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## From the Editor's Desk...

Usually my columns are reasonably big! However, that is not going to be the case this time.

Why so? This issue has three amazing segments all of which will draw your attention and keep it focused!

The first one on skill sets which are essential for every individual working in every organization, working as a part of every team, working for any cause. For a successful outcome of any work, these are the main ingredients and these have been penned down with precision by our partner. Being polite and understanding yet

firm! Tricky yet indispensable!

We also have a contribution from a celebrity alumni of our firm who has spared his valuable time to share his experiences with us. Learning is indeed a continuous process with no



bar on age! I take this opportunity to thank Mr. Saroj Patro on behalf of the firm for his enlightening contribution.

Lastly we have a very informative contribution from Mr. Pranav Jain on

how to optimize and balance our energy and

**SIT BACK  
RELAX  
AND  
ENJOY!**

time to achieve the best results!

Here is where I sign off... This is going to be an interesting issue so just sit back and enjoy ...

## Partner Speaks...

### Be polite, be understanding but also be Firm

Dear Friends,

Wishing everyone a wonderful, health, peaceful and successful 2015! May this new year take you closer to your goals whatever they may be...

I have, observed, in one of our engagements that we are taking for granted the fact that we are auditors and maybe we are in some ways “special or superior”?! and because the other gentleman or the lady in the other side of the table is an auditee and is hence “different than us” as a community?

If you have come across a mail being written as “xxxx, give me the yyyyyy” or has experienced a situation when one of the team members walks in to the auditee, interrupts his busy work and pushes in a voucher and says “tell me how this amount is worked out” - that’s what I am taking about



What are we missing here? We seem to miss the basic fact that every individual, whatever be the level in the organization, whatever be the criticality of work, has a set of his or her own duties to carry on and may not have the full time at their disposal for us. He was busy with whole work day doing a set of things before we went in as auditors. We also seem to have attached lesser importance to the words like Please, Thank you or even Dear Mr./ Ms.....

If you find the response from the auditee being cold, indifferent, non-responsive, please take time to think and introspect on what went wrong from your side also, instead of just fixing the blame on you having gotten a totally non-cooperative auditee, please think through what can be done to make the situation better not only for the auditee, even for us also (how we all like clients who are nice, give information on time, answer us properly etc.) –its actually a two way traffic.

What can we do to make this better:

1. **Smile and be polite** – It does not certainly hurt to wish your client a good morning or smile as you walk into the client office. (even when we travel in train or flight or pass by an unknown stranger don’t we smile as a courtesy?) – We have



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certainly not taken a vow, or it is not in any of the declarations that you have signed in office that you have to be every frowning, never making the client understand that you too can smile or be polite.

**2. Plan your work** – This does not only mean that you write down a clear program or a detailed checklist of what you will do with your work but also will include aspects like jotting down all the information you want from the client together instead of writing or going and asking in bits and pieces, pre-fixing discussion times (can be every Wednesday and Saturday 11-12 or everyday 5-5:30 or specific date and time) in advance to the extent possible, so he can plan his work better and he would give the time committed to us (at least that way you are less likely to be told “I am busy, come same time tomorrow!”), sending queries much in advance (unless you are doing a forensic engagement!), writing your requirement in a lucid and clear manner (he should understand exactly the same thing as you had wanted to tell, in your mind) and setting expectations very clearly.

**3. Address your mails properly** - When we were all reading English Grammar in High school, we had letter writing where we were taught salutation, body of letter, conclusion etc. – they are not totally out of context today, even when we write short forms and weird spellings.... – See the difference when you put in words such as “Could you please...”/ “I request you to .....” – When you finish writing a mail, read it for a minute and see how you would feel if you got a mail written that way....

*Being politely firm is not an Oxymoron and is perfectly possible.*

**4. Be firm but nicely / politely** – I am sure we get into arguments many time with our clients – it would mostly be on a fact or an issue (which may sometimes border on the auditee thinking possibly that you are questioning his work). Please remember that you were not past enemies, did not have some past scores to settle and post the audit, may have nothing more to fight on.... – If you are arguing on an issue – there is no need to scream and shout or accuse! – Being politely firm is not an Oxymoron and is perfectly possible.

