an office at a particular location
- Multi-location presence or single location presence
- Area of Practice: Taxation, Assurance, Consultancy, Outsourcing, etc.
- Further studies after CA
- Large set up vs. Small or Medium set up
- Partnership Opportunities
- General Practitioner v/s specialist, and so on.....

Let us take a simple example to understand this better: a professional has specialised in Assurance work and has achieved very good reputation. It is possible that after some years there is a thought to change the practice and specialise in finance related advisory work as that was always his liking area but due to some circumstances beyond his control, he had to take up Assurance Practice.

At regular intervals, it may be a good idea for a professional to ponder upon his strengths and likings and examine whether any course correction on the path is required to be taken. One should never become static and think that what we are doing is best and we will continue to do the same thing till our last day of Practice. Periodic review of oneself will always help to find a better and suitable path.

## **Is it that easy to change path midway?**

It is obvious that the level of courage to change the path reduces as the age of the professional increases. The decisions which can be taken at age 30 will surely not be possible to take at age 50.

It is also possible that a professional will achieve tremendous success and that will make the change difficult as the ability to take a riskier path reduces.

## **Having said that, is the Comfort Zone Safe?**

When a professional goes into a comfort zone, *the level of efforts to achieve professional excellence reduces substantially.* There is a tendency to go and pick up an easy life. The level of efforts to reach higher goals reduces. One would have witnessed a number of cases, where complacency hits the professional who goes in a comfort zone. There is hardly any effort to learn new things. At times the hunger for learning is seen more in an articled student as compared to a qualified CA. A professional should be in a learning mode all through his life. The level of changes which are taking place is at such a fast pace that if a professional stops learning, time will not be far off when he will experience reduced acceptance from client. A professional's good service of the past years will help till a particular stage but on a regular and long term basis one will need to back it up with a sound knowledge base and finding solutions to the client's need.

**Rear mirror is important but your eyesight needs to be on the road ahead too** - It is definitely good to analyse the past and see what could have been done

differently but it is equally important if not more to keep a constant watch on the road ahead. If one is practicing in a particular field of service, there should be continuous analysis as to what lies ahead for that area of services. Some of the questions which need to be constantly kept in mind could be:

- What is the current Regulatory environment in that area and what likely change is to be expected?
- Am I keeping pace with the requirement for knowledge, speed, techniques, etc.?
- Are there many players today practicing in that area? What is the likely chance of more practitioners entering that field?
- Will clients continue to pay the premium for that service in the future also?
- How far will the technology takeover part of the human service element in the future?
- Do you anticipate major shift of trained employees from smaller set up to a larger set up? If yes, how will one cope with that change? (This situation was witnessed when GST was introduced and there was acute shortage of trained manpower for SME firms)

An in-depth analysis of the practice approach and the future of practice opens the doorway of various dimensions of running a professional practice.

### 3.2 VARIOUS DIMENSIONS OF A PROFESSIONAL IN PRACTICE

Whenever one starts a new practice or joins an existing practice, one need to first establish and stabilise the firm. In a bigger city, operational cost is typically higher so it takes bit longer for a professional to stabilise. At a smaller location, the operating costs like rent and manpower is not high so it takes shorter time to stabilise. However, opportunities are much more in a bigger city whereas at smaller locations opportunities are limited. In the initial years of practice, *it is very important to remain updated on the knowledge front as expectations from clients will be very high.*

Before a professional or a firm claims that it has stabilised, it goes through a whole series of challenges. Some examples could be:

- Problem of recognition,
- Cashflow,
- Client pressure,
- Attrition,
- Keeping pace with latest developments and
- Investing in technology and so on...

Professionals who face these challenges with a positive attitude will most likely come out as winners as they became very tough during the journey. Those who give up, keep struggling for a long time and also look out for an alternate career path at times. One should understand and keep it very clear in the mind that unlike industry, in a profession success comes at a later stage. Our profession

is similar to that of a surgeon, whose success is measured by how many surgeries he has carried out and for how long. *A practising CA will also taste success at a later stage, so one should have patience and work towards the goal.*

### **Importance of Processes in a CA Firm**

It is extremely important for a CA firm to make sure that proper processes are designed and adhered to. It should not remain as individual driven firm but if one wants to create a good institution, *one needs to put strong processes and procedures in place.* This requires huge efforts, physical as well as mental. Any change brings along a challenge of resistance. However, keeping the larger goal of creating an institution in mind, the resistance encountered needs to be handled tactfully and by and large in some time the dust will settle down and everyone will start following the processes and procedures laid out.

**“I have always believed that process is more important than result. The result is a by-product of the process”**

**- MS Dhoni**

### **What creates Goodwill of an Individual or a Firm?**

Technical knowledge of the subject plays most important role in Goodwill Building. Equally important are following points as well:

- How transparently you deal with the clients?
- Clear and right advice
- Independence

- Help to fellow professionals
- Contribution to the profession and so on...

*Goodwill takes years to get build, but it takes a second to get destroyed. One wrong move and entire efforts of many years goes down the drain.*

### **How to build internal Trust and Goodwill in the firm?**

A professional may have a fantastic name and goodwill vis-a-vis clients and other professionals but it is equally important for him to build and maintain highest level of trust within the organisation. The top person needs to lead from the front. He has to be an example of a guide, friend and support to his colleagues. Satisfied and committed manpower will allow the leader to improve efficiency and quality of work. It sounds like a trivial point, but it plays a very important role in any firm's performance. The leader guides the team on the technical aspects. Some of the non-technical aspects which a leader can take up to create an atmosphere of oneness in the organisations could be:

- Are you aware where your team members live? Who are their other family members? How are their children studying? Where are his parents? How is their health? (These may sound very personal points but if one spends just 15 to 20 minutes with the colleague in a year you will know these details). The colleague may feel that you are equally concerned about his wellbeing.

- If someone is coming constantly late to office, one may try to find out the real reasons behind the same. If it turns out to be a problem due to his laziness, it needs to be handled as per normal disciplinary norms. However, if the reason for late coming is a genuine travel hurdle, one needs to be more accommodative.
- If a person takes many leaves due to health reasons, one needs to find out what are the health issues and whether the employee needs any support to cure the ailment.
- One can work out a firm level social activity, say once in three months, where everyone participates which helps improve bonding.
- Yearly off sites and picnics also play an important role in enhancing the bonding between leaders and staff members.

### **How important it is to invest in technology for a professional firm?**

In current times, it is absolutely essential for every firm to invest in technology. One needs to keep pace with technology changes, as a time will come whereby those who will not embrace technology will not even be considered for an assignment and the same is already visible in certain segments of the practice areas. It may still not be too late, but time is running out for the professionals to understand and invest in technology and empower manpower also to embrace technology for reaping long term benefits.

Having understood various dimensions of practice it is time to prepare yourself for the future.

### 3.3 PREPAREDNESS FOR A BRIGHT FUTURE

First and foremost, mindsets of decision makers in the firm needs to be changed. Unless they come out of their traditional thinking, one will never see next generation getting developed and groomed. The firm whose decision makers are not open to develop young talent, will not see growth for more than one generation. What is needed is a mindset change followed by dedicated action plan to change the firm and make it future ready.

If one wants to create an institution which will be remembered for long time, what needs to be done first is to invest in its own people. One needs to invest in senior as well as other levels of professionals. This includes partners of the firm too. The firm is known by the manpower it possesses. One may have large number of professionals but if they are not trained well, it will be of limited use to make long term success. As against this, if a firm invests in manpower training by sending them for knowledge gaining conferences, seminars, panel discussions, etc., those professionals will get a chance to upgrade themselves and at the same time they will also get a chance to network with other professionals. *This helps run the organization in the long run as the manpower gets empowered to connect with larger number of professionals.*

History suggests that many firms which were on top at one point of time could not sustain that position. Best of the firms collapsed due to variety of reasons. Some of the



reasons which could have played an important role in the fall of large and famous firms are:

- Seniors keeping control of the firm
- Dispute resolution mechanisms not documented
- Not providing growth to junior partners and key employees
- Not having a common Code of Conduct of the firm
- Inability to change as per the needs of the clients
- No investment in Knowledge Building and Technology
- No succession planning
- High attrition rate
- Image spoiled due to one wrong assignment and so on...

The current generation is very conscious about their growth and exposure. The days are gone where firms were run by wishes and direction of one individual. *The era of collective management and equilibrium growth for everyone has already come.* The firms will have to come out of their traditional thinking and accept the new requirements. Those who understand this and make necessary changes, will be able to witness a long term existence and creation of an institution.

The ideal solution and the strategy could be to have an open discussion amongst decision makers and the key team members. As long as these people are aligned to

one vision of the firm, nothing can stop them to achieve their ultimate goal. In most cases either there is no frank discussion, or the vision is not fully aligned. Transparency while discussing is very important as many individuals will be taking their lifetime decision to make a career with you based on what you discuss with them. If you also make them a part of decision making process, everyone will travel on the same path which leads to ultimate goal. Rather than scattered efforts it will always be of help to have concerted efforts and bring about the changes before time compels them to change.

### **3.4 CHANGE BEFORE THE CHANGE**

In current times, what is required is a complete relook at the way we perform our duties. Every client is looking for value addition. No one is inclined to pay fees if its only for services that meet compliance requirements. If you add value to a clients' business, they will be more than willing to pay the fees of a professional. The profession itself has gone through a sea change in the last one decade. The changes in recent times are much more than what we had witnessed for many years. At the outset, we require to bring changes in our thought process.

If we need to analyse four major areas where change may be required, we can put in following four items:

- Change in infrastructure including technology
- Human resources related changes
- Change in our approach of serving clients
- Change the way we charge our clients

*In my view, mid-sized firms will find this more difficult as they work with limited resources. What can be done is to go on phase wise implementation of change. Pick up areas where time is of essence and start implementing.*

*Questions will arise whether we can change faster than what is required? It is difficult to say but it is possible if it is taken up as a challenge and someone from the firm is assigned the responsibility.*

Sometimes, change is required as a compulsion and one has no choice but to adapt to the change. Situations which trigger a change could be as a result of internal factors or external factors. **Few examples of Internal factors triggering a change could be:**

- Exit or death of a partner,
- Merger of the firm with another firm,
- Firm becoming part of a network of firms,
- Attrition of key resources, etc.

**Few examples of external factors triggering a change could be:**

- Change in operations or business of client,
- Change in management of client,
- Change in regulatory requirements,
- Shifting of government office requiring the firm to shift to different location, etc.

Whether the factor triggering change is internal or external, the faster it is accepted and acted upon, better it will be for the organisation. There is no point resisting

the change. Better action point could be to understand the requirement to change and start taking action to implement it, for smooth functioning in future and the take the first step to the beginning of change.

### **3.5 TAKE THE FIRST STEP BEFORE THE REST**

It's quite certain that whenever there is a move to change or restructure anything, one will face external as well as internal resistance. How can one overcome this?

Let us look at internal as well as external resistance separately. Internal resistance could be from senior partners, co-partners, professional employees, other administrative staff members, etc. Depending on what one needs to change, the justification needs to be kept ready before you initiate anything. If you are able to demonstrate that changes being proposed are for betterment of the firm and it will help the firm to grow in future, everyone will get convinced as long as it is explained properly.

External resistance may come from Clients/Advisors/well-wishers. In that case, as long as they get convinced that the change will give them better service quality in future, there may not be any challenge.

If a professional is thinking of a change in his professional area of operation, the first thing he will need to upgrade will be the domain knowledge of the new area. It is possible that he may take some time to do that. So sufficient time gap needs to be kept. The new area of professional practice should also align to the needs of his client base. If the new area is not aligned to the

needs of his existing client base, he will have to develop new sets of clients, which could be a difficult proposition. He should also be able to visualise the future needs of his client or else the entire exercise may become futile. For that he will have to understand the client's area of operation and see what changes are expected to happen in that industry in the next decade. *There could be some sunrise industry which will have exponential growth potential and additional area of professional services requirement.*

The next important question to be addressed is what kind of financial and non-financial investment will be required to achieve that change. In some cases additional investment in space, computers, human resources, etc. may be required. In some cases without any investment in physical assets or manpower what could be required is investment in intangible items, mainly on knowledge building.

It will not be wrong to say that any change will bring pain and resistance. There is no gain without pain. Every firm which has transformed itself has gone through such pain. What is most important is the *inclination to change and openness of thinking*. With all the required efforts, any change process will give the desired results, if not more.

*The principle to be drawn out from this chapter is that a professional mind should continuously remain occupied in evaluating the past and analysing what is likely to be the change in future.* The moment a professional goes into a comfort zone, his ability to keep the fire ignited goes down substantially. The professional in such situation will have no excitement of building up and maintaining a respectable institution from

scratch. One will surely have no issue for livelihood but the fun of learning, relearning and unlearning goes away, which to most of us may not be an acceptable situation.

**Key take away from the chapter are as follows:**

- Learn from the lessons of the past mistakes,
- Preserve all good qualities,
- Understand the needs of your client,
- Be open to change,
- Be ready to invest for a good future,
- Update yourself regularly,
- Create an organisation with alignment of all stakeholders,
- Never go in a comfort zone.





**“The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn.”**

**- Alvin Toffler**



## **4. LET'S GET BACK TO SCHOOL - UNLEARN, LEARN & RE-LEARN**

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4.1	Are you Ready To Take Two Steps Back ?.....	58
4.2	Learnings From The Pandemic .....	63
4.3	Journey of Unlearning To Relearning – The Smart Way.....	66
4.4	Re-Learn With New Innovations .....	70

### **4.1 ARE YOU READY TO TAKE TWO STEPS BACK ?**

**“SOME TIMES IT’S *three* STEPS FORWARD AND  
*two* STEPS BACK BUT YOU ARE STILL *one* STEP  
AHEAD OF WHERE YOU USED TO BE”**

**- MIKE BREAUX**

Hold on for a moment and read this once again, yes indeed we are one step ahead then where we used to be but not without taking two steps back.

In this rapidly changing world for everyone around us, fellow Chartered Accountants in practice are no different and it's time that they realise the paradigm shift in the profession and step back to restart in fresh direction. This reminds us of Mr. Marshall Goldsmith's book : *“What Got You Here, Won't Get You There”*.

Unlearn in simple terms is to discard (something already learned, especially false or outdated information) from one's memory. When you read the meaning of unlearning

it looks quite easy and simple. We can instantly react to this – What’s the big deal in this? I can do it or I am doing it day-in, day-out. But when you get into the details of unlearning, the first important point is you need to take a step back and start imagining the probability of a new world or arena and focus on creating a mindset to absorb something new.

In our profession, we see people who are doing an audit job for few years but who want to work in another field. When you ask them what stops them from following their passion, the most common answer from those professionals is that they are not getting the right break in a completely new domain.

It’s partially true that in a commercial setup, rarely do employers take risky bets on people from different domains. But we believe there is a lot of responsibility with the professional as well. Most of the time professionals lack the courage to sacrifice their compensation, hierarchy, domain expertise, and benefits to learn something new.

In short term, it may look like a risky bet but in the longer run, it is worth all the effort. Moving to your dream job or work you are passionate about is comparable to saving, if you start saving early you won’t have to struggle later. Same way, the earlier you pursue your passion you reap the benefit from those decisions for an extended period. We have seen rigidity or inflexibility to change career options earlier on, or the ability to unlearn and learn something new is restricted due to barriers we create in our mindset. So, it all boils down to the mindset.

A professional needs to have clarity of what he wants to do in the long term very early; otherwise, there are many barriers such as opportunity, adaptability, and availability of time. As the risk-taking ability is very high at a young age, we can choose to either have a fixed mindset, or a growth mindset. *If we choose the growth mindset, we embrace the opportunity for creating new and more productive habits and behaviours. We can take on new lifestyles with the best of health, knowledge, self-awareness, work-life balance, and many aspects of our life that create value for us.*

The following Venn diagram aptly depicts the interplay between our passion, profession, etc. and arriving at our true north.



Reviewing our goals and passion is essential for everyone. Particularly in the field of Chartered Accountancy. It's more essential with ever-changing laws, accounting standards, processes, and rapid digitalisation. 25 years ago people joined the practice or they joined large MNC audit

firms, banks, or corporates. That's it. But today, we see fellow CAs exploring varied, unconventional opportunities.

The very first step is reviewing your passion and reconnect with what's meaningful for you, by acknowledging that you need change and recognizing your inner voice and the signal which you get. Let me elaborate on what signals you get when you are not enjoying your job or you are not able to upgrade yourself to the needed skill set in the same job.

