



Make It Count: TYS Consultancy Pte Ltd

TYS Consultancy Pte Ltd, established in 1997, has been providing professional accountancy services to small and medium-sized enterprises (SMEs) for more than 20 years. As it has worked with clients from across industry segments, comprising companies at various stages of development, the firm has built up a range of capabilities to serve a wide spectrum of clients.

In recent years, accountancy, like other services in the professional services sector, has been evolving rapidly as technology entrenches itself in every aspect of life. Bookkeeping, financial reporting and other compliance-related tasks used to be the mainstay of TYS' core business; however, accounting software has diminished the value ascribed to such tasks and along with it, TYS' long-term bottom line. Progressive changes in the business environment require accountancy firms – many of them also SMEs – to transform themselves so that they can keep at the forefront of their profession.

After more than two decades in the business, TYS recognised the need to review its business model in order to “chart a new direction for the firm”, as shared by James Chew, Projects Officer at TYS. “Staying where we are is easy; going to where we wish to be is the difficult thing,” he said, succinctly summarising the issue the firm was facing when it reached out to the UOB-SMU Asian Enterprise Institute.



TYS Management Team (from left): Mr James Chew (Project Officer) and his dad, Mr Chew Beng Soon (Director)

Under the Institute's signature SME Consulting Programme (SCP), a team of student-consultants embarked on this project – to conduct a market review and devise new business strategies for the firm. The student team was supervised by an industry veteran as Project Advisor and a manager from the Institute.

Number crunching

Through the use of scientific research methodologies, the student-consultants sought to familiarise themselves with the accountancy sector. Secondary research revealed that in recent years, certain business lines such as Audit & Assurance have been facing falling revenues; on the other hand, fees as well as the demand for non-traditional accountancy work have been on the increase. Technology has automated many process-driven tasks, removing the tedium and time required to perform them – and the consequent billable hours. Research revealed that Audit & Assurance generated the lowest revenue per employee vis-à-vis other services provided by accountancy firms. The global trend towards the provision of higher-value services by accountancy firms is also gaining traction in Singapore.

Of the three broad levels of services offered – level 1: Compliance; level 2: Advisory Performance; and level 3, Advisory Strategic (the higher the “level” of service, the greater the perceived value of the service provided) – TYS was standing within the level 1 range as many of its hours were dedicated to traditional services such as tax, bookkeeping and financial reporting. With technology enhancing



efficiency within accountancy firms and freeing up swathes of time especially among “level 1 firms”, and the changing expectations of clients who have themselves gone digital, the disparity between the digitised and traditional accountancy firms would continue to widen in the coming years. The research affirmed that transformation was an urgent necessity and not an option.

Using a Revenue-Cost Framework, the student-consultants examined TYS’ current profile in relation to its future financial sustainability. The Framework, presented as an infographic, provided a clear and structured reference to guide their investigations.

In the primary research, the student-consultants conducted interviews with three principal stakeholder groups – TYS’ customers, local SMEs and TYS’ competitors. The data largely corroborated the findings in the secondary research, namely, the perceived worth of higher-value accountancy services (advisory), and a preference for digital solutions. The respondents’ feedback also deepened the team’s understanding of the relationship between the customer and its accountancy firm, barriers to switching accountancy firms, and SMEs’ wish list on the services provided by their firms.

The Revenue-Cost Framework was thus updated to reflect the findings and clarify which areas the student-consultants should work on to meet TYS’ needs.

Dollars and sense

From redefining its target clientele to its marketing strategies, and from technology adoption to new business offerings, the team identified the potential areas for TYS’ revenue growth.

The recommendations played to the firm’s existing strengths, for example, by identifying a niche clientele where TYS has already gained a foothold. As it was deemed a viable target group, the tactic was to strengthen TYS’ presence among this group by raising awareness of the firm with a compelling brand story; feasible action plans were then crafted to forward the tactic. The proposed outreach initiatives to connect with more potential customers extended beyond the online sphere to the physical realm, to align with industry practice.

One respondent had shared that his company did not require bookkeeping services; rather, the company and others at a similar stage of development needed professional advisory services aimed at helping them grow the business. To meet the rising demand from TYS’ target clientele, the firm must move up the value chain to provide higher-value advisory services. To this end, the student-consultants proposed a structured move, over five phases, for TYS to transition from compliance services to advisory services.

The final report featured a comprehensive multi-phase marketing framework designed to position TYS as a future forerunner among accountancy firms of a similar size. With the recommendations centred around the provision of integrated services to its target clientele, and including the use of digital accounting software to boost efficiency, the student-consultants had addressed TYS’ current concerns and placed it on the path to a sustainable future.

Adding to the figures

One of the benefits of the SCP is the use of more methodological and scientific approaches to address business issues. In this project, it has resulted in a “clearer and more defined view of the issues at hand”, affirmed TYS’ Mr Chew. He found the data to be “insightful and useful”, and the analyses “thorough and comprehensive”. The project outcomes offered a “form of validation” for the firm’s business plan.



The student-consultants participated in the SCP to gain first-hand experience of consulting. They “unanimously agreed” that this objective was fulfilled as they had managed the consulting project from start to finish. Having a large degree of control over the proceedings was a huge plus as they felt that they “gained even more” during the journey, as opposed to if they were “spoon-fed”. They credited their Project Advisor Chow QinYing for her “solid advice”, including her input about the “limitations and feasibility of solutions catering to SMEs”, and for helping them to “keep the solutions grounded and specific to our client”.

On her part, Ms Chow allowed the team “a lot of space to explore and work on the project their way” while being “open and available” to any questions they had. “Mostly, I tracked their progress and line of thought/analysis at regular checkpoints” and “coached them to find out and research more”, she shared. At no point did she “dish out the answers” as she wanted them to think through the issues and brainstorm among themselves. Adding that the Institute manager kept the team on track regarding timelines, client meetings, interviews and deliverables, the project was carried out smoothly and successfully. Significantly, the student-consultants “delivered work that exceeded the client’s expectations”, with a “practicable set of recommendations for the client to work on in the short, mid and long term”, she said.

Project Advisor

Chow QinYing

Student-consultants

Tan Yu Sheng Reefver

Bachelor of Accountancy and Business Management / 2018

Shawn Lee Bing Han

Bachelor of Business Management and Science (Economics) / 2018

Tiah Wei Xuan

Bachelor of Business Management and Social Science / 2018