I am not talking here of being modest, humble etc. etc., but carrying some traits with us which I am sure you would like to see in others when they deal with you too.

Having said all this, you may certainly encounter situations where the client is absolutely impossible, just does not co-operate etc. – If you have tried out all the above, chances are that many of the so-called difficult auditee may come around and you may have a lesser number of such people to deal



with. You do not have to deal or withstand that when it crosses a limit, the office and all your seniors are here to support you and resolve your problems.

Why not as a beginning, count your “Please”, “thank you” and “request” words in a day?

Happy Auditing!

*Please and Thank you are still magic words!*





*Saroj Patro*  
*Ex-S&S*

## From the Experience...

In the years I was in my graduation in Physics major; I was impressed with the style of the CA course where you get chance to travel, fly, live at hotels etc., even before you qualify. In fact that motivated me to take the train to Chennai (Madras then) to pursue Chartered Accountancy.

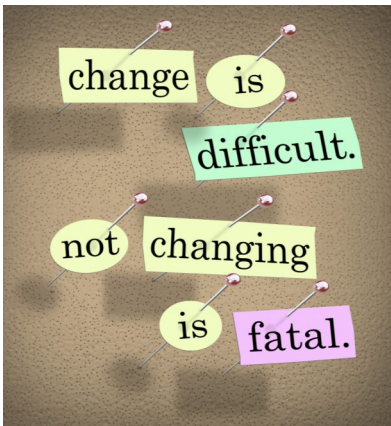
Though landed with a basket full of dreams, I got the shock and a reality check that articleship doesn't come so easily. After all a guy with Oriya medium and science background is not of so demand and stands somewhere in the last in order of priority.

As always, I was a bit fortunate and with some recommendations, I got into a medium sized firm of Chartered Accountants. I started my job with a mind-set influenced with feedback received from large number of people before pursuing to do CA. Most of the advices were that, though the course can be finished in 3 years (my period from 1987-90) most people take more time to finish and on an average of 5 to 6 years. Added to that I was advised that, since I came from a science background I could add one or two more years to the general average. Hence I thought, "Why should I spend time on studying during articleship? I should rather enjoy my lifestyle of travelling." I also saved money by not attending tutorials and not purchasing study materials. The mental framework was "Why should I spend the time studying in the first three years when I know I wouldn't pass?". Also I was really enjoying the audits, visiting clients, being with peers and the overall interactions. Though I was not from a commerce background, carrying out the audits was not difficult given the usage of common sense in our practical work. However, definitely, I was inquisitive and the quest was driving me. I was freaking out. In fact, I had informed my seniors that I was not that keen in appearing exams. The message had probably gone to the partners.

The partner in charge had been noticing me and he was of the view that I am a guy of reasonable common sense but quite strongly misguided.

Experience  
is the best  
teacher!

It has been 27 years since then, but I remember the day (may be three months prior to my first Inter exams), I was called by the partner in front of all my peers, seniors, juniors and many others, and he challenged me. The partner humiliated me, questioned my intelligence, ability and common sense, and insulted me.



ed me. I was terribly hurt and furious and my arrogance didn't allow me accept the humiliation. How could I accept given my audit works were always appreciated by my seniors and rank holders? (one of the guy was all India second in first attempt!) I started opposing the views of the partner, slowly and aggressively. Then I was told to prove the assertions wrong.

One of my seniors talked to me separately and advised to take leave for inter exams and prove others incorrect. But my anger made me quite aggressive. I opened Advanced Accountancy by Shukla & Grewal (one of the subjects of

the CA course) immediately the same night. That was the first day I thought of preparing for exams and finished the whole book in seven days. I felt so confident as if I had conquered the World. After few weeks, the same senior visited me to check my preparation.