**Signs of stagnancy** are as follows:

- 1) **I am trapped:** Sometimes a job that was fulfilling initially, gradually becomes less meaningful. It slowly eats into your enthusiasm and spirit until you no longer find much purpose in it. That is a feeling of being trapped. One may think as an individual, I always followed my benchmark of happiness in a job. When I am not feeling well and I still want to attend work, that's a sign that you are truly happy with your work. But when you are fine and you still text your superior or teammate that you will not attend office because you are unwell, That's a sign that you are not enjoying what you are pursuing as a career.
- 2) **I am bored:** Sometimes in the routine of day-to-day, you lose touch with your passion and goals. Despite it being monetarily rewarding, you search for intellectual stimulation or a break from work.
- 3) **I am not the person I want to be:** This is a classic dilemma. Let-downs, frustration, and even boredom with routine work leads to this feeling.

In all the above cases, it's time to review your goal and passion, as we all know life is too short, and it's better to call a time out than to drag this. This is all about taking a step back.

Are you ready to do that? Don't worry, just do what you truly love. *Risk-taking is a natural energy circulation method. It kills old methods and leads you to new dreams.*

From here on, your new history will take place. It's not as difficult as we think. There are 3 mantras:

- Focus on your strengths and positives.
- Reach out to the right people, which may include work with a mentor or coach.
- Open up yourself with best friends at work or off work or family members.

To attain a CA degree, you need serious discipline, hard work, and a meticulous approach. Our profession has one of the toughest training which makes us more resilient and also gives us a clear direction and a clear thought process. There's no magic to this. We need to be open to change. This involves:

- **Willingness** to accept the challenge,
- **Perseverance** in the face of adversity, and
- The **desire** to embrace a 'new you'.

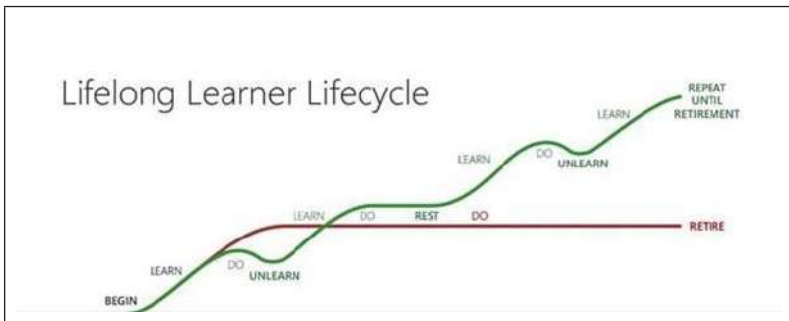
*That's all about it. Be willing to take a few steps back or to pause and restart your re-energized journey soon.*

## 4.2 LEARNINGS FROM THE PANDEMIC

**The curious thing is that with these exponential changes, so much of what we currently know is just going to be wrong. So, many of our assumptions are getting to be wrong as well. As so, as we move forward, not only is it going to be a question of learning it is also going to be a question of unlearning.**

— John Seely Brown

Take a step back, and you'll begin to realise how valuable unlearning can be. You're doing it all the time probably without even realising it. That's just the nature of a changing world. Think of it as a software update. Your devices need constant updates, so why wouldn't your knowledge?



Let start with a couple of recent examples. Thanks to the pandemic, we have started unlearning what practice we pursued for decades.

- 1) Pandemic taught us we can do business, work, and meetings without being physically present or going to the office. Such a big myth, which we have been

following for decades. So, what's unlearning? We don't need five-star conference rooms to hold large gatherings. We can do that much better on Zoom, Google Meet, etc.

- 2) We have seen in the past when any 2-wheeler or an automobile product is launched it will be in the top 20 or max 50 cities only. But look at the launch of the 'Ola electric' scooter, they've launched it in 1000 cities and towns simultaneously and have broken all records and mind blocks by getting 1 lakh bookings in just 24 hours, Mind-boggling, isn't it.
- 3) More examples can be of Ola/Uber - Unlearning was successful for them by breaking all barriers. They used the best digital approach and achieved greater heights. Previously people purchased cars, but Ola/ Uber has made it convenient for them to serve the same purpose.

While they say you learn something new every day, if current trends continue, 2021 might be the year of *unlearning*.

So, the question or confusion which generally comes in the minds of people when we shift to something new is that 'Are we going to lose a lot?' Let me elaborate on that and then we will move to the process of unlearning.

Similar to when there is a financial loss or when losing your domain knowledge sounds like a memory loss, this is what makes people insecure to change. Also, it is to do with getting out of your comfort zone, which shall be discussed at length in the upcoming chapters.

But let us understand this with an example: Mr. Ram enjoys driving and used to take pride in his skills, particularly his ability to park a car. But these days his car is so smart it virtually parks itself! An old skill, a source of pride, is no longer needed. For Ram, that's not a big issue (he doesn't make a living out of parking cars). But for many people, they're seeing their employment skills become less valuable, or even completely replaced. We need to be able to continuously learn, unlearn and relearn to stay relevant in a changing workforce.

Another example is, how we always thought work means office. Then, all of a sudden, you had to unlearn that, because it was *no longer possible because of COVID-19. We had to relearn new skills, like how to cope with working from home instead of working in the office*, or how to best optimise the internet, since this is the updated algorithm for work.

*Unlearning is at all stages and segments of our life. Whether it is personal or professional, changing career, or even flourishing in the same career. Giving up is not a needed habit. Unlearning is getting more and more essential to run the next sprint of our successful journey.*

Getting rid of self-limiting beliefs is the most essential, though difficult job for humans. But let us come to the process. Some simple tips for relearning process:

**Willingness is the key to progress. So, foster a sense of willingness.**

1. Doing away with self-limiting beliefs and pursuing the unfamiliar.



2. Human belief has a lot to do with learning. So, relocating (to bring up new surroundings) or moving away from the location helps.
3. Being surrounded by like-minded people hampers unlearning. So, learn from your opposite i.e. professionals from different backgrounds.
4. We learned a lot in our early days. It was simply because of our curious minds. So, fostering curiosity is important.
5. The setting of SMART (specific, measurable, realistic and time-bound) goals is of utmost importance. It helps to provide motivation and self-reliance.
6. Working on goals, solo is really difficult. So, the continuous support of colleagues plays a vital role in achieving your goals.

And here you start your new journey of unlearning to relearning .

**“We don’t live to eat and make money. We make money to be able to enjoy life. That is what life means, and that is what life is for.”**

**- George Mallory.**

### **4.3 JOURNEY OF UNLEARNING TO RELEARNING – THE SMART WAY.**

What was looking simpler till now has suddenly started looking complex. It is true because we are doing a high jump from unlearning to relearning.

Many examples come to our mind when we look at some highly accomplished members of our Chartered Accountant community. It is very interesting how they ‘relearned’ their new journey from traditional CA careers.

Mr. Kumarmangalam Birla needs no introduction. He is a chartered accountant and holds an MBA from the London School of Business. Such an illustrious career (can be a good role model) for young professionals.

How can we miss the name of Mr. Deepak Parekh? He has set a global benchmark in the housing finance industry not only in India but across the globe. He very successfully built the umbrella of HDFC group in various streams of businesses comprising Bank, Housing Finance Corporation, Life and General Insurance Company and Mutual Fund. And all enterprises he mentored are leaders in their space. Again, one of the finest examples of pursuing your passion.

Mr. Arun Puri, Chairman of India Today Group is still the Chief Editor of the Group and has a very diverse and distinguished career path.

Last but not the least, an example of a very different relearning professional, Mr. Shekhar Kapoor. Albeit, he is not a CA from ICAI but he has acquired his CA degree from England and later he moved to build a career as an actor, film producer and director.

Let us understand the process of relearning. At its core, learn, unlearn, and relearn cycle is self-explanatory. The name isn’t a trick, it’s exactly what it sounds like. For example, let’s say you learn how to file an Income-Tax return, and over time you get used to its layout and

interface. Because of the skill you have learned, you've become an expert in filing the ITR. One fine day, the tax department introduces a complex variation in the filing process. As a result, you will have to unlearn old layouts and processes and learn a new one, to ensure that your skills remain relevant in an ever-changing world. Many times relearning leads to change in domain knowledge but in such an example, your domain doesn't change, however, you need to relearn the whole process.

We discussed how covid-19 has created unprecedented impact and changes and approach to our lives. New norms have become new normal which leads to relearn in and unlearning a lot. Such as wearing a mask, washing your hands more often, keeping sufficient distance, etc. No books of management or accounting have taught us this but we are now accustomed to this. *According to scientific studies, it's understood that the brain possesses the remarkable capacity to reorganize pathways, create new connections, and in some cases even create new neurons, a concept called Neuroplasticity.*

When you are dealing with a big team or a leader of a large team where the organization practice is going through a new process or a relearning process, the 2 most important requisites are:

- 1) **Communicate the “why”:** It is very relevant to communicate very clearly as resistance comes from people based on their personal experience and biases. Also, restraint comes from not fully understanding why the change is relevant with substance. So clear communication with large

teams about change and the benefits of unlearning and relearning to the team will encourage them to follow the path. This will lead to more harmonious teamwork and will ensure they acquire future-ready skills.

- 2) **Provide resources, guidance, and support to facilitate the process:** Once the team members are over the initial hurdle of accepting why the change is requisite, it is also important for top managers and leaders to provide appropriate resources and guidance to facilitate this learning. This also leads to creating a culture that embraces continual learning. Leaders and top managers should be heavily involved in this process, championing the unlearn and relearn cycle.

For professionals, relearning is a combination of staying up-to-date on knowledge to acquire new skills for an expanding practice and to gain expertise in a new domain or a process that also needs a very positive and growth-driven approach. In the end, a constructive feedback process from your coach, leaders, and mentors and also use of self-assessment methods will keep on improving your knowledge, domain, and confidence.

**“To attain knowledge, add things every day. To attain wisdom, remove things every day.”**

**- Lao Tzu, Chinese philosopher.**

## 4.4 RE-LEARN WITH NEW INNOVATIONS

You've seen the warning on your rear-view mirror, "Objects in the mirror are closer than they appear." The future also is approaching more rapidly than before. Skilling and reskilling the people for jobs that are just emerging and don't even exist yet is rocking our entire education system, business landscape, and society. To reprise a classic cliché, this truly is a moment of great opportunity and of great risk. How we respond to this moment – that is, the choices and decisions we make in the next few years – will shape the fate of many individuals, educators, businesses, and economies.

*Tomorrow's learning experience will be more active, interactive and frictionless, and take place in an environment that blurs the boundaries between the traditional classroom and the world outside of it. The way education and jobs are changing is more rapid than ever thought of. Many countries are speeding up to get there, much ahead of time.*

Skills now need frequent upgrades. In fact, 80% of businesses in the USA, believe that employable skills will evolve more rapidly in the future than they do now, creating a sense of urgency to learn faster or be left behind. Business respondents in the USA felt their learning methods and approaches will change in the next five years swifter than they did in the previous 20 years. But traditional educational and career pathways aren't designed to develop skills for a fast-changing market or to match the speed of changing industry requirements. It is a challenge for Indian education systems, professionals, and students to be future-ready and to tackle the massive tech-based wave that is started to arrive.

## The Future of Learning can be defined like this;

The Future of Learning =  $\frac{\text{Skills} + \text{Content} + \text{Training Self-learning Speed}}{\text{Self-learning}}$

*At the heart of the future of learning is the compressed timeframes in which the workforce needs to be continuously skilled and re-skilled, content that needs to be curated, and training that needs to occur.* Considering this, the goal of the future of the learning equation is to spur professionals and educational institutions and to keep up with the skills and knowledge needed for the future of work by continuously adapting workforce capabilities. Ultimately, for the future of learning to function effectively, it must be supported with self-learning.

Relearning means we can learn something from new perspectives, overcome misconceptions and misunderstandings; thus, our knowledge and skills can be improved day by day. How can we build the best learning strategy and incorporate it into our work style? The following four simple principles are the primary approaches that will help us to unlearn and relearn better.

- 1) **Determine what needs to be unlearned** and what needs to replace it. If you are going through a change, ask yourself what needs to be discarded from the old paradigm? What perspective should replace it when this kind of change happens?
- 2) **Be clear with the reasons for the change** - Normally, if people understand the reason they are being asked to make a change, they will be more willing and prepared to drop old habits and methods, as opposed to a situation where they are

asked to change their behaviour without being given any solid reason.

- 3) **Accept feedback** - Sometimes people are not aware of what they are doing badly or what is holding them back from doing better. 360-degree feedback is a tool that can provide great insights into damaging behaviours. When we receive feedback that clearly reflects our behaviours, we can then realize what should be unlearned and relearned.
- 4) **Take coaching support** - We all know that old habits die hard and many people can't change without constant support. Coaching will help individuals to get rid of old habits and adopt new ones more easily and systematically. A coach can skillfully examine the way old habits are causing problems. This will eventually get back on track with their unlearning and relearning journey.

For CA professionals like us, next-gen technology will not only be needed to adapt quickly but it will be a part and parcel of our process and jobs.

The future of our work will be skills that make humans more human. As the future of work unfolds, what makes us human is what will make us employable. Around the globe, companies are increasingly placing a premium on job applicants who demonstrate skills like flexibility, self-motivation, empathy, resilience, creativity, and communication capabilities, as they know “humanness” will become a competitive advantage when working with intelligent systems. More insights on this can be found in the upcoming chapter on “Skill sets for the next big bet”.

Let us give an example that may not be connected to our profession but it shows how fast technology is playing a part in our day-to-day life.

At Singapore's Changi Airport Terminal 4, jobs did not disappear when the airport implemented facial recognition capabilities in its automated check-in and boarding systems, and high-resolution X-rays into its baggage checks. *Instead, the nature of jobs has shifted.* Airport staff now spend more time guiding and assisting travellers, as well as attending to and overseeing the automated machines. AI/robotics are becoming disciplines in themselves and are emerging as majors, minors, areas of emphasis, certificate programs, and courses in many colleges and universities. We believe these courses need to be complemented with problem-solving components to produce workers who can use technology to address real-world problems.

A skill-based curriculum is no longer a choice. One of the biggest challenges educational institutions are facing today is developing a curriculum that is fit for both current and future jobs.

While moving on the path to unlearn, and re-learn, it is pertinent we keep our strengths intact and revisit our true potential to achieve great success.







**“If you begin to understand what you are without trying to change it, then what you undergo is a transformation.”**

**- Jiddu Krishnamurti**

## 5. IT'S TIME TO LOOK WITHIN FOR THE NEW BEGINNING

5.1 Identifying Your Natural Instincts .....	77
5.2 Connect The Dots With Reality .....	81
5.3 Maximise Strengths & Leverage Weaknesses .....	82
5.4 Jump Out of the Comfort Zone .....	84

It is the general belief and experience that once a practicing Chartered Accountant (CA) gets into a particular area of service, he will stick to it until a regulatory change makes that area of practice redundant, and he is forced to make a change. In the good old days it was also not a very acceptable situation and was more considered as a sign of failure. However, things are changing. In recent times, we have seen number of cases where CAs are changing course half way despite being very successful in existing practice area and choosing a new area of practice and also making a good mark in the profession. One must accept that for a practicing Chartered Accountant, changing a course of activity is challenging. If one is already established in a particular line of practice, it is difficult and at times impractical to make a new beginning. In western countries, it is very common for individuals to make a switch to another area, say a successful lawyer becoming an investment banker is very normal. Even their education system is designed to facilitate any changeover of area of education. However, we don't find many precedents in India of someone making a major shift halfway in education or work profile. Such cases are

on the rise and there is a clear indication that we might also follow the footsteps of western countries in this regard.

In this chapter *we are going to focus more in making a new beginning within the same profession and not making a new beginning altogether in a new profession.* Let us understand what all needs to be done to make that shift or a new beginning more enjoyable and successful.

## 5.1 IDENTIFYING YOUR NATURAL INSTINCTS

The first question which comes to our mind when we think of a new beginning is to identify the right area for the new beginning. CAs have played very important role in shaping the economy of the country. They have played a role as a catalyst between the Government and the stakeholders. CAs can render variety of services apart from traditional role of Audits, Taxation, Finance, etc. Some of the important new areas of services which CAs are rendering in the recent past are enumerated below:

- Strategic advisor to business houses (this will include guidance on new areas of business which the group may venture into, advising on acquisitions, divestments, senior employee appointments, compensation plan, corporate structure, etc.)
- Succession planning
- Family separation related services including valuations and implementation
- Personal wealth management of promoters
- Preparation and monitoring of family code of conduct which includes mechanism for decision

making, exits, young generation induction, do's and don't's, etc.

- Guidance on CSR plan and handholding in implementation
- Guidance on Environment, Social and Governance (ESG) mechanism of a corporate house
- Providing complete hand holding services for a legal matter of a company
- Services in respect of making a company investment ready
- Handholding services in connection with a fund raising plan of a company
- Dispute resolution services including mediation and arbitration
- Management of family office
- General corporate advisory services
- Specialisation in related party transactions related services
- Forensic and fraud investigation
- Advisory on availing various Government grants and subsidies and others....

The above list contains only a very few of the new age services which a CA can provide. It can be seen from services mentioned above that there are immense opportunities which are available to be grabbed. We are all fortunate that the training which is imparted to us while

becoming a CA is so unique that we can mould ourselves to any requirements for our clients. We are built to solve all the challenges which our client faces. There are numerous examples of CA specialising into a particular field only because the client wanted that service and the CA adopted to that need.

When a CA is attempting to make a new beginning, **one very important aspect to be kept in mind is that the new area should match with his liking and aptitude.** It should not happen that by force you venture into an area which is not your choice area. One will not be able to make switches to the career often hence select the area which fits into your ultimate goal and objective. Let us look at an example. If a client needs services in the area of Family Code of Conduct and CA takes up that area of practice for future development as a new beginning. But that CA does not like drafting as work, he may not enjoy this new beginning as the major task in Family Code of Conduct is the support for drafting a code which is conflict free and unbiased. In that case, this CA may support his client in this area of practice as a one-time exercise but should not change his practice to this new area as it does not fit into his liking area.

The next point to be kept in mind is that the **new area should fit into the requirements of your client groups** too. For example, you venture into support services for fund raising activity and none of your clients expect to raise funds in reasonably predictable future. In that case the professional will have to develop a complete new set of clients and quite a few times to build confidence and goodwill amongst an altogether new sets of clients could

be a daunting task. The ideal thing could be to look at the existing sets of clients and see what services they need or what they are likely to need in the near future after studying those clients' business plans or future expected business areas. One more aspect to be kept in mind is that the new area of practice should add value to the client. It is observed in recent times that clients are happy to pay for services which add value to their operations.

The next aspect to be kept in mind will be to **find out the market size of the new area of practice**. If it is a highly specialised area of practice, it is possible that there are already some existing established professionals and the expected new work to come to a newcomer is less. At the same time, if the new area of practice is a sunrise area, has huge potential and not many professionals are active in that area, there is a good chance to get established faster than expected.

A professional should always strive to be in the top bracket in whichever area of service he selects. Some of the factors which will help to get recognition in that particular area are as under:

- Remaining fully updated on the knowledge front
- Being part of a network of practitioners in that area
- Sharing of knowledge through writing as well as lectures
- Making representation on the Regulatory aspects concerning that area of practice
- Extend learning support to fellow professionals.

A professional should evaluate all aspects before jumping into the new area. Once decided, he should not leave any stones unturned to make it a grand success.

## 5.2 CONNECT THE DOTS WITH REALITY

Having made the plan to plunge to the new area of practice, what is required next is to work on an actual plan to make it a success. Following questions will need to be addressed:

- Do you need to have any new infrastructure for the new area? Extra office space? Opening an office in a new city or town?
- Do you need additional manpower? How will you train this manpower in that area? Can you get some trained resource for the same?
- Do you need to invest more in hardware as well as software? Will this new requirement have an impact on the existing area of practice? Will this create a severe cash crunch?
- Do you need to join hands with anyone? By joining hands with someone, you share the responsibilities but it also brings along its own set of challenges.

It is very important that we dream big but one has to keep in mind that we should dream something which can be converted into reality. One must be practical also. There are number of instances where a professional has ventured into something beyond his reach and ended up having a negative result.



## Are you convinced about this new beginning?

As long as you have examined and thought through about all the aspects of the new beginning and you are convinced, half the battle is won. Many a times, there is lack of conviction, so the efforts are also not 100% to make it a success. Having begun well, next step will be to make all efforts to achieve positive results. *Our CA curriculum itself grooms us to be a fighter so each one of us has the spirit of not giving up.* On the efforts front, we all need to give our best. Lastly, success might be delayed but it surely comes as long as you have made genuine efforts in right direction. *Be patient. The investment of efforts will give fruits at the right time and it will give return multiple times.*

### 5.3 MAXIMISE STRENGTHS AND LEVERAGE WEAKNESSES

It will always be advisable for a professional to introspect and do a SWOT analysis before making a new beginning. A typical SWOT Analysis will have following points: (It is only given as a symbolic analysis. This will differ from one individual to another)

#### Strengths

- Strong Knowledge Base
- Trained Manpower
- Ready Infrastructure
- Geographical Advantage
- Vast Network
- Strong Goodwill

- Active in Professional Organisation
- Ability to remain Fair and Honest and others

### **Weaknesses**

- Lack of Time
- Negative Goodwill
- Absence of Trained Manpower
- Not Up To Date on the Subject
- Set Up Not Ready
- Locational disadvantage, etc.

### **Opportunities**

- Ability to Switch Areas
- Possibility of Moving to a Better Geography
- Flexibility of Operations
- Ability to Add a Service based on Needs of a Client Without Losing on Time
- Growing Client brings Automatic Growth and others

### **Threat**

- Manpower Leaving/Attrition
- Partnership Issues
- Regulatory Changes
- Client going through Downward Growth and others

Once a professional analyses his weaknesses, do you think he has a choice of sitting idle and wait for the time to

correct the situation? He will have to start working on the weakness and overcome the same. Many of us do not analyse or if we analyse we do at a very late stage. Sometimes it is the ego which comes in the way to accept the weakness and that results in no corrective steps being taken or very less efforts made to correct the weakness.

#### 5.4 Jump Out of the Comfort Zone

It is very important for a professional to do a thorough analysis of the years gone by. This will give clear answers to some of the questions given below:

- Which factors have worked in favour of his success?
- Which qualities he possesses gives him respect and recognition?
- What could have been done differently?
- The steps he took which allowed him to pursue what he liked?
- How challenges were handled and could they have been handled differently?
- How fellow professionals consider him in the profession?
- Whether timing of starting or shutting down a practice area was right?
- Did he create good professionals through training?
- Did he return back to the profession what he gained? And so on....

This introspection will enable a professional to change the way forward or make some amendments after learning from the lessons of the past. *Many a times we become so engrossed and busy with our work that we don't get chance to make an analysis of years gone by and make some alterations to our way of functioning.* One must find time and do this analysis to get out of the comfort zone. One also needs to be open to learn from the mistakes of the past and improvise.

When a professional gets established, there is a possibility that he may go into a comfort zone. Some common characteristics of going into the comfort zone are:

- Lack of interest in keeping oneself updated
- Not learning new skills
- Not investing in manpower and technology
- Not exploring new areas of practice
- Resistance to bring new thinking to the practice
- Spending more time on personal growth rather than firm's growth and so on....

If a professional goes into this mode, it will have so much of a negative impact on his practice that a stage will come whereby he may also lose existing work. Our profession is such that we are students for life. We keep encountering new challenges every day and we need to keep learning new things and unlearning old. Generally, in a smaller structure the possibility that a professional might go in comfort zone is higher. In a bigger structure, the environment itself will be so competitive that it will not allow a professional to slip into a comfort zone that easily.

There will be constant comparison amongst partners so no one will be able to sit back and relax.

As long as a professional is clear what lies before him if he goes into a comfort zone, he will make conscious efforts not to get into that space. At times circumstances forcefully brings back a professional from comfort zone. A classic example could be the sudden loss of a substantially big client group. In such cases, a professional has no choice but to buckle up and start running. It is not difficult as long as there is a will to come out of a comfort zone.

**One of the biggest factors which stops a professional to come out of comfort zone is fear of failure.** Risk taking ability reduces substantially as the professional goes into the comfort zone. The negative effect of remaining in comfort zone are far higher than the advantages and benefits of a comfort zone. The professional will have to make a conscious effort to leave the comfort zone and make a new beginning. If one analyses our entire study for CA degree including Articleship training, it will be evident that the entire design CA course is to train us to taking up challenges and make all efforts to achieve success. That grooming generally helps the professional to take this bold step of making a new beginning.

One of the crucial parts of the grooming process is effective communication. When we dive deep within for a new beginning, effective communication can be impactful.



**“Good communication is a bridge between confusion and clarity.”**

**- Nat Turner**

## **6. COMMUNICATION FOR IMPACTFUL ACTION**

6.1	Communicating for Success .....	88
6.2	Ensure A Clear Positive Message - What are Effective Communication Habits .....	96
6.3	Translate Communication To Impactful Actions / Positive Results.....	99
6.4	Communication - Then & Now .....	103

### **6.1 COMMUNICATING FOR SUCCESS**

If you are reading this guide to get future ready; it shows that you wish to be a ‘successful professional’. The meaning of success is, of course, a personal and subjective concept. You may have the ambition or aspiration to achieve

- Certain earning targets,
- To make your firm a leading firm in your city, state or the country,
- To achieve a reputation as one of the best tax consultants or auditor or a specialist in any of the niche areas.

Irrespective of what your concept of success - it would invariably mean that such ‘success’ would largely depend on what the outside world perceives you as and the public perception begins from what

and how you ‘communicate’ or project to your clients, co-professionals, staff and those in your social circles. Needless to say, the projection cannot be hollow or false. But a good product in bad packaging will often never be sold. And the world will never know how good such a product was. Communication is therefore the first and most important outer packaging of the content (professional services) that you will render. [Apple and many other companies sell mobile phones and tabs. The apps that you use on any phone or tab may be the same but Apple products are at a premium because of their external design and sleek finish].

Communication is not about writing letters to assessing officers, government authorities and clients!

- Communication is how you project yourself - **VISUALLY**.
- What **VIBES** you generate.
- What you speak – **VERBAL** communication.
- And of course the traditional concept of **WRITTEN** communication.

So it is a package of **VVV & W**. Let us look into each of these in a bit of detail.

**Visual communication** is always the commencement of your interaction. Even before you come within speaking distance - or as you enter a cabin (or turn on your camera in a video call); all persons in that meeting are communicated a message. That comes from your appearance - and as they say **first impressions matter!** So the way in which you walk, whether you are looking



down or looking other people in the eye, is your gaze steady and confident or are your eyes moving from side to side, conveying some form of nervousness, how do you take your seat, or do you remain standing? All of this conveys a lot even before anyone has spoken! It is rightly said that a picture conveys more than a thousand words. The impression so formed may or may not be correct but you cannot escape the fact that most people are sub-consciously judgemental. This is body language<sup>1</sup>. Its strength is that it is a universal language conveyed and understood by all. And the message is all powerful – whatever be the language anyone speaks!

**The first visual communication - is through your dress and appearance.** Dress smartly and appropriately, following a dress code which would be most suitable for the interaction to take place. When you are uncertain about whom you are likely to meet, ensure that you are at the highest expected level. It is better to be slightly overdressed than to be unduly casual or convey an attitude of indifference. The principle is that you do not dress for yourself but to convey the respect that you have for the people you are meeting. For example, if you expect to participate in an audit committee meeting in the morning, but are not sure that a formal suit is necessary, wear a jacket for that meeting and that need not be continued for the rest of the day. The dress need not be flashy or expensive but must be neat so as to communicate the importance and seriousness that you bring to the meeting.

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1. To read more about this fascinating subject read the book 'Body Language' – by Desmond Morris, a very educative, practical and highly enjoyable book.

Your **physical appearance** is also largely within your control. One need not be good-looking, but you can surely be smart, sprightly and walk and conduct yourself with an air of confidence. Taking care not to slouch, walking briskly, not fidgeting or wringing your hands are things that can be easily avoided<sup>2</sup> by making an effort. The other people are looking at a professional to provide them a solution. They must trust you and have confidence in you. Your visual message has to communicate that you are worthy of such confidence.

The **Vibes** or **vibrations** you generate is dependent on a whole lot of invisible messages that are immediately transmitted between all individuals. This goes back to millions of years of evolution and applies equally to men and animals. It has been scientifically proved that ‘pheromones’ emitted by every person in certain situations evoke a certain reaction in others. It is for this reason that people prefer personal meetings when taking important decisions and would generally not be satisfied with a video-conference even today. And this communication by your eyes, hand gestures, posture and vibrations are never fully caught on a screen or in a photograph.

Since this is something that is communicated at a subconscious level, it may be virtually impossible to develop or cultivate this. The vibes that you communicate are basically the sense of empathy, sincerity, a practical approach and a sense of deep knowledge which would encourage the other person to place their trust in you. While you cannot create this sort of feeling

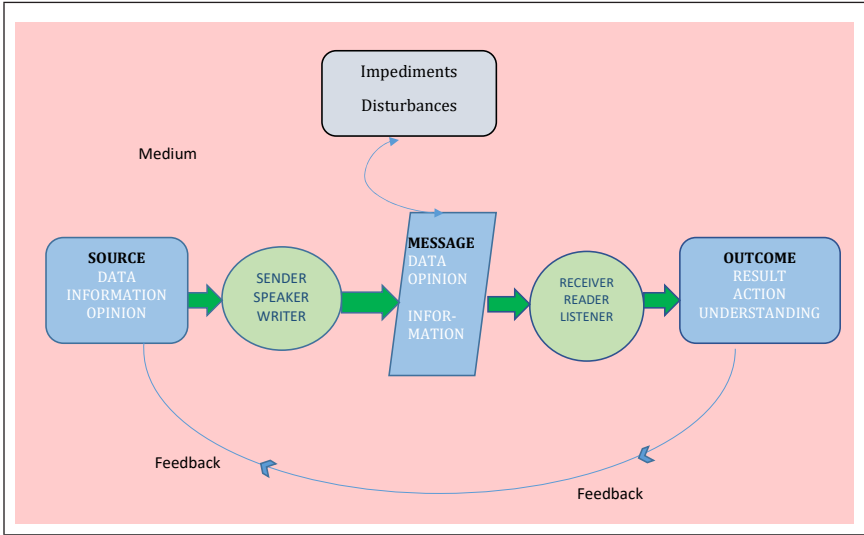
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2. You may also refer to another book by Desmond Morris titled “Gestures”

artificially, what you can do is train yourself to allow the subconscious message to be communicated by avoiding disturbances and distractions that would shift the other person's attention away from this very significant non-verbal communication. For instance' if the moment you are seated for an important meeting and even before making eye-contact you start focusing on turning on your iPad / laptop, launching into your PPT or at times carrying on some phone conversation; without even letting your vibes / vibrations reach the other person, then it is most likely that there will be zero receptivity or in fact it could be negative. Thus, if you are keen to be involved in a project or have done plenty of hard work and research but are unable to inspire confidence because of the lack of positive vibes, you have harmed your prospects before you even speak. *That is why, highly successful business leaders will often rely on these vibes or what is also called 'gut feeling' in selecting their trusted consultants and advisors. So pay attention to these intangible factors which play a far more important role than most people realise.*

**Verbal communication** i.e. what and how you speak and listen to is the most apparent form of communication. This is something which is almost entirely under your control and encompasses numerous areas that you can consciously improve upon. You will note that listening is part of the verbal communication. This is a critical factor and something that needs to be very carefully understood. That is because communication by definition is a two-way process. *Verbal communication does not mean simply saying what you have to say; it has to achieve a certain purpose for which, apart from what you're saying, one has to understand the response and*

*reaction of the person/s to whom you're speaking. To give you a better understanding of the entire process that is involved, refer to the chart on the next page:*



### A Pictorial Depiction of the Communication Process – for All Forms of Communication

Verbal communication is usually the most direct, most convenient and the most frequently used method of communication. For a professional it is the most important and would include telephone conversations also. For all these reasons it is imperative that adequate preparation and care be given to this mode of communication. Some basic rules to consider would be the **appropriate use of the appropriate language**. The word ‘appropriate’ is used twice because one must recognise that what you speak is only a means of communication therefore it is most important that the content or the thought that you want to communicate

should reach the receiver in a manner that he is receptive to.

*If you wish to communicate to the person with whom you are speaking, your prime requirement should be that the language used should be such that he will understand (and not what you prefer).*

This seems apparent but is not always appreciated. Further, especially when speaking as a professional ‘appropriate use’ requires that you cannot speak using slang or abbreviations which the listener may not follow (and be too embarrassed to ask). This includes avoiding needless jargon which may result in the content of your message not being understood or appreciated by the listener.

When speaking to a group of people, one has to take particular care that your message must use the language appropriate to be understood by the least common denominator and not by the top person alone. You must also take care to avoid harsh, impolite, insulting or condescending language. There may be many occasions when you disagree with some authority or even with the client on a professional matter. However, the basic principle that communication is intended to achieve a larger objective should never be forgotten. *Therefore, even where there is disagreement, the same needs to be expressed in respectful and courteous manner.*

The written word is what stays on record. So whether it is a message on an app - or a formal letter - the impact of any **written communication** is long-lasting. Often that is what is desired. But in such case - care has to be taken that what has been written is actually read by the intended

receiver of the communication. As with all other forms of communication, it must reach (the mind / heart) of the intended person. What is written must convey what is intended to be conveyed and must do so in a clear, lucid and impactful manner. Each form of communication has its own unique style and approach. In your school days teachers asked you to write letters, essays and later precis forms of writing. That may be the last time that the difference between these forms was actually explained and studied. But as you enter the profession, you practice varied forms of written communication using each different form intuitively without ever having paused to consider the unique characteristics of each of these forms.