When I saw him I recalled the incident and expressed my arrogance to take on everyone given my confidence on the course. But, the senior advised me not to feel so sure and take model exam conducted by some coaching institutes few weeks prior to main exams. After all, I had finished whole subject in 7 days; I appeared on the first day accounts paper in the model examination. To my disbelief, I was so confused to appear even one question. I was in the dark and got confused on which side of the ledger should "To" and "By" be! I realized that I had only read the book and never had practiced.

When my model exams results came, I got a score of 20 out of 100 with three weeks till the main exams. The shock worked on my over confidence and over enthusiasm. When the main results came, I was the topper in accounts (91), a paper which I had finished in just two hours.

### What I learned from my experience"

**CHANGE** – getting hurt is not necessary an evil. I realized the shocks, humiliations and failure may be for some thing better. In the hindsight I believed the partner had humiliated me, but actually he had sacrificed (knowing my father's financial condition and my wrong mind set) and it took me long many years to realize. In fact, after the incident only I had changed my article ship of remaining period to S&S. But the fact was that the humiliation (or sacrifice) was with a lot of blessings I could get chance to work with S&S under patronage of Ramki. Change is very difficult and it comes in difficult way only. I felt much stronger.

*Getting hurt is not necessarily an evil!!*

In history we know, Samrat Ashok only changed after he witnessed the flow of the bloody river. He became Chandashok to Dharmashok. Chanakya was one of the greatest diplomats whereas Ashoka was great warrior. The two could conquer only because they had one common objective. As long as our destination is clear, all our attributes will align and reach the target.



**PRACTICE** – No matter how sure I am on the subject and may be able to count complex problems with fingers, I need to adequately practice. Today, I share with my children to practice more and more what I learnt the hard way.

Constant practice and polish of the technology is what we otherwise call as innovation providing organizational value. We have seen how Intel constantly improvises the same technology (Pentium) driving value. Improvisation is the KEY word today. The best example could be Apple. The cash register keep piling up USD18B profit a quarter and almost USD700B market capitalization. And the secret is in rolling out improvised versions of iPhones and iPads.

*Practice more and more! It will make you perfect!*

**TIMING** – I feel a bit lucky that the senior came to me and advised to take the model exams otherwise I am not sure what would have happened at my main exams. Capturing the essence of time and a little bit of advice might change the fortune.

Today, we know that smart phones are ruling the world. Few years before, Nokia was the leader in mobile phones. They had a very large market share, with the mindset that phones are for soft dialing and oral communication or the maximum with SMS's. It was a Nokia employee who thought of smart phone technology and tried to sell the idea to Nokia management but somehow the company was averse to the idea. And the timing made the difference and by the time the realization came it was bit late. Today Nokia is nowhere in mobile phone market.

Few years before, Microsoft wanted to buy Yahoo and the offer was upward USD30B but was rejected by Yahoo. Today, the valuation of Yahoo is USD9b (excluding the Alibaba stake. But the fact is that, same Yahoo is valued around USD 42B, because one fine day they decided to invest in Alibaba for 15% stake. The valuation of Alibaba stake itself USD32b. It was all about timing. So some timing advices and decisions can make or break.

**APPROPRIATE AGE:** I always wondered if I learned the same lessons in a way, why not early?

Wouldn't I have gained more and shaped my future better! Or, is that what I learned made me feel more mature and I didn't need further learning? It has been decades but I constantly feel the shocks and slowly understood that it is a continuous process. Shocks, getting hurt and learning are continuous processes. It

Learn everything you can,  
anytime you can,  
from anyone you can.  
You will be grateful you did.

- Unknown



has no age.

Mark Zuckerberg, the founder owner of Facebook is worth USD45B but only 30 years old. He invention made him one of the youngest billionaire. Like him there are many others who have amassed enormous amount of wealth at young age with their ideas and inventions. Is it that one has to invest at an early age to become billionaire? No. Look at Warren Buffet a man of worth USD85B and of age 85. He made 99% of his wealth after he became 50.

*Attributes work with successes and achievements irrespective of their quantum and size.*

It may sound a bit absurd and irrational with the comparisons. After all, I have tried to compare my little achievements with legendary people with their successes. The idea and endeavor is to bring out the point that the attributes work with successes and achievements irrespective of their quantum and size.