As a professional, the most common communication would be a letter written to an official (on behalf of client) or to the client. The obvious example is tax submissions to assessing officer or appellate authorities. This sort of communication has to be rigidly structured, clearly indicating the client's name (assessee), the relevant year, appropriate references (PAN no., - Notice date, etc.). Such a letter would state the background facts briefly, make references to relevant documents and evidence relied upon, present submissions (logical arguments) to support your case. In conclusion, the letter must define precisely what action you expect or desire the addressee (officer) to take. These elements are essential. Yet, often some of these elements are missed out even by experienced professionals. This happens mainly because the structure of such communication is not clearly thought out. In fact, this is so essential and basic that it has to be by way of a mental checklist. This is not as difficult as it sounds and

if practiced regularly, over time it becomes natural and automatic to you.

Sending an e-mail permits a slightly looser structure, mainly because e-mails have evolved in the last few decades where the overall degree of formality has been considerably reduced. Therefore, starting an e-mail addressed to many people with a simple 'Hi !' may be acceptable but the same cannot be said in a letter to an Income Tax authority and preferably not even to a client. Despite the informality, the fundamentals of communication can never be lost sight of. That fundamental is that a communication **Must Communicate**.

It is equally important to remember that while e-mail communications could be more informal - given today's technology - that e-mail could possibly remain as part of a record for ever. Therefore, e-mails sent in sensitive areas such as audits must be evaluated not just for what they will communicate to the recipient but also **what record they create** in case of a review of certain sensitive audits. Ensure your message is clear and conveys the meaning as intended so as to serve the purpose.

## 6.2 ENSURE A CLEAR POSITIVE MESSAGE - WHAT ARE EFFECTIVE COMMUNICATION HABITS

Texting (which includes SMS, WhatsApp, Insta, Telegram, etc.) is the most commonly used form of writing in the current generation. Millennials live life at a fast pace. Often, responses fly as text even before one thinks about the contents. The golden rule for all communication and especially for written communication is therefore to pause,

read it again, consider at least for a moment whether the possible reaction to the communication will necessarily be the same as what you intend it to be.

*The language used should be appropriate, free of needless jargon or incomprehensible abbreviations.* The American approach is often more direct but is equally full of jargon i.e. words which are used to camouflage the real intent.

Logically, the consequence of proper language is that the communication should bring clarity to the subject at hand. Thus, the normal object of communication is to convey a thought or an instruction, etc., in clear terms. The recipient of the communication should understand what is being communicated and further should understand it in the same sense that the person communicating has in his mind. The basic issue, therefore, is that at times the sender of communication is himself not clear about what he seeks to communicate. **Communication can be clear provided there is clarity in the senders thought, intent and objective.** Therefore, if you are the person communicating then pause for a moment to understand what it is that you wish to convey and to whom.

Once the sender of communication has the requisite clarity, the thought, idea, instruction, request, etc., can be properly communicated using the appropriate language, medium (personally/ telephonically / e-mail etc). This would ensure that the communication is understood by the recipient with clarity and is thus implemented correctly. Thus a person who hurriedly instructs his secretary 'to cancel all appointments for tomorrow' (as he remembers that he has to visit his dentist), may find to his



dismay that his efficient secretary to whom the instruction was not given with necessary clarity, has cancelled not only the client's appointment but also his appointment with the dentist. He may realise this only when he goes to the dentist and finds out that his secretary had called and cancelled the appointment. This is a typical case of an instruction (communication) not given with the requisite clarity.

Needless to say, any communication; in order to be effective; must also be **timely**.

Thus in the above example, if the cancellation of appointment is informed to the client after he has reached your office then the communication loses its meaning. Thus, in order to be effective, the communication must be clear and must give the recipient of the message a reasonable time frame to act or respond to the communication. With regard to professional communication etiquette, it is important that a timely response is given.

A call on your mobile while you are attending another call may not be received by you. The missed call is itself a communication from the caller. Business etiquette demands that you either immediately (by way of predefined response message) or at the earliest point later on, reply with a response acknowledging that you will call back later or communicating a more convenient time when the caller may call you, is essential.

Certain e-mails require a response to be given after some background work is done. As a professional you may be under time pressure, and thus an immediate or early

response may not always be possible. Yet, a one line response informing the sender that you have noted the incoming e-mail and shall respond by end of day (EOD) / in a week etc. is always desirable. Such timely responses ensure smooth relationships and convey a mutual respect for the others time. Every mode of communication should ensure that it has been received by the intended user as desired and on a timely basis.

### 6.3 TRANSLATE COMMUNICATION TO IMPACTFUL ACTIONS/ POSITIVE RESULTS

*All communication has a purpose. Therefore, successful communication means that the purpose of the communication should be achieved.* The purposes for which you communicated could be varied. A smart attire or a crisp self introduction may be intended to communicate to others in a meeting of your capability or confidence. An e-mail explaining the reasons why some process is taking time may be intended to prevent the recipient from aggressively pursuing you for some results and a letter to tax authority may be written with the intent of getting a favourable order from the officer concerned. Thus, every **communication is intended to evoke some form of a reciprocal response.** This feedback can be extremely varied but is essential. As you are aware, absence of any form of response is most frustrating because this implies that your communication has failed.

Some examples of communication and related anticipated feedback are given only to illustrate how indispensable the response is.

<b>Communication</b>	<b>Expected Response – Verbal / Action</b>
Ram Ram, or Jai Shri Krishna or Good Morning	Jai Ramji ki, Jai Shri Krishna, Good Morning or at least a Namaste spoken or by action
A Text, SMS – informing you are delayed	OK / We are waiting or ‘reach quickly’ or a query – what is holding you up ?
An email – giving lots of data	Will study and revert or similar appropriate feedback.
A smile	Smile back or a thumbs up
A lecture	Taking notes, nodding in agreement, asking questions, Vote of Thanks
A political speech	Applause, Slogans, Votes
An advertisement for a product	That you will buy the product

Because the response to some communication may be entirely unstructured or in some other form or medium (i.e. a letter may not necessarily result in response by letter but may evoke action), you may not recognise that this is the response. Often that is exactly the response that was intended by the person initiating the communication. Thus, if you notice an employee frequently coming late to office, when he does so next time you deliberately glance at your wristwatch in a manner that he notices it. By your gesture you have communicated your displeasure about his being late. You did not fire him or tell him explicitly that he should be in time because you feel that he is fundamentally a good and dedicated employee. Your communication of displeasure will either elicit action

(whereby he will come more punctually in future) or at a suitable time he will come and apologise to you or explain the reason for his being frequently late. All of these are responses from him to your unspoken communication. If the person were not to respond at all or by acting as if nothing had happened then you will change your opinion about him and probably your next communication will be a firing.

This example is to impress upon you that when you communicate you must also have in mind what response / feedback you want to generate and what you anticipate the recipient of the message would do. This is what you have always been doing but possibly not given it a thought in a conscious manner. However, once you understand the theoretical underpinning given above, you can train your mind by practising this in a more conscious manner. This will invariably result in better results. Your message (or communication) will be more appropriately structured and therefore is more likely to achieve the desired outcome. If you communicate without planning what is the response/outcome that you desire then it is possible that the response/action may be adverse, undesirable or unexpected. Let's explain this with a simple practical example. You are working against the clock to finalise the audited financial statements of your client which have to be presented before the board in two days. Everyone in your team has to be working at peak efficiency in order to properly complete the audit in time. At this stage you notice that the audit manager is spending a lot of time on personal calls / WhatsApp on his mobile. It infuriates you, and you must communicate to him (remind him) in

an appropriate manner the urgency and critical nature of the work on hand. The most likely communication from the auditor would be to speak harshly to the audit manager, possibly in the presence of articled students, or berate him at the top of your voice (since you're furious) or even demand that his mobile be switched off immediately. In such a situation, probably you too will be under immense pressure and therefore rational thought is temporarily suspended. Now consider the possible response to your heated communication.

- a) The audit manager knows he is at fault - and he listens quietly - perhaps mumbling an apology - but in his heart feels insulted and decides that he will not stay in office beyond 7:30 PM under any circumstances.
- b) Listens quietly - works till late that evening - reports sick the next day.
- c) Resigns immediately and just walks out
- d) Tries to explain the personal crisis that he is facing and although hurt continues to work in the best manner possible. In this option if he has a genuine reason such as illness of his child or some such personal crisis, even though he may want to continue to assist you in the best manner possible, he is already distracted and lacks focus and this would be further aggravated by his sense of hurt and resentment that you do not appreciate the sacrifice that he is already making considering the crisis at hand.

You will realise that your communication (firing) was triggered more due to your own pressure and with the intent of getting better and timely output from the audit manager. In all probability, your letting off steam in such manner will further delay your work, derail your thought process and has certainly not achieved the purpose of increasing productivity. In fact, if the audit manager takes any of options a), b) or c) mentioned above - your communication has had the opposite impact from what you desired. And the fault is more on your part because you did not structure your communication appropriately. This is where mental discipline and understanding of the communication process is vital for a successful professional. You have to develop the ability to work backwards by visualising **what outcome you want** to achieve and based on that, structure your communication in a manner that will facilitate achievement of that result. *It is not as difficult as you might think. Once you train your mind to imagine the communication process in a structured manner, you will find that this becomes second nature to you and every communication you make will have a built-in objective and a higher probability of achieving that objective.*

Over the years, we have witnessed that communication has evolved and the presentation has changed but the perceived impact still remain the same.

#### 6.4 COMMUNICATION - THEN AND NOW

What one has to realise is that communication is not just a flow of words, verbally or on paper, but a message with an object. People spend thousands of crores of rupees on advertising and you will find that the people who

call the shots for such advertisement budgets are those who've studied the art and science of communication. It is not for nothing that people study a three-year course on communication and mass media and pay significant fees for the same.

While Chartered Accountants in practice are not communication professionals, we can be surely professionals who have mastered the art and science of communication in a manner that will promote our success in personal and professional life. Like all other skills, communication comes naturally to some and has to be mastered by others. But in all cases, understanding the message of communications and using it is scientifically to achieve impactful results is always possible.

*All that needs to be done is to understand the need for this art, understand the practical underlying concepts, experiment with them in real life and apply your individually devised solutions to your unique professional and personal environment. It will yield rich results.*

Only those who **master the fundamentals** can hope to evolve to a stage where you can fine tune your skills to meet the challenges of every environment that you will encounter as a professional. A decade ago you might have been dealing with sole proprietors and traders whereas today you may be required to deal with audit committees and tomorrow with regulators. Your communication skills will always be essential in each of these environments.

It is these skills of course with the underlying technical competence – that will enable you to build relationships that will carry you to the next higher level. You will have

to judge on a continuous basis, how best to put your message across, what language you use, tone and tenor and degree of formality, what medium (formal letters, e-mails, VCs, personal interaction) and the appropriate timing and content of your message.

Whether you are in practice or in industry, all of these above skills have great relevance to progress. *Once you have understood the conceptual framework, you can spend a lifetime experimenting with the application of the skills and using your communication skills as a force multiplier in your successful journey as a professional.*

**‘It doesn’t hurt to study the science and the skill sets necessary to succeed’.**







**“The future belongs to those who learn more skill  
and combine them in creative ways.”**

**- Robert Greene**

## 7. SKILL SETS FOR THE “NEXT BIG BET”

7.1	Develop Agility & Resilience.....	108
7.2	Be The Knowledge Power Bank .....	112
7.3	Cultivate Productivity.....	116
7.4	Collaboration & Creativity.....	123
7.5	Be The ‘Humane’ Being.....	126

The 21st Century demands new skillset, which were not very common in the past and were more situation specific. However, this fast moving changes also poses a requirement for matching skill sets.

### **7.1 DEVELOP AGILITY & RESILIENCE**

#### **• Agility Begins at Strategy Level**

Agility more often understood as merely increase in speed but in reality, it is the ability to move quickly and easily and aligning your understanding to match the pace. This has come across as the quintessential skill set in today’s changing dynamics of business operations. Agility can be reflected in four aspects:

- How do you foresee opportunities?
- How do you create the future?
- How do you adapt quickly?
- How do you always keep learning?

As professionals, these questions are required to be inculcated at

- strategy level,
- organizational level,
- team level and
- individual level.

Most agile organizations display in their strategy, a sense of **purpose**. This strategy is percolated from the senior-most in the team who enable rapid decision making. This implies that owners and partners have to **empower** their employees with an ownership and **accountability** approach. Organizations survive on their ability to adapt when necessary, and it is increasingly necessary for them to do so. For organizations having roles which demand a high degree of creativity and flexibility, the people must be swiftly enabled to work in an agile manner and focus on delivering results.

However, agility should not be treated as a knee-jerk reaction to the most immediate stimuli – a quick switch to a new service or an impulse decision to change the existing professional services being provided. Rather, it enables successful adaptation involving the **thoughtful, incremental redirection** of skills and **knowledge bases** so that today's expertise is reshaped and repacked into tomorrow's capabilities. It is essential to identify one's personality traits and move from there for the next better.

- **Unlocking Resilience**

Agility goes hand in hand with resilience, because if you do not possess the capacity to bounce back in situations,

then agility to take up further actions won't follow. Let's understand; resilience in its absolute meaning, the capacity to quickly recover from difficulties. This is a skillset which is sub-consciously ingrained in our system and gets upgraded and better after every failure or discomfort. It may be said that resilience is like the internal firefighting systems which are put to use for immediate action. External forces can make it better only when the internal firefighting systems are strong.

Professional resilience is our individual capacity to thrive in the demanding and ever-changing situations. As a Chartered Accountant, our professional resilience is tested from the time we first appear for our professional exams. The **choices we make** when responding to difficult situations and our **attitude and willingness to act**, demonstrate resilience. Dynamics of practices are changing faster than ever before and professionals who are resilient can move faster than the change. Professionally resilient people are prepared to act quicker and possess capacity to overcome challenges.

- **7 C's to Resilience**

A healthcare expert had prescribed the 7 C's of developing resilience for a child and youth resilience programme, however, if we translate the same in the professional context the same holds great relevance even for CA Professionals.

1. **Competence** – Having the ability to know how to handle stressful situations effectively
2. **Confidence** – Belief in one's own abilities

3. **Connection** – A strong sense of connection amongst your team can help develop a stronger sense of security and belonging and make the team as a whole more resilient to situations
4. **Character** – People with a great character have a great sense of values and they can make wise choices towards their values rather than away from their values and this is reflected in their approach in a demanding situation
5. **Contribution** – As professionals, when there is effective contribution on any task or assignment, it brings a sense of responsibility and ownership and allows being resilient, in case of any difficult situation
6. **Coping** – Having the ability to cope more effectively and better preparedness to overcome challenges with clients, peers, team, etc.
7. **Control** – Having control over your decisions and actions shall help make choices in a way one can bounce back from the challenges

Adapting the aforesaid resilience building techniques brings along a lot of benefits in terms of **better handling of challenges, improved communication, reduced burnout, swift decision making, openness to improve, defining realistic expectations and many more.**

If one examines closely the inter-connectedness between agility and resilience, people with **more agility shall also be more resilient** and agility when embedded in the organization and their people also makes organisation more adaptable to changes.

Agility and Resilience are the need in today's time, but we are also required to work hand in hand with other important skill sets which are discussed in the upcoming sections.

## 7.2 BE THE KNOWLEDGE POWER BANK

- **Introducing the Knowledge Worker**

The term “knowledge worker” was first coined by Peter Drucker in his book, ‘The Landmarks of Tomorrow’ (1959). Drucker defined knowledge workers as high-level workers who apply theoretical and analytical knowledge, acquired through formal training, to develop products and services. He noted that knowledge workers would be the most valuable assets of a 21st-century organization because of their high level of productivity and creativity. They include **professionals** in information technology fields, such as programmers, web designers, system analysts, technical writers, and researchers. Knowledge workers are also comprised of pharmacists, **public accountants**, engineers, architects, lawyers, physicians, scientists, financial analysts and design thinkers.

Chartered Accountants more commonly referred to as public accountants worldwide are knowledge workers and act as power banks when it comes to refreshing (recharging) their knowledge.

Let us first understand the types of knowledge:

1. **Explicit Knowledge** is one that is easy to articulate, write down and shared

**(Documented Information)**

2. **Implicit Knowledge** is the application of explicit knowledge.

**(Applied information)**

3. **Tacit Knowledge** is the one that is gained from experience and more difficult to express.

**(Understood Information)**

Role of Chartered Accountants is to gain **mastery on the explicit knowledge** and apply the **explicit knowledge** in combination with the **Tacit Knowledge** for delivering **smart solutions** to their clients. As CA professionals we understand that Knowledge does much more than just hone the thinking skills. It actually makes learning easier. Knowledge is not only cumulative, it grows **exponentially**. Those with a rich base of factual knowledge find it easier to learn more — the rich get richer. As professionals, we are aware that in today's competitive business world, it can be hard to stand out from the crowd. Having knowledge and skills above and beyond the basics of your field can give a professional advantage. Knowledge is ever changing and one may have knowledge but there may be no reference to context and one should know **extent of application** and **how to apply** knowledge and **when to apply**. But it's also essential to understand the flip side of this, that just like food when half cooked loses its value, similarly, incomplete knowledge delivered to a client can devalue the respect of a professional. Therefore, it's extremely important to be thorough on your knowledge and clear on the application. Knowledge about the environment, economy, industry, client business, changes in regulations,



all these put together creates a knowledge power bank for a good professional.

- **Importance and Relevance of Knowledge in Changing Times**

The pace at which things are changing it is important to keep learning, the more you know, the easier it will be for you to learn new things. Learning new things is actually a seamless process, but in order to study it and understand it better, cognitive scientists have approached it as a three-stage process. And they've found that knowledge helps at every stage:

1. As you first take in new information (either via listening or reading),
2. As you think about this information and
3. As the material is stored in memory.

**“It is evident that knowledge is rapidly becoming the firm’s primary instrument of progress and competitiveness. Existing knowledge defines our productivity and competitive skill in the present; new knowledge determines our productivity and competitive skill in the future.”**

**-Information, Organization, and Power: Effective Management in the Knowledge Society by Dale E. Zand**

With experience, it has been ascertained that knowledge is instrumental to value-creation and that knowledge as an asset is far more important than physical assets to a great extent, every organization must become a **knowledge organization** and that every employee must become a

**knowledge professional.** This holds equal relevance for the CA professionals and it's very rightly said that knowledge is the key **raw material** and when **combined with experience** results in brilliant **solutions**.

It's interesting to ponder the emphasis that **knowledge** brings by its own virtue i.e. a sense of **freedom**, being **limitless, renewable, interesting**, something which **nobody can take** from you and only **multiplies** when shared with others.

**“Knowledge is that possession that no misfortune can destroy, no authority can revoke, and no enemy can control. This makes knowledge the greatest of all freedoms”**

**- Bryant H McGill**

Attempting to build a knowledge organization, however, is neither a short-term effort nor a one-off project. The process of making a knowledge organization can be viewed as travelling along the path of knowledge **continuously** and in the **right direction**. Some organizations are not even on the path, others are just at the start line, and still many are further along. The underlying assumption is that those companies on the knowledge organization path, envision and behave differently from the more 20th century companies. Those with knowledge orientation focus on **ideas, creativity, innovation, productivity, expansions**. They speak of 'intellectual capital' as opposed to traditional assets.

**“The leaders of knowledge organizations fully realize that their most important assets walk out the door every night. Whether those assets show up the next day is of vital importance to the future of the knowledge organization.”**

**- Leading with Knowledge: The Nature of Competition in the 21st Century by Richard C. Huseman, Ph.D. and Jon P. Goodman, Ph.D**

In earlier days, the large traditional firms were growing faster than others but in present times it is the most “**intellectual firm**” and **not the traditional firm** which will grow faster. Despite the rampant changes, knowledge still and will always remain the key ingredient for CA professionals. No matter what happens, the one thing that can’t be taken is the mind and a **mind filled with knowledge paves way for excellence and open the doorways to success.**

*The Dictum of the 21st Century is not the strongest who will win but the most knowledgeable will succeed.*

Knowledge when combined with productivity will deliver solutions at an unmatched speed and we will discuss the same at length in the upcoming section.

### 7.3 CULTIVATE PRODUCTIVITY

- **Roots of Productivity**

**Productivity** in common language is defined as the ratio between output volume and volume of inputs. However, it’s more like a **state of mind** and being efficient every moment, what we consciously chose to do and not being

forced by circumstances. Productivity means adopting an **attitude for continuous improvement** and is a way to measure efficiency. Often, people think of productivity as simply getting more done in less time. But, to be successful in business, it's *not* just about getting *more* done; it's about getting the *right things done at the right time*.

With many CA practitioners, time management & productivity analysis is not a priority task, which puts them in a disadvantageous position than others. Productivity at its inception, starts with **developing effective time management habits** which enable you to work efficiently to get more done in less time. Time management is the process of organizing and planning how to divide your time between specific activities which is more commonly known as **Strategic Time Blocking**. Remember, time is like stock in trade for CA professionals. Without a planned schedule, even your highest priority projects don't have consistent room for execution. A simple trick is to use time block scheduling to group similar tasks into one batch throughout the week. By grouping similar tasks together, you can develop a groove and work faster and increase the level of focus.

- Identify common tasks such as business development or emails and estimate how much time those items will take to complete. Then plug it into your calendar, just like you would do for a meeting or event.
- Also, by evaluating your tasks, you'll have a clear idea of what you **need to accomplish** versus **what can be moved or delegated** to someone else.

- People try to copy **multitasking** model, remember multitasking is not doing many activities at the same time but effectively (with concentration) doing **one activity at one time** and thereby resulting in doing many.

For example, instead of reaching out to business prospects sporadically throughout the week, schedule a 2-hour block twice a week to focus on professional development, likewise for client relations, executing tasks, continuing education, review of delegated tasks, etc. Nowadays, there exist time management applications like e-calendars which act as an assistive tool for the same.

The very famous '*Eisenhower's Urgent Important Time Management Technique*' helps you identify the activities that you should focus on and the ones that you should ignore:

A – Urgent & Important (**do first**)

B – Not Urgent but Important (**do later**)

C – Urgent but Not Important (**delegate**)

D – Not Urgent & Not Important (**eliminate**)

- **Transition to Priority Management**

The next stage is moving to **priority management within each time block** which focuses on time and resources towards tasks that **impact high-value projects and long-term goals**.

Thus, prioritizing enables you to get **more quality work done** and **reduces the amount of time spent** on unnecessary tasks. A combination of time management

and priority management takes you one step closer towards peak productivity. Consider this; if you could **save one extra hour a day**, you would save **240 hours or six weeks over the year**. Imagine the shift you can create with an additional six weeks of free time to work on high-impact items

- **Productivity Hacks**

There are many ways to improve productivity, the key is choosing what is right for you and your ultimate goals. And as we work towards being more productive, we shall ensure that we know our time wasters and works towards what is significant.

Below are a few productivity hacks practiced by many professionals who have witnessed great results:

- Don't fit too much on your to do list. Have a to do list will ensure that you complete the tasks but ask whether you are actually moving towards your ultimate purpose. Systematically remove tasks until you reach upto that 20 percent of tasks which will give 80 percent of value
- Track your time blocks allocated for each task
- Take small breaks for your mind to rejuvenate and recharge
- Focus your morning on yourself and practice mindfulness
- Finish all the challenging tasks when the brain is fresh and this will create new and more productive way to manage time

- Create a system to eliminate distraction (including digital distractions) and place focus on doing that matter most effectively and efficiently
- Stop multitasking – It’s a myth that by multitasking things you are more productive. In fact, changing tasks multiple times during the day reduces productivity
- Don’t let perfectionism be the enemy of productivity – Sometimes we prolong a task trying to make the outcome extremely perfect, without keeping in mind that we have to be a productive perfectionist and not counterproductive
- Be proactive and not reactive. This will help build your own fruitful and productive time
- Have a clutter free mind, clutter free desk & clutter free screen
- Optimize your commute time to brainstorm on ideas

You can realize that you are productive when a task is completed with no extra efforts on your part and that you have inculcated the habit of being productive and once integrated as part of your daily routine, any task then become secondary in nature and your actions are automatically driven by a productive lifestyle.

### **What completes Productivity?**

However, productivity does not stop at managing time and priorities, one very important element is also about managing energies. It becomes crucial at an individual level as well as professional level to help build collective energy and sustain the energy of their people.

It's important to identify the energies which have a direct impact on productivity:

### 1. **Physical Energy**

It's important to practice consistent healthy behaviours given all other demand in their lives. First, identifying daily rituals for building and renewing physical energy like regular exercise, healthy diet, healthy lifestyle, sleeping habits, intermittent breaks to recharge our capacity.

### 2. **Emotional Energy**

When people are able to take more control of their emotions, they can improve the quality of their energy, regardless of the external pressures they're facing. To do this, they must first become more aware of how they feel at various points during the workday and of the impact these emotions have on their effectiveness. They also should know who and what are their energy lifters and energy depleters. Based on research, most people realize that they tend to perform best when they're feeling positive. What they find surprising is that they're not able to perform well or to lead effectively when they're feeling any other way. But the challenge lies in maintaining the same positive energy throughout the day at all points in time under all circumstance. A 2-minute meditation with no thoughts, deep breathing exercises, reading a couple of pages of a motivational book or listening to a motivational video will quickly recharge emotional energy. Also,



how you talk about yourself within and outside drives and sustains your emotional energy. *Needless to say that emotional energy also drives your intellectual energy.*

### 3. Intellectual Energy

This energy is driven by what holds value, meaning and purpose for the individuals. If people work towards what really matters to them, they naturally feel energized and their intellectual energy is charged and this will automatically influence their satisfaction at work. To completely tap the intellectual energy, people need to love and enjoy the work they do, make time for all important aspects of their life, and live their core value in their behaviour at all times.

Implementing these energies will serve its purpose once you have identified what energizes you and what drains you and we break these into three categories; Drivers, Restainers and Energizers

- **Drivers** are tasks that are easier to complete. They are tasks that you may enjoy doing, they typically give you some energy, and they are tasks that you sometimes look forward to.
- **Restainers** are tasks that you're not looking forward to doing. These are often tasks that drain your energy.
- **Energizers** are those tasks that you love to do. These are tasks that you would prefer to do all day, every day.

There is no exact science to energy management, so it's important to figure out what works best for each one and

schedule the day accordingly to maximize productivity. But what remains true in this context is that time lost is productivity lost and ultimately revenue lost. As CA professionals, we attend multiple lectures on time management and apply the same to a large extent and our services which are predominantly quality based have a direct co-relation with productivity. *Time management in true sense is also mind management and energy management.* It's important to think through that as a CA firm and professional, are we really managing productivity? How are we managing our time and energy? If we are able to save our time and energy, it creates room for enhancing our creativity.

#### 7.4 COLLABORATION & CREATIVITY

**“Creative people ... [are] able to connect experiences they’ve had and synthesize new things.”**

**- Steve Jobs**

Creativity is hard to define because everyone most likely have their own thoughts on what it means. In recent times, key decision makers and professionals have realized that in order to prosper in this fast-paced business environment, collaborative innovation is vital. To achieve that, creativity and collaboration need to go hand in hand. Creativity is often the first step in the innovation collaboration process. A study conducted by IBM Institute of Business Value (IBV) among 1500 CEOs revealed that the most essential quality seen in leadership is creativity. Being creative is allowing your intuition to reveal possibilities to you and following them in the moment—in other words, it's being in the flow.

Creativity is one area where Artificial Intelligence is still lacking. Machines can replicate media with greater accuracy in every subsequent iteration, but creating something new and unique is an ability humans still have a monopoly on and will always have.

- **Creative Collaboration**

Creative collaboration describes a relationship between two or more persons with a common purpose of creating new objects through certain common ideas, shared understanding and a common goal. Collaborative design is a process that involves different team members in order to come up with ideas and solutions. The more diversity there is in the process of collaborative design, the higher the chances of coming up with innovative solutions.

- **Collective Achievement through Creative Collaboration**

As professionals, it would be great to ponder “What Can We Collectively Achieve through Creative Collaboration”:

The benefits of creative collaboration can be reflected in various situations such as improving problem solving skills through collective participation of thoughts and ideas, learning different perspectives, establishes accountability, bringing momentum to work, improving quality levels and ultimately the advantages of creative collaboration are passed on to the clients.

Over the years members of the institute have adopted different models of practice like, proprietorship, partnership, LLP, merging of firms, network firms,

etc. Network firms have been the biggest example of collective collaboration facilitating multi-locational presence of the firm, strengthening partnerships and enhanced functioning of CA firms.

The ICAI Council has brought in the guidelines for networking from time to time and an appropriate ecosystem has been developed in the Self-Service portal for registration and regulation of the Alliance, the Network and the Lead Firm in Network Models.

The council of ICAI has the endeavour to ensure small and medium sized practitioners stay relevant with times and has suggested various collaborative partnerships such as forming of LLPs to overcome the limitation on number of partners, establishing multi-disciplinary firms and working together with other professionals like Cost Accountants, Company Secretaries, Actuaries, Engineers, Architects, etc. Such initiatives shall give opportunity for pooling of resources and expertise and build a global presence without compromising individual identities.

A conglomerate of professional expertise will lead to creating of new ideas, innovative ways of working, and open up a plethora of opportunities like secretarial, auditing, accounting, systems control, legal, risk management, risk assessment, valuations and collectively rendering holistic solutions to clients.

**“Alone we can do so little; together we can do so much.”**

**- Helen Keller**

## 7.5 BE THE ‘HUMANE’ BEING

With all the skill sets which we have discussed earlier, there are skill sets which each individual is inherently born with and what sets him apart from the rest of the Living beings born on this planet. A skill set which no robot can replace or create i.e. the Human Quality. In this world of ‘innovative disruption’ and the rampant need to simplify processes, products and user experience, the human touch is somewhat disappearing.

Albert Einstein very rightly said, *“The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created a society that honours the servant and has forgotten the gift.”*

It’s time to bring the ‘Humane’ back in the human being. The person you really are at your core defines your true personality and your value system. While it’s not easy to change, the purpose of life is to evolve and become a better human being. Human Qualities which came to a person naturally have to now be revisited and introspected from time to time. It is the human quality which really differentiates you from your peers and as has been well said and heard by many over the years, when it shall be the time to leave, you shall be remembered for the human you were and not your work. *You are human first and then a professional.*

It’s important to improve on these qualities which come organically to human beings. The only miss is that it is not used often and that’s why it has disappeared. A quality put in practice becomes a habit and flows naturally without any conscious efforts. The core human qualities are also your professional qualities. A few of them given below

when put in daily practice brings about radical changes in client perception as well as **delivery standards**.

## 1. Be Empathetic

**“Empathy is about standing in someone else’s shoes, feeling with his or her heart, seeing with his or her eyes. Not only is empathy hard to outsource and automate, but it makes the world a better place.”**

**– Daniel H. Pink**

As a professional, the primary focus of your work is on the wants and needs of the people who use the products or services that you create. Empathy enables you to understand other people’s motivations, needs, and emotions more deeply, and you can use that understanding to create better products for them or to provide better service to them. Having empathy lets you accurately perceive people’s needs—without your own lens introducing any distortions or occlusions. Being empathetic lets you look at things from different people’s perspectives and internalize what you see.

## 2. Be Intuitive

**Intuition— “The ability to understand something immediately, without the need for conscious reasoning.” Oxford Dictionary**

This is the power that only human beings hold and sometimes, through intuition, holistic solutions to problems may arise fully formed—or very nearly so—from your subconscious mind. At other times, your intuition may give you just the seed of a great idea.

Intuition lets you draw connections between diverse inputs without conscious thought. The effort lies in gathering the relevant data for your subconscious mind to work on.

Intuition often plays a strong role in decision making. As professionals many times we rely on intuition when you must make decisions and take action on them very quickly, the problem or the solution is ambiguous, or there's no precedent to follow. However, there seems a diminishing trend on the intuitive skills owing to a lot of unwanted distractions and reduced concentration power.

### **3. Creative Thinking**

The human brain can take input and be inspired from various outside influences viz. music, poetry, art, or photography to develop new, creative ideas. We can then channelize that inspiration to develop business, product ideas or new modes of delivering services. However, as professionals our thoughts are aligned from one regulation to another or one circular to another and the scope of thinking beyond and out of the box is restricted. Together, as professionals it's important to put our creative brains to use.

### **4. Be a Lifelong Learner**

As long as you hold the zest for learning, the more it helps expand your thinking capabilities and improve your outlook towards problems and this allows you to understand each situation better. As professionals, we keep learning through seminars, conferences, refresher courses, discussing with regulatory authorities, colleagues, peers and also our clients who teach us more than we could have

otherwise learned. One can also learn from great leaders and successful professionals.