Happy Learning!





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## Achieving Optimum by Investing Minimum!!

At one point or another we all have faced the problem of efficiency when we need to achieve our targets within the set deadline. This has now led us to believe that working for more number of hours will make us more accomplished than a colleague who works for comparatively lesser time. So, the rule goes “Work more and achieve more”.

Well, I agree that working less and finishing on time isn't easy. It requires effort on our part to think out of the box, accept new ideas and look out for ways to achieve the optimum without piling up work pressure. Here are a few suggestions to take a step forward in this regards:-

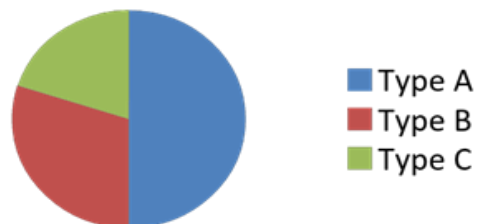


### 1. Divide and rule:

I often notice that we focus on completing the assignment by hook or by crook. In this process, we tend to leave aside the actual focus areas and many a times waste hours on immaterial things. In my opinion, we should break the entire assignment into smaller projects and decide the time which is ideal for each such small project in accordance with its materiality/ risk.

For example, if we have 10 days to complete an assignment, we should first segregate the entire assignment in accordance with its materiality/ risk and make smaller projects, may be, 10 Type A Projects which comprise of material/ major risk areas, 15 Type B Projects which comprise of below materiality/ medium risk areas, 20 Type C projects which comprise below triviality/ low risk areas. Then, we may allocate time as 0.5 day for every Type A project, 0.2 day for every Type B project and 0.1 day for every Type C project.

#### Allocation of Time to Projects



We can set a timer for each project and should evaluate our progress every time the timer sounds and re-align our pending work!!

**2. Using appropriate minds at appropriate places:**

Just like we go fully prepared for the exam, we should first acquaint ourselves with the tasks that need to be carried out within the designated time. If we feel that we are confident and that we can carry out the task within allocated time in the best possible manner, we should go ahead with it, else we should delegate the same to someone who has an edge over us in carrying out that task. We should instead focus on tasks in which we master!



I believe it would be great fun and a good learning experience to see an expert doing that task as we can learn the same for our next assignment rather than wasting our time in doing R&D at an important time!!

*stop working on a task when the extra input invested gives less output than doing a comparable task*

**3. Conquering the Law of diminishing returns:**

The law of diminishing returns states that in all productive processes, adding more of one factor of production, while holding all others constant ("ceteris paribus"), will at some point yield lower incremental per-unit returns. If I try to apply the above law to our work, I come to the following conclusion:

*When the extra input we invest exceeds the output gained, we should stop working on it!*

To keep it simple, we should stop working on a task when the extra input invested gives less output than doing a comparable task.

We may analyze this for ourselves by using a simple technique- All of us use e-mail. We should use e-mail for different amounts of time for 2 days- 30 minutes in one day and 60 minutes in another day. If we actually spend 2 hours on e-mail daily, can we justify ourselves the need to do so?

**4. Energy Management:**

Energy management, as opposed to time management, forces us to think of results as a function of energy, not time invested. Working intensely for a short period of time can accomplish more than working for days, tired and distracted.

We should divide the time between rest and work. Enslaving ourselves to work can actually get less out of us, instead, mastering the ability to recharge ourselves at the appropriate time for an adequate period would be ideal for both work and health!! Good luck and happy optimization!



# BAT - Celebration Time!!!

*Team: Premchand, Venkatraman, Kamalesh,  
Rahman*

*Led by Mr. N S Prabhakar and Ms. Priya Anand*  
for highlighting very good issues in an internal audit!

*Exceptional* **Fabulous** *Fantastic*  
CONGRATULATIONS  
*Fantastic* **OUTSTANDING**  
*Terrific* **Terrific**  
*Fabulous* **OUTSTANDING** *Exceptional*

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