## 5. Be a Good Listener

“Listen to understand and not to reply”. This is one of the premium qualities and skill set which no machine can provide which is to be a good and attentive listener. This has dual benefits, one being that a client would be comfortable sharing a lot of information and secondly as professionals it would be easy to give them a holistic and complete solution for the client.

Every quality which makes us a human being is within us, all it requires is to untap the treasure within and let the miracles flow. *If you go back in history of successful and renowned professionals of any country, one will realize they were excellent human beings first and then successful professionals.*

**No technological disruption can disrupt humanity**







**“Let’s go invent tomorrow instead of worrying about what happened yesterday.”**

**– Steve Jobs**

## **8. EMBRACING REALITY, COLLABORATING WITH TECHNOLOGY**

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8.1	It's Time To Understand The New ABCD.....	132
8.2	Applications Of ABCD In Practice .....	135
8.3.	Developing Technology Efficient Work Environment.....	140
8.4	Optimize Client Servicing Through Technology.....	144

### **8.1 IT'S TIME TO UNDERSTAND THE NEW ABCD**

The 21st century has been the century of radical changes and the technology evolution is an integral part of this change wave. Human intelligence has proved its excellence through the continuous development of technologies which evolved over the century. Human minds have developed the technology and now technology has started thinking like a human mind. Are we completing the circle? That is something only time will tell.

The 21st century generation are now learning the new ABCD:

(A)rtificial Intelligence, (B)lock Chain, (C)loud Computing, (D)ata Analytics

As professionals, there is no escape from familiarizing with these new technical jargon as every organization directly or indirectly is dependent on these technologies either within the organization or on an outsourced basis.

It's essential to drill down each term to understand its function and application for the professionals which can help maximize the usage of technology for building a smart organization.

### **What Is Artificial Intelligence (AI)?**

Artificial Intelligence (AI) refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions. The term may also be applied to any machine that exhibits traits associated with a human mind such as learning and problem-solving. Weak AI tends to be simple and single-task oriented, while strong AI carries on tasks that are more complex and human-like.

The objective of artificial intelligence include learning, reasoning and perception and they can mimic tasks which can be concretely defined. CA professionals can take assistance of AI technology to help break down complex tasks and when combined with the professional experience can create wonders while executing the assignments. *Not only the executory practice, but even certain parts of the advisory practice can be delegated to artificial intelligence and robo-advisory.*

### **What is Blockchain?**

A blockchain is a type of database that is a collection of information that is stored electronically on a computer system. Information, or data, in databases is typically structured in table format to allow for easier searching and filtering for specific information. A blockchain collects information together in groups, also known as blocks, that hold sets of information. Blocks have certain

storage capacities and, when filled, are chained onto the previously filled block, forming a chain of data known as the “blockchain.” All new information that follows that freshly added block is compiled into a newly formed block that will then also be added to the chain once filled.

### **What is Cloud Computing?**

Cloud computing is the delivery of computing services—including servers, storage, databases, networking, software, analytics, and intelligence—over the Internet (“the cloud”) to offer faster innovation, flexible resources, and economies of scale. One typically pays only for cloud services you use, helping lower your operating costs, run your infrastructure more efficiently.

### **What Is Data Analytics?**

Data analytics is the science of analysing raw data in order to make conclusions about that information. Many of the techniques and processes of data analytics have been automated into mechanical processes and algorithms that work over raw data for human consumption.

In the upcoming chapters, we will understand how these technologies can be implemented.

### **ICAI’s Digital Initiatives**

Understanding the influence of ABCD on its members, the ICAI has proactively initiated various digital initiatives for the benefit and betterment of all the professional colleagues. Technology is one of the areas where ICAI has always remained on the forefront with an overall objective of providing best-in-class experience to all

stakeholders including members of the Institute and the students.

The following are the some of the path breaking initiatives undertaken by ICAI:

- Digital Learning Hub
- Virtual CPE meetings
- ICAI TV
- Virtual Revision Learning Classes for Students
- E-Books
- Self Service Portals for Students, Members & Firms
- ICAI - e-sahaayaata
- Centralized Distribution System
- Article Placement & Industrial Training Portal
- ICAI Mobile App, and may more

## 8.2 APPLICATIONS OF ABCD IN PRACTICE

It is also essential to understand the applications of ABCD for CA professionals. A detailed research and study were carried out by Forbes as reflected through their website identifying six technologies that can be strategically used for achieving scalability of practice areas in the field of accounts and finance.

- **Artificial Intelligence**

Artificial intelligence can help accounting and finance professionals be more productive. AI algorithms allow machines to take over time-consuming, repetitive, and

redundant tasks. Rather than just crunching numbers, with the support of AI, financial professionals also will be able to spend more time delivering insightful and qualitative services. In accounting and finance, robotic process automation (RPA) can handle repetitive and time-consuming tasks such as, document analysis and processing. Freed up from these mundane tasks, accountants are able to spend time on strategy and advisory work. AI helps professionals to be more efficient and allows time allocations for tasks which are solely dependent on application of intuitive knowledge and human experience. This helps to outsource your intellectual task to the machines and thereby generating results with precision. For example, if you are required to fetch case laws on depreciation w.r.t a particular issue, robo-advisors can search for you within no time. It definitely does not directly give an opinion to be given to the client but brings it closer to the final output.

- **Autonomous Robots**

Robots don't have to be physical entities. Intelligent Automation (IA) is capable of mimicking human interaction and can even understand inferred meaning in client communication and adapt to an activity based on historical data.

- **Blockchain**

The final tech trend that has significant implications for accounting and finance professionals is blockchain. A distributed ledger or blockchain is a highly secure database. It's a way to securely store and accurately record data, which has broad applications in accounting and

financial records. Blockchain enables smart contracts, protecting and transferring ownership of assets, verifying people's identities and credentials, and more. Once blockchain is widely adopted, and become regulatory compliant it will benefit businesses by reducing costs, increasing traceability, and enhancing security.

- **Cloud Computing**

All the data created would be less powerful if it weren't for the advances in computing power. These changes allow accounting and finance departments and firms to store and use the data effectively. Further, there are the cloud services from providers such as Amazon, allowing the liberty to leverage accessibility wherever and whenever it's needed. This is where the computing happens not in the cloud, but right where the data is collected. When quantum computing is fully adopted, it will be transformative in a way that cannot even be predicted at this point since it will increase computing power exponentially. Quantum computers will be able to provide services and solve problems that weren't possible with traditional computers. Cloud computing technology has now created the possibility of virtual offices and enable working from anywhere at any time.

- **Data Analytics**

Technological trends across the globe have impacted and transformed various business operations. As a CA professional, we come across humongous data that can be used in the best possible manner through technologies. Today's data is not just financial statements that CA's are familiar with, but also includes a lot of unstructured



data which can be analysed through computer languages. CA professionals can implement data analysis techniques that reveal trends and metrics that would otherwise be lost in the mass of information. This information can then be used to optimize processes to increase the overall efficiency of a business or system. This feature is extremely helpful for professionals in the attestation and assurance function where data in large volumes can be crunched and relevant data can be extracted to deliver final reportable data. Instead of getting overload with data, CAs can now concentrate on key data generated through data analytics which not only saves time but enables them to generate accurate decisions.

Data analytics is important because it also helps businesses optimize their performances. Implementing it into the business model means companies can help reduce costs by identifying more efficient ways of doing business and by storing large amounts of data. CA's can also assist clients to implement such solutions whereby client can make better business decisions and help them to analyse customer trends and satisfaction, which can be an added feature to products and sophistication to services.

The process involved in data analysis while carrying out audit or other assignments involves several different steps:

1. The first step is to determine the data requirements or how the data is grouped. Data may be separated by products, locations, volume or type of accounts. Data values may be numerical or be divided by category.

2. The second step in data analytics is the process of collecting it. This can be done through a variety of sources such as computers, online sources, MIS, accounting records, compliance records, digital minute books, etc.
3. Once the data is collected, it must be organized so that it can be further analyzed. Organization may take place on a spreadsheet or other form of software that can take statistical data. The analysis done through this process generates a more accurate and most relevant data for the purpose of decision making.

- **Internet of Things**

With the Internet of Things, the system of interconnected devices and machines, combines with artificial intelligence, the result is the intelligence of things. These items can communicate and operate without human intervention and offer many advantages for accounting systems and finance professionals. The intelligence of things helps finance professionals track ledgers, transactions, and other records in real-time. With the support of artificial intelligence, patterns can be identified, or issues can be resolved quickly. This continuous monitoring makes accounting activities such as audits much more streamlined and stress-free. In addition, the intelligence of things improves inventory tracking and management. The changes made in any systems from anywhere through any person will automatically get updated across all the systems capturing similar data.

To summarize, many core functions of a CA firm i.e., computing, accounting, processing, storing, retrieving, analysing, managing and communicating can now be outsourced to technology. At the same time, lots of regulatory compliances, tax filings are on digital platforms. By using technology, a CA can synchronize the data file format for a seamless filing which will save time, cost and increase accuracy.

### **8.3. Developing Technology Efficient Work Environment**

As you cannot have CA practice without having a CA degree, similarly in today's time you cannot run a CA office without Technology, However, one has to become it's master and use technology as a delegatee. Technology efficient work environment is possible when the underlying processes are streamlined, well documented, repetitive in nature and require no human intervention. While establishing a technology driven efficient environment, it is also essential to have the basic knowledge and skill sets to operate in a technology driven environment, else it won't be able to generate value for the professionals as well as for the clients.

#### **Benefits of Technology Efficient Environment**

##### **1. Efficiency and Increased Productivity**

Time management will be optimized, and the efforts put into every-day tasks would be lightened. Employee productivity and efforts are improved, allowing them to place more emphasis on more important things such as precision and creativity. As professionals, it is seen that the level of expectation

of clients and co-workers has also changed as a result of technology in the workplace, keeping everyone connected on a constant basis. Results are expected much faster than ever before without compromising on quality and this is possible only with the assistance of robust technology. For example, for CAs practising in areas which require a lot of form filings and data entry can use a technology which can prefill most of the common and repetitive details of the form from the Master data, thus reducing the work and also turnaround the final output quickly. Many software solutions offer different levels that fit the needs of your practice areas. Select one where you get the basics you need to accomplish your goal. Many solutions offer free trials for one to three months, which is a good way to see if the technology is right and serves the purpose for your organization and its processes.

## **2. Increased Collaboration**

Technology in the workplace create a flawless communication. Professionals can connect to any of the employees, seniors, partners and co-workers anytime, anywhere. With this drastic increase in collaboration comes a heightened level of flexibility in communication, allowing co-workers to facilitate continued connection no matter where each individual may be. As discussed in our earlier chapters, creative collaboration leads to path breaking innovations.

### 3. Improved Cost & Infrastructure Management

The bottom line of any business is to achieve profitability. With the advent of technology in the workplace comes an encouraged productivity in practice. As employees are encouraged to optimize their time, thanks to such technology, a lot more time is used on the profitable tasks at hand. Also, with digital ways of operation, physical storage cost is reduced, thereby resulting in better infrastructure management. A productive workplace is a profitable one, which is just one of the important ways that technology has changed our workplace environment for the better.

### 4. Heightened Level of Security

The security of company information can be severely compromised without the implementation of proper controls on technology and software. At times hackers are using technology to try to gain access to a businesses' sensitive information, so a company needs to **implement strong measures** as a **protection against such breaches of security**. Technology in the workplace helps to make sure that information is accessible only to the right people and makes it nearly impossible for pertinent company information to be leaked.

### 5. Creating Employee Satisfaction

While technology in the workplace is just one factor that contributes to an **employee's seamless user experience**, thereby ensuring that they give their

100% to tasks on hand and do **not compromise on the core qualities of the ultimate deliverables.**

## 6. Recovery & Storage of Data

**Protect your data more cost-efficiently** and at massive scale by transferring your data over the internet to an offsite cloud storage system that is **accessible from any location and any device.** One of the classic examples that all CA professionals use in their daily work is the cloud storage facility like google drive or drop box to share or store information.

## 7. Wider Connectivity through Audio-Video Mode

Connect with your clients or audience anywhere, anytime, on any device with high-definition video and audio. This feature is the most used by the professionals for attending lectures, webinars, having closed group and client meetings allowing people to join remotely and yet be an active part of it. Eye contact is powerful, and clients, more and more, will look at non-video, real-time voice conversation as a thing of the past. Organizations and clients which earlier insisted on face to face in-person meetings are gradually **developing a comfort for video conference** (e.g. Zoom calls). This is a preferred choice as it ends up **saving commute time, travelling costs and is cost friendly.** Remote working is now accepted to be the new normal.

Business, Regulators and other stakeholders now prefer interaction on digital platforms and to remain

relevant and connected, building up the state of the art technology systems.

## 8.4 Optimize Client Servicing through Technology

Improved client service and new technology go hand in hand. However, using technology doesn't mean that your practice no longer needs in-person client service to handle customer relationships. That kind of one-on-one relationship is more important than ever before, and technology can help to make it more effective. *Technology is not a service by itself but the best possible medium to provide most effective and efficient services to the clients.*

A few optimizations directly influencing client servicing can be of great help to professionals and expand their areas of practice and improve quality of services.

### Speeding up Communications

The most important role of technology in customer service is that it helps to increase the **speed of client interactions**. Clients no longer need to wait, hold on the phone or wait for the call to be answered. Instead, live chat on organization websites or communicating through text messages on in-house developed applications can work.

Further, many organizations also allow the customers the option to text them using their cell phones. This is much faster than sending an email and waiting days for a reply. Within minutes, customers can have their questions answered or schedule a meeting. With several options to communicate, clients are able to solve their problems quicker. Also, dissemination of knowledge and regulatory

updates can be quickly broadcast to all the clients at one go.

### **Increasing Convenience for Clients**

In today's fast-paced world, convenience is of the utmost importance. It's critical even for CA professionals to consider every aspect of dealing with client smartly and ensure best user experience. Feedback from clients will help us understand their pain points and it further gives areas which can be integrated in the system to provide better services. With the advent of technology, **response** to client can be given at **anytime from anywhere and with more accuracy.**

### **Providing Self-Serve Options**

The importance of technology in customer service is also related to **choice**. Customers want the **option to choose how they interact**. As a result, technology enables companies to give their customers different options for engagement. This holds true even for professional services, wherein a client would like to be given an option and the fees for each option along with the scope of deliverables, making it easier for him to choose which option is beneficial and required by him.

### **Connecting with Clients**

Through technology one can **remain connected** across all the locations **without any limitations of geographical boundaries or time difference**. One of the biggest advantages of technology for our profession is to remain purposefully connected with our client. CAs have to



explore such new ideas of remaining connected with client.

### Improved Turnaround Time

Tasks which are procedural and can be automated can be delivered to clients with a **quick turnaround time** through technological support and also ensure **investment** of time on **qualitative aspects** of the assignment.

### Way Forward

Over the next 10-25 years, technology will continue to make huge advances and will be capable of doing even more of what humans are doing today. It will be smart for client-facing teams to keep up with robotic progress and stay on the cutting edge to provide **increasingly better experiences at increasingly lower costs**.

Machines can learn, train, and teach, too. However, professionals will only have to deal with cases where robots can't answer questions with the help of a knowledge base or a past history of customer questions.

In reality, client servicing is about engaging with clients with personal attention, client service is about guiding them with **right suggestion** and **added value** and helping them grow. This will bring infinite additional value for both the client & professional and also bring a lot of **repute to the professional**.

In the time to come, technology will take care of the all the **practice areas** which are **data driven** and what shall remain will be the **services areas which are human experience driven**. This has already been witnessed with

rise of so many online portals which file income tax returns, GST returns, compliance returns in the shortest possible time which was earlier and still is a predominantly huge practice area for many professionals. The practice of CA professional collaborated with the technological advancement has improved the speed of execution & accuracy. This also enables quick analysis of complex data. Practice areas like return filing and compliances filings, which are a major source of income for many small and medium sized practitioners, can now be outsourced to technology.

A few years ago Technology was never predicted to be of such a huge competition to human beings, but today many professionals see it as a threat to their practices and have not been able to cope up with the rapid technological advancement and are exploring the option to give up on their well-established practice. If professionals **befriend technology**, then it will **not be its biggest competitor but a collaborator** which delivers timely, accurate and qualitative services with seamless user experience for its clients.

It's not the businesses that are competing, it's the one who has better technology is competing with each other and one needs to keep in mind that **Profession cannot be outdated but a Professional can, if he does not upgrade himself with technological changes.**

And not to forget, as a professional we have a strong hold on our core competencies, which creates infinite possibilities.





**“The possibilities are numerous once we  
decide to act and not react.”**

**- George Bernard Shaw**

## **9. CORE COMPETENCIES AND OPPORTUNITIES IN FINANCIAL SERVICES**

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9.1 Core Competencies.....	150
9.2 Leveraging Core Competencies.....	155
9.3 Opportunities In Financial Services.....	160
9.4 Infinite Possibilities .....	163

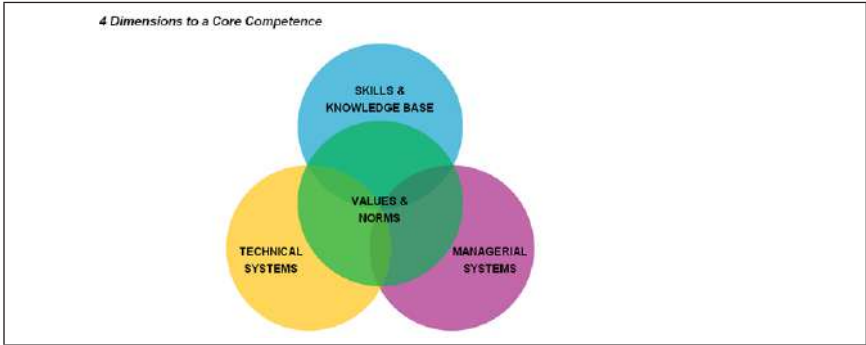
### **9.1 CORE COMPETENCIES.**

#### **Defining Core Competencies**

A Core Competency is a piece of knowledge, skill, and application that is vital to the success of a corporation or an individual. Core competencies are what make an organization or a professional stand out from the crowd.

The concept of core competencies may have started as a management theory that only applied to businesses and organizations but it has made its way for professionals also. The phrase core competencies are often used by job seekers in the context of a resume, these refer to a candidate's key abilities and are used synonymously with professional skills. Core competencies can come from academic excellence, training, or past work experiences. Competencies **help pinpoint the visible behaviours that successful performers demonstrate while working on any given job.** These behaviours are the result of various skills, motivations, abilities, traits, and knowledge

an employee may possess. It's very well explained through the info graphic below:



Let's dwell on the example of teamwork. Teamwork can be a big core competency for professionals that can lead to superior growth for the organization. You will find most people-centric organizations such as IT companies, accounting practices, lawyers, research and development, project management, etc have an intrinsic need for teamwork. Communication is another widely used competency for senior members in organizations, as discussed in detail in the earlier chapters.

Core competencies are sets of intellectual, personal, social, and emotional proficiencies that all students and practitioners must build to engage in deep learning and life-long learning.

### **Developing of Core Competencies**

The individual can develop core competencies by defining the purpose of what they want to do finally in the long-term. Whether it's individual or organization it's most crucial to define or work on your core competencies when you are young.

Professional leaders need to build core competencies in young team members by observing them, analysing their work, and interacting with them to reach the final purpose. In large organizations we have seen there is a connection between individual competencies and organizational goals. There is a coaching and training program for people to align with organizational goals.

Two of the most important aspects of competency are to keep it **simple** and **keep the communication process on**. In our fast-moving world of innovation and disruption, some leaders may wonder if it is no longer beneficial to hone core competencies over time. The reason being the core competencies of business - those unique combinations of capabilities and resources that make your business operationally different and give you a competitive edge is changing very fast.

Some of the great examples of core competencies are as follows:

- **Apple** - used a core competency of design to “attack all types of hardware and software” and disrupt multiple industries, like the music industry.
- **Netflix** - expanded a core competency of content delivery to include not only physical and digital content but also create their original content.
- **Nike** - used a core competency of product development to burst through manufacturing shoes and widen their circle of competency to a digital platform

Let us understand core competencies with the example of cricket. Cricket as a sport is highly demanding and at

the highest level requires a skill set that is not limited to just one competency. Whether it is batting or bowling, the competition is very high, and to stay ahead of the game, the cricketer is required to master skills that are not everyone's cup of tea. This gives them an advantage that can be very crucial for the team's victory.

We all know that Dhoni was known for his captain cool leadership, Wasim Akram for his reverse swing capabilities, Virat Kohli on the other hand is known for bringing the fitness regime to a new level in Indian Cricket and he is also known as an aggressive captain on the field and last but not the least Rahul Dravid was known for his abilities to stay focussed and bring perfection to his game.

### **Integrating core competencies**

In this ever-changing and dynamic world, Individual qualities and competencies play a unique role in differentiating them from other team members and make them great professionals. Integrating human competencies with businesses is an interesting topic to discuss and it's structurally important for the organization to imbibe in its day-to-day work and culture. The Competency-based approach is widely used today by many successful organizations, and for good reason — it works. However, for this approach to work for your organization, you have to align your competency model with your business strategy or objectives. To do this, you must take the time to determine which major themes of behaviour or competencies — innovation, client engagement, action orientation — need to be demonstrated across your organization for your business strategy to work. Every individual must align with an organizational mindset.



When you reach at top of your organization some of the competencies may become more important and it's a must to be a great leader. However, one thing is certain: Leadership doesn't depend on your title but it stems from how you act.

An effective leader doesn't have to be outgoing or have the loudest voice in the room. People with quiet, low-key personalities can also be outstanding leaders. True leadership is not about self-promotion. It is the ability to get others to follow what you are advocating: To trust you, to respect you, to feel that your vision and strategies are in everyone's best interests not just your own.

Every professional should have the following four core qualities over and above their domain-expertise or functional skills which will form a part of their core competencies.

1. **Integrity.** If you conduct yourself with integrity, your people will respect you. Some may disagree with your decisions, but if they know you act with integrity, they will accept your direction. It is well said, *"People can spot someone who takes moral shortcuts."* Always remember that a reputation lost is a career destroyed.
2. **Courage.** The courage to ask why. To challenge the status quo. To go out on a limb. You must have the courage to do the right things for your organization and stakeholders, even if it means going against the wind.
3. **Lead by example.** Don't ask anyone to do something you wouldn't do yourself. If you ask

others to stay late, you should too. As a leader, you have to be a role model and walk the talk.

4. **Be a great communicator.** Leaders master both the form and substance of communication. Quite simply, you can't lead unless people understand your message. Language, tone, facial and non-verbal expressions all send messages that impact what you are saying.

Let us elaborate in the next segment on how professionals leverage their core competencies.

## 9.2 LEVERAGING CORE COMPETENCIES

**“Define your company by what you know (core competencies) and own (strategic assets), not by what you do (products or services).”**

**- Gary Hamel**

In the most challenging of times, organizations are well served when they analyze, embrace and leverage what makes them special in the eyes of those they serve. Such an analysis is often referred to as a core competency analysis. Such an analysis defines the bundle of skills and technologies that enable a company (or organization) to provide a particular value to a client. Leveraging core competencies for individuals and for an organization's growth is the ultimate step to achieve one's desired goals.

Let us understand this with the example of Amazon. How this leveraging helped individuals or organizations, both together.

## How Amazon Leveraged its Core Competency

We know Amazon is striving to be, in their own words, “Earth’s most customer-centric company”. In this example, we see that Amazon’s core competencies are centered on providing a premier customer experience via fast delivery, superior customer service, and access to a wide range of products. Amazon started by selling books online but over time developed what became a core competency around developing and operating an e-commerce platform. The core competencies needed to successfully operate their online marketplace could now be leveraged to move into cloud computing. AWS contributes around 11% of the total revenue and Amazon has a substantial market share lead over Microsoft Azure, Google’s Cloud Platform, and IBM, as well as other players like Alibaba and Oracle.

The following chart by Hamel and Prahalad is highly relevant in leveraging core competencies.

<b>CORE COMPETENCE</b>	<b>New</b>	<b>Building new core competencies to protect and extend current market position</b>	<b>Building new core competencies to create and compete in markets of the future</b>
	<b>Existing</b>	<b>Leveraging core competencies to improve current market position</b>	<b>Redeploying and recombining core competencies to compete in markets of the future</b>
		<b>Existing</b>	<b>New</b>
		<b>Market</b>	

Core competencies have a much longer life span than products or services do. What's important to understand is those core competencies allow you to innovate by thinking about how you could leverage them in new ways. Once you know what your Core competence portfolio looks like you're in a much better position to compete in the present as well as for the future.

Being able to adapt to changing environments and work processes makes you a strong overall professional. Having adaptability skills means you are open and willing to learn new things, take on new challenges and make adjustments to suit transitions in the workplace. Additionally, developing your adaptability can also mean developing other soft skills like communication and interpersonal skills.

We will continue to discuss how to be adaptable and change according to the demand of the job and profession. It is also important to see change happening around yourself — it may be organizational change, regulatory change, or the industry dynamics change. Staying aware of change is the most important pillar of flexibility.

Learning to acknowledge changes in your career can help you prepare yourself and adapt to differing circumstances. Additionally, learning how to be willing to accept change can be an effective step toward recognizing, when you need to make adjustments to make transitions smoother for yourself.

From a work perspective, a passionate person demonstrates a drive for excellence in every aspect of his or her job. It is linked to other competencies.

**Job Knowledge:**

A passionate person would like to demonstrate an expert understanding of the functional area, business operations, and related issues on the job. He/She will try to be a benchmark for the activity or function and acts as a coach/guide and lead business, operations, and/or technological skills improvement activities.

**Result Orientation:**

Passionate professionals will consistently go beyond what is expected to achieve the set expectations. They demonstrate outstanding initiative and commitment towards delivery and always look forward to raising the delivery standards by welcoming varied work assignments, looking at them as opportunities to gain new knowledge that will be applied in future business situations.

Passion for work or profession is a must-have. It drives a person to scale his professional life very successfully. Here he/she will normally have some specific target in mind as to what they want and how best they can enjoy it. Passion here is measurable from the attitude, love, and enthusiasm shown by such people. The first competency is always — passion.

A passion to succeed, and even a passion not to fail, will provide a company with a phenomenal competitive advantage. To determine your passion for leadership, score yourself from one to ten — one being a low level of passion and ten a high level of passion. One way to bring out your natural leadership abilities is by getting involved in activities you enjoy. These will energize you, and others

in your organization will be able to tell that you have a sense of purpose.

In the end, it should be mentioned that passion is the end outcome of the following stages:

1. Information (you heard something...),
2. Knowledge (you researched it...and learned how it works),
3. Enthusiasm (you got some positive results, which egged you on...),
4. Skills (you polished your methods and your working),
5. Motivation (you want to do more because you feel you are going somewhere with it...),
6. Emotions (you feel guilty when you are not giving enough time to it), and finally
7. Passion (you just LOVE doing it, because you know THIS is what you were MEANT to do...).

All the above stages are critically important, if not equal and if taken through the correct sequence, would generally give the desired results (and vice-versa).

### **Execution Skills**

Finally, it's also very important to build a robust execution process. A great strategy or career-building plan can be of no use if that falls short on execution. Many individuals who are extremely capable, intellectually very bright, domain experts, but somehow missed scoring big due to poor execution. They fail to execute an otherwise well-set plan.

To build a successful career, the strategy has to be backed by a very robust execution plan. The execution plan for every successful career includes:

1. Setting clear goals,
2. Being consistent,
3. Leading by example,
4. Learning every day. Technology is changing our world very fast, if we keep learning we are keeping ourselves relevant and
5. Strong consumer orientation — leading to a high degree of customer intimacy.

### 9.3 OPPORTUNITIES IN FINANCIAL SERVICES SECTOR

#### Why Financial Services?

The finance industry is an **exciting global industry** that is constantly advancing and expanding. There are so many reasons why you would want to join such an **exciting and powerful job sector**. Not only are the possibilities endless when it comes to career paths but for destinations too. Companies are expanding to new exciting areas of the world and with this expansion, comes a **high demand for finance professionals**. By pursuing a career in finance, you are opening the door to thousands of exciting opportunities, including places that you may not have considered moving to.

The finance sector is one of the most **forward-thinking industries in the world**. It's an industry that

is undergoing **constant change and growth**. Thanks to the introduction of new markets, new laws, new technology and a more globalised finance market, the industry is moving in a **newer, more exciting direction**. Thanks to these exciting changes, finance jobs require more technical skills and the hunt for these dynamic & tech-savvy candidates is bigger than ever before. There are so many submarkets within financial markets. We have so many large equity markets in the world. Also, if we look at the bond market which is much larger market than equities, and the forex market which is atleast 30x bigger than equity markets. However, the equity market is the most glamorous among all. Bond markets too are big, deep and fascinating. As professionals, catering to clients in the financial services sector can be a great opportunity for practice development.

**It's exciting, challenging & fast-paced** — The finance industry runs at an **exhilarating pace** and as a finance professionals, you must enjoy keeping up with the faster pace of work. Every professional catering to clients in the financial service sector space, requires **problem-solving skills** and some of your day-to-day tasks may involve fixing complex problems on your way.

### **There are Opportunities Worldwide**

Unlike some segments, the **need for humans will always remain strong** throughout the financial industry. Companies need professionals, and these professionals need to be able to **communicate well with clients and colleagues**. Since companies are expanding to other areas of the world, the need for professionals



with strong communication skills is growing faster than ever before. In terms of communication, multilingual candidates are extremely desirable to employers. Just by possessing language skills, you **increase your ability to communicate** with clients from other areas of the world and since finance is a global business, this level of communication is incredibly valuable.

Also, it is important to keep in mind the flip side of the financial sector, where professionals will have to deal with continuous volatility and cyclical nature of the industry and prepare accordingly.

From the Indian market's point of view, India is one of the large savings markets with over \$ 600 bn of annual savings and young demography. This will lead to many more opportunities for CA catering to the financial services industry.

The financial market has a significant impact on the economic growth of the country. The well-developed financial market shows how economic growth is well channelized to the last mile person in society. Financial markets help to efficiently direct the flow of savings and investment in the economy in ways that facilitate the accumulation of capital and the production of goods and services. The combination of well-developed financial markets and institutions, as well as a diverse array of financial products and instruments suits the needs of borrowers and lenders and therefore the overall economy.

Coming to the skill needed to service clients in financial markets. Every segment of financial markets requires specialized skill sets. If you want to be a stock trader you

need to have skills such as patience, discipline, analytical mindset, mental toughness, and adaptability. To point out a few general skill sets a financial professional should have is as follows:

- Analytical thinking
- Verbal communication
- Persuasiveness
- Problem-solving
- Decision-making
- Detail-oriented
- Financial planning
- Budgeting
- Patience

Decision making, an eye for risk and detail, and analytical thinking are at the forefront for making a successful financial market career.

#### 9.4 INFINITE POSSIBILITIES

**“I need MBA to run my business but CA to guide him on how to run the business.”**

**- Ratan Tata**

CAs are best suited for financial markets vs. other professionals.

It is unanimous that CAs are experts in finance, accounting, taxation & legal matters. They can handle the management of a company way better than the other professionals. Chartered Accountants are well versed

with the tax system, corporate culture, finance, capital markets, etc. One of the biggest advantages of 3 years of articleship is that you learn to work on the audit, preparation of balance sheet and income statements, taxation, and financial planning. These are so handy for efficiently managing a business. Also, the depth of the CA course makes a CA the correct choice for the financial markets.

Nowadays, soft skills are becoming more and more coveted, with many organizations. Soft skills advantages include effective communication, people management, improved problem solving and better teamwork. The benefits of a CA with great communication and presentation skills is that they can achieve much faster growth. Other key soft skills which CA's must focus on are negotiation, critical thinking, collaboration, and influence.

CA can explore infinite possibilities with few inherent strengths of the CA courses and training.

- 1) **Very hardworking professionals:** 3 years of continuous on-the-job training and that too dealing with many clients in many streams make a CA very patient and an awarded professional. Also, this helps in building problem solving and keeping a positive mindset.
- 2) **General Management Skills:** One must go through a compulsory programme called GMCS (General Management and Communication Skills) where the focus is on soft skills and which add more value to the CA course.

- 3) **Highly organised, method driven and disciplined professionals:** Solutions given by a CA are durable, and with a lot of supporting work. Also, study and clearing exams along with article ship makes them more hardworking and disciplined.
- 4) **An eye for detail & comfort with numbers:** These are unique strengths of a CA. Articleship, filings, and dealing with Tax authorities make a CA very detail-oriented and they are on top of numbers. The advantage of being on top of the numbers also leads to strong analytical skills.

As mentioned earlier, a young CA must focus along with the above important skill-sets on improving communication skills and technology adoption which will make them an all rounder CA, who can then be a big asset for any organization. Technology adaptation is the need of the hour in every industry but Chartered Accountants have to catch this habit young. Technology is transformational and going to stay here for a very, very long time. To be future-ready, professional accountants should learn and equip themselves in new-age technology skills, acquire strategic managerial skills besides continuing their prowess in accountancy, finance, taxation, and business laws. The pace of change in technology is electrifying and there is an enormous opportunity for CAs like implementation, development, transition, testing (quality assurance), etc.

**“Life is like a snowball. The important thing is finding wet snow and a long hill.”**

To put the thing in perspective, as a professional, career is like a very long hill. It gives enormous opportunities along with lifelong learning which is an inseparable part of any

financial service. One has to have appropriate skills, the right mindset, adaptability (wet snow) to grow in this and CAs are well poised for the same.

Last but not the least, since the landscape in financial services is ever-evolving like regulatory changes, exotic financial products/schemes, technology, etc., one has to constantly update to adapt it.

Nowadays, technology is disrupting financial services in a big way. **FinTech** is a buzzword that includes areas of payment (UPI), Robo-advisors, deposits & lending, insurance, investments, aggregator model, etc. Today every business demands speed, accuracy, quick time to market, differentiation from competition, and connectivity with the global market place and this is not possible without the adoption of technology. As discussed, in our previous chapter it is time to have an open mindset and embrace the digital and data world, especially in the financial service sector.

India is amongst the fastest-growing economies in the world. We will be \$ 5 Trillion economy in the next 5-6 years and along with that, we will be the 4th largest wealth market globally at the same time. Expected growth in the Banking sector, Mutual Fund Assets, Insurance penetration and digital payment looks very, very exciting. It opens up significant opportunity for the CA fraternity.

**“If you want to thrive in today’s economy you must challenge the status quo and get the financial education necessary to succeed.”**

**- Robert Kiyosaki**



**“Talent win games, but team work and intelligence wins championships”**

**- Michael Jordan**

## **10. UNITING OF CAs WITH GENERATION Z**

10.1 Introduction To Tech Savvy CAs.....	168
10.2 Blending Principles & Technology .....	171
10.3 Synergy Of Experience & Energy.....	174
10.4 Creating World Class Professionals.....	178

### **10.1 INTRODUCTION TO TECH SAVVY CAs:**

#### **Millennials and Generation Z**

As per the analysis of World Bank for population projections and estimates data for 2020, while millennials are ruling the world right now, the next decade will be shaped by the maturation of Generation Z, the largest generational cohort in history. This cohort of people between 10 and 24 years of age comprises 1.8 billion people, making up 24% of the global population and India stands out with a population that includes 375 million people where 27% of the total is Gen Z. (Source: EY)

Let us understand that Millennials, also known as Generation Y or the Net Generation is the generation who has achieved their adulthood in the twenty first century. There is no absolute answer about when they were born but it is expected to be somewhere in the year from 1981 to 1996. In 2021 they are expected to be in the range of 25 to 40 years old. They have an interlinked relationship with technology and have grown up with

computers, the Internet and the graphical user interface. In fact, the millennial generation may even be the first generation to be fully globalized online during adolescence and early adulthood.

How generations are defined?

<b>Generation</b>	<b>Born Between</b>	<b>Ages</b>
Generation Z	Born 1997-2012	9 to 24
Millennials	Born 1981-96	25 to 40
Generation X	Born 1965-80	41 to 56
Boomers	Born 1946-64	57 to 75
Silent	Born 1928-45	76 to 93

(Source: Pew Research Centre)

Generation Z were born and grew up with internet around them. They are unlike other generations, who either grew up without or came into adulthood during the rise of social media, smartphones and instant accessibility of information. Many Millennials and Gen-Z grew from childhood to adulthood, witnessed the expansive growth of technology. Smart phones, virtual reality, interactive software and even artificial intelligence may continue to see adding to its development. Millennials and Generation Zs came of age at the same time that online platforms and social media gave them further push. More and more Chartered Accountants now passing CA examinations belong to the Generation Z and have cohesiveness with technology and have a better understanding of how to work in collaboration with technology and can play an important role in re-shaping the dynamics of practice.



As we see, practice today is very much dependent on technological support and that is not limited to usage of computers but also having in place a strong technological set up within the organization.

### **Smartphone revolution**

The flexibility and versatile attitude of accepting any change in technology is very high among the young generation. Besides adapting to computers since a very early age these generation have also witnessed something transformational and that is the **‘Smartphone revolution’**. Smartphone can be regarded as the most transformational technology that has been implemented in the twenty-first century. Millennials and Gen-Z have already started to look at things from a global lens. This generation has seen and known the world without actually travelling, by merely scrolling and clicking. This is a really difficult thing to explain how things have really progressed, but one cannot undermine the deep impact it is going to have on this generation. Smartphone users in India is currently (2021) estimated to be around 439.42 million which is second highest in world. It is so highly dependent and integrated with technology that one can vouch that if there is one thing which would form a base of India’s next success story, it is going to be with the wand of technology.

Technology will be acting as a catalyst for the young Chartered Accountants. We have already started experiencing the effect of tech advancements in the field of Audit, Taxation, Compliance and other advisory function. Due to the development in technology, it is now possible to work from remote location, easier access to

markets, swift work flow, Integration of various data into work, etc. Chartered Accountants can take the benefit of this opportunity and change the way of working. With younger CAs being a part of this era, adopting new technology would be easier, workload can be reduced to a greater extent bringing good results. More and more use of technology shall change the landscape of practice for Chartered Accountants. One can provide services across the globe and geographical boundaries will soon become history.

## 10.2 BLENDING PRINCIPLES AND TECHNOLOGY:

**“Principles are what allow you to live a life consistent with those values. Principles connect your values to your actions.”**

**- Ray Dalio**

### **Fundamental principles guiding Chartered Accountants**

As professional Chartered Accountants, we are guided by the fundamental principles laid out in the Code of Ethics namely:

- **Integrity**

Members should be straightforward and honest in all professional and business relationships.

- **Objectivity**

Member should not compromise professional or business judgments because of bias, conflict of interest or undue influence of others.

- **Professional Competence & Due Care**

- (i) Members should attain and maintain professional knowledge and skill at the level required to ensure that a client or employing organization receives competent professional service, based on current technical and professional standards and relevant legislation.
- (ii) Members should act diligently and in accordance with applicable technical and professional standard.

- **Confidentiality**

Member should respect the confidentiality of information acquired as a result of professional and business relationships.

- **Professional Behaviour**

Members should comply with relevant laws and regulations and avoid any conduct that the professional accountant knows or should know which might discredit the profession.

Members in profession, while rendering services to clients have so far been following the fundamental principles at an individual level, organization level, while dealing with other professionals and also while outsourcing services or receiving services from others. However, the major shift now lies in integrating fundamental principles while rendering services through technology and with the help of technology. For example, how do you ensure client documents stored on cloud server remain confidential and

are not accessed by other members of the organization who are not a part of the said assignment and such information is not leaked to any unauthorized user. Application of principles was easier and could be monitored when there was a human connect, however due to technological (faceless/online) way of working, how do we continue to work with the same values and principles. *Services may be online but cannot be impersonal. The core values like honesty, independence, truthfulness etc. also has to be factored into the system while providing professional services.*

## **Technology**

Technology has changed the way every department functions including accounting. The biggest impact technology has made on accounting is the ability of companies to develop and use computerized systems to track and record financial transactions. Other major benefits of adapting to technology are faster data processing, ease of use, increased accuracy and improved external reporting. Now it is a decision taking tool and delegation of work at our office.

Gone are the days, where we could have a microscopic view towards accountancy profession and get an answer of what's there for us in the future. Technology has now become an integral part of any business whether small or big.

## **Integration of Principles and Technology**

It is also important that technology is designed in a way to account for human value which can be easily integrated in processes and services without much modification. To

become a great professional there needs to be a perfect blend of principles and technology. Technology is not a substitute rather it is a compliment of values and it cannot be looked in isolation and should be looked in coordination. **“A Chartered Accountant has to be powered by technology and should be driven by values”**. The secret to a successful professional is that of perfect convergence between principles and technology. When principles of confidentiality, fairness, professional competency, etc. are integrated in the technology providing the service or assisting in providing the service it can deliver great results. Partnering with technology can help in value addition, value creation and value protection while providing services to clients. The growing needs of the client make it difficult to sustain without technology. For example, in case of any breach of ethical principles, the systems should be able to flag the alerts given in the audit trail and put such ethical alerts into the system.

### **10.3 SYNERGY OF EXPERIENCE & ENERGY**

#### **What Is Synergy?**

Synergy is the added success, energy, or power gained by two people or organizations working together, which is better than the result achieved by them working separately. A perfect example of synergy in the professional context would be the synergy of young budding Chartered Accountants filled with energy combined with zest, vibrancy, strength, dynamism, vigour and the invaluable experience of the senior Chartered Accountants which have been amassed over the years. Expertise is an outcome of Energy and Experience. The young CAs

bring lots of energy and innovative ideas to the profession which must be channelized, the senior members with all the experiences can channelize this energy to maximise the benefits at the organisation level and community level. Synergies are also possible with knowledge partners working under different streams. We can't forget the old principle, "Unity lies in diversity".

### **Benefits of Synergy**

We are blessed with lots of vibrant energies and strengths in our profession that can reach heights if mentored well. When older and younger people form meaningful relationships, it improves well-being for both. It is said that, when younger and older connect, and the intergenerational relationships built, it is a route to success in early life and a key to happiness and well-being in the later years. Younger professionals especially, can benefit from the emotional intelligence that senior professionals have developed over the years, besides that there is also a strong network, capital and other resources that are always handy to any organisation. Any great practice needs a combination of technological intelligence plus emotional intelligence. Younger professionals focused on tech and other innovative services may need seasoning and advice on the latter. The younger generation sometimes is too impatient, wants change to happen too fast and think whatever has happened in the past is irrelevant.

We must be very careful about how we are planning to move ahead and build a successful career, but it requires a whole new way of looking and thinking about synergy. Professionals need to take a more balanced and skeptical

view towards majority of things. They need to subject their instincts to rigorous evaluation and a detailed analysis of how things can proceed, such detailed analysis entails lesser the margin of error and lesser would be the scope of going wrong. Such an approach will help professionals avoid wasting precious resources and make the best use of existing resources.

We are looking for a practice that would be able to bring something so exciting, that it would be able to help meet professionals of two different generations. When there is collaboration at such a level then there needs to be a system which is built to last, it should be able to withstand the test of time. Here, seniors have seen the old world and youngsters have an idea about the future, and knowledge of technology and when all these gets connected, success is the only output.

### **Ways of Synergy**

While the young and the old generations of professionals come together for a synergy they may have their own ideas, ways of working, speed of executions and approach which may be completely different from one other, however, it would be important to sit down and analyse, what are the requirements of an assignment, what are the inputs required from each person and how the experience and energies culminates into a successful completion of assignment.

While doing this it's important to **accept your limitation** where both the parties need to understand that there is a certain limitation and how can the best of both be

invested while learning from each other's weaknesses and improving upon the same.

Also, rather than running away from the core purpose it is important to be more **prepared** to face the uncertainty and embrace it and also take each other's help to come out of the situation.

Sometimes, it may be difficult to align thoughts and expectations due to the generation difference, but keeping in mind the **purpose** of the partnership can help sail through the situation and achieve the desired result.

While working with each other it is important to **respect** each other's views even if it means that both parties may agree to disagree, but conclude to what is the best for the assignment.

The greater good lies in **partnership** and both benefiting from the affiliation. So often, technology is blamed for driving apart people, particularly young and old. However, its essential to use it in the best interest of both parties. It's in the synergy where the strength lies.

*It is really important to share a strong sense of community where the youngsters feel secure, nurtured and supported. The younger professionals feel that they have the support of the senior professionals when it comes to imparting knowledge and sharing experiences and the seniors are not made to feel outdated because of a new technology or skill set, rather they are helped to learn them.*

## **Making Synergy a Boon**

Both category of professionals should focus on the higher purpose. Being truly generative means using our



accumulated wisdom and experience, to instil confidence in others, help them to learn from mistakes and failure. As senior professionals, the responsibility is not to overpower the young, but accept them the way they actually are. Likewise, the onus is on young professionals to not make the senior professional become redundant but help them, teach them newer things and be with them and even in the fast-paced change. Embracing this synergy may be a big boost and the only way we can stay relevant and bring happiness and fulfilment to all.

With a more disciplined approach, professionals can realize greater value from synergy even while pursuing fewer initiatives and targeting a specific approach. Power lies in togetherness. It is very essential that the experience and knowledge of the seniors possess and if blended with youngsters' energy can create a purposeful combination. Machines can provide speed but seniors have direction. Machine has the capability of delivering the output but seniors have the intelligence to convert the output to solutions. Seniors, Youngsters and Technology, if they work in cohesion with each other can help deliver optimum solutions for the clients.

## 10.4 CREATING WORLD CLASS PROFESSIONALS

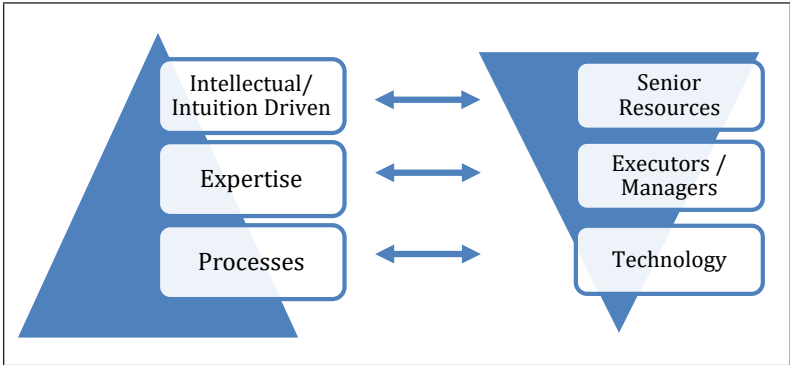
### Dimensions of Practice

In order to instil the attributes of world class into a professional and the areas of practice, it is important to understand the three important dimensions of practice i.e.

1. Process Driven Practice
2. Expertise Driven Practice

### 3. Intellectual/Intuition Driven Practice

This needs to be further matched with the resources which can be allocated to each dimension of practice. The same can be explained by way of an infographic below:



Once the practice dimensions are identified they have to be closely knitted within an organization for seamless flow of services and establishing a world class organization. Remember growth is a journey and it is important that these dimensions and resources are reviewed regularly.

### Evolution of Roles

Having understood the dimensions of practice, if we have a look at the roles of CA professional, they are also evolving over the years. ICAI, through various modes also has played pivotal role in keeping today's CA relevant. Various quality control standards, auditing standards, accounting standards, guidelines for specific emerging areas have been issued from time to time to assist the professionals in rendering professional services of excellence and of highest calibre. ICAI which is the Knowledge Bank continuously empowers our knowledge

through webinars, seminars, lectures, audio visuals, print materials, etc.

Our roles are changing and also our responsibilities. With changing needs of society, clients, businesses, peers and also with globalization and digitalisation, continuous improvements are carried out on the path leading to world class professionals.

From reading the chapters, we have realized that each chapter guides us to becoming a world class professional and there is no one thing that can get you all of it, series of disciplined efforts, knowledge updation, values, client centric approach and such others, all put together on the path of World Class Professional

### **What is “World Class”?**

When we aspire to carry on the legacy of being world class professionals, it’s important to inculcate the quality of being world class professionals in the younger generation.

The Merriam Webster’s dictionary defines the phrase World Class as being “the highest caliber in the world”. A stature of ranking among the foremost in the world of an international standard of excellence and of being of the highest order. For professionals there are five key attributes of that which are,

- Be visionary and move along with the changes,
- Regular upskill, upgrade and update your own self,
- Continuously cultivate the capabilities of team members,

- Inculcate value based practice and culture based conduct and
- Become the master of technology.

World class professional or an organization is only possible through a demonstrated, strong and persistent commitment towards the above key attributes.

In concurrence with this idea, ICAI Vision 2030 aims to develop professionals with world class competencies. ICAI's endeavour is to ensure that members have the right skills to serve global markets and they remain relevant in the changing economic scenario. ICAI's Mission 2030 focuses on leveraging technology and infrastructure to create professionals to service clients across the globe. Everyone is doing their part in a best possible manner, now it is upto us Individuals 'How I Want to be?'

The purpose of this book therefore is, to give a reference guide and make a career companion in your journey of becoming a world class professional. It is our collective duty of nation building and meeting the changing needs of the society in a positive manner. It is now time to magnify our image and further glorify our title of 'Chartered Accountant'. The time starts now, so start awakening the genius within and increase your strengths for **'Getting Future Ready.'**









# NEXT GEN CAs

- GETTING FUTURE READY



**Western India Regional Council of  
The Institute of Chartered  
Accountants of India**  
(Set up by an Act of Parliament)

