

# [Company organizations and the largest professional services network](https://assignbuster.com/company-organizations-and-the-largest-professional-services-network/)

[Business](https://assignbuster.com/essay-subjects/business/), [Accounting](https://assignbuster.com/essay-subjects/business/accounting/)

Companycontext1.     Description of the company Deloitte isone of the “ Big Four” accounting organizations and the largestprofessional services network in the world by revenue and number ofprofessionals. By the end of 2017, the company earned a record $38. 8 billionUSD in revenues. As of 2016, Deloitte is the 6th-largest privately-ownedorganization in the United States. Deloitte hasbeen ranked number one by market share in consulting by Gartner, and for thefourth consecutive year, Kennedy Consulting Research and Advisory ranksDeloitte number one in both global consulting and management consulting basedon aggregate revenue.” Deloitte” is the brand under which 263 900 experts and professionals worldwide team up inindependent consulting firms to give audit, advisory, tax, financial advisoryand risk management services to its clients in the following industries:·        Consumer and industrial products·        Energy and resources ·        Public sector·        Life sciences and health care·        Financial Services ·        Technology, Media and Telecommunications Theseorganizations are members of Deloitte Touche Tohmatsu Limited(“ DTTL”), a UK private restricted risk organization (“ UK privatelyowned business limited by guarantee “). Every member firm provides servicesin a particular geological zone by watching the laws and expert controls indrive in the nation or nations in which it works.

Every memberfirm of Deloitte Touche Tohmatsu Limited is organized as per nationallegislation, regulations and practices and can offer expert services to itsregion through subsidiaries, affiliates and other entities. Not all memberfirms provide these services, and a few members may not be accessible for our certificationclients under public bookkeeping regulations. DTTL and itsmember firms are separate legal entities.

DTTL and each DTTL member firm mustbe held responsible for their own particular acts or omissions. DTTL (otherwisecalled “ Deloitte Global”) does not offer services to clients. As more companies and institutions do business inAfrica, Deloitte tries hard to provide clients with a consistent servicethrough the OneDeloitte approach. Deloitte is one of Africa’s leading professionalservices firm, with offices in 33 African countries, a current presence in 45and the ability to serve 52 nations on the continent. Deloitte hasbeen present in French-speaking African nations for more than thirty years: Maghreb, West Africa and Central Africa. Deloitte ispresent in Tunisia through two offices, both members of its network:·        The firm DELOITTE CONSEIL TUNISIE carries out consulting missions.

·        The firm MS LOUZIR carries out audit missions. Deloitteoffers services to its Tunisian and foreign clients. These two firms helpTunisian companies to contribute to the economic growth of their country andsupport foreign companies in their establishment and development in Tunisia. 2.

Mission and Objectives Deloitte is apurpose-led organization. In 2015, that purpose was put into words to inspireDeloitte professionals and help them achieve Deloitte’s global strategy ofbeing the undisputed global leader in professional services. The Purpose statementsays:« Deloitte makes an impact that matters. » Deloitte’s desireto make a positive, enduring impact every day for their organization andstakeholders requires:·        Serving clients with quality and distinction, making ameasurable and attributable impact.·        Inspiring their employees to deliver value—mentoringand developing future leaders and colleagues for life.·        Making a contribution to society, building confidenceand trust, upholding integrity, and supporting the community.·        Leading the profession by challenging themselves to dowhat matters most, delivering innovative ideas that reflect their uniquecapabilities. ThesePurpose-driven behaviours are guided by their network’s shared values—integrity, value to markets and clients, commitment to each other, and strength fromcultural diversity.

For Deloitte, good isn’t good enough. They aim to be the best at all that they do—to help clients realize theirambitions; to make a positive difference in society; and to maximize thesuccess of their employees. (https://www2. deloitte. com/global/en. html)  3.     Industry structure Accountingfirms compete in gatherings. Big 4 firms compete against each other for thecorporate work with other top twenty firms trying to get a tiny piece of thecake.

The top 100are generally competing amongst themselves for mid-market clients. Everyoneelse is either competing in market niches or in geographic areas. The oligopolyof the top four largest consulting firms, all with a history in theaccountancy sector, known as the Big Four (Deloitte, PwC, Ernst andYoung and KPMG), hold 40% of the total consulting market that is worth$125 Billion. They all work with big clients and they’re all global. According to Stevan Rolls, a UK-basedpartner for global talent at Deloitte:” The Big Four are pretty similar inthat they’re all large professional partnerships and have a lot in common, butthere are important structural and cultural differences too.”(https://news. efinancialcareers. com/uk-en/204621/working-for-the-big-four-pwc-deloitte-ey-kpmg)  Compared toten years ago, the Big Four firms have widely increased their market share, through organic growth and numerous acquisitions.

The top 10 consultancies own52% of the market, while the top 200 service providers with consulting serviceshold 79% market share, suggesting a non-fragmented and consolidated marketaccording to the Consultancy. uk analysts.  (https://www. consultancy. uk/news/2149/10-largest-management-consulting-firms-of-the-globe)Global consulting market between 2012 and 2014 interms of market size and market sharesSource : https://www. consultancy. uk/news/2149/10-largest-management-consulting-firms-of-the-globe  Revenue, revenue growth and marketshare of the 10 largest consulting firms in the world between 2013 and 2014 Source : : https://www.

consultancy. uk/news/2149/10-largest-management-consulting-firms-of-the-globe  Porter’s Five Forces analysis In the management consulting field, the environment is competitve, yet is sufficiently substantial for differentplayers to enter and contend. Be that as it may, the capacity to do this viablyrelies upon many variables. Huge firms regularly adopt the strategy of offeringclaim to specialty services on an extensive scale.

Deloitte, fills in as ageneralist who can convey strategy through implementationservices on a high scale. Then again, boutique firms may use evaluating power or a more individual way to producebenefits.  While the consulting marketplace isentrenched, it is a long way from perceiving market saturation. Fracture stillexists, as the demand for consulting needs far outpaces the capacity of eventhe biggest firms to fulfill. Be that as it may, the reason for competition iscomparable no matter how you look at it.

The cost of services is reasonablyinside the market price range, with firms holding great eminence in their fieldby retaining and building a clientele base. Opponents hoping to have a piece ofthe pie are regularly compelled to go up against contenders at their own game, instead of differentiating themselves with distinctive knowledge. Deloitte, forinstance, endeavors to be the pioneer in perceiving changes in the market; picking up a solid foothold before other large contenders can do so. Slow pokesare compelled to differentiate themselves by offering a lower price, betterability, or a superior technique outfitted towards the individual client. Deloitte was able to differentiate itself from the competition by being aone-stop shop for all consulting needs and by acquiring firms that were moreskilled in areas where they did not have great market penetration. At long last, Deloitte hasaccomplished economies of scale as by high margins and low overhead; lessening unit cost. Original thoughts, for example, those depicted above, are imperative in anindustry where there are a couple of barriers to entry, however several hindrancesto stay in it. The greatest boundaries have a tendency to be the capacity tocontend with top-level firms, (for example, McKinsey, Bain, and BostonConsulting Group).

These organizations, while charging higher costs, set upobstructions through information and customer connections that new contestantsare no able to copy. While the required costs to enter the consulting field are not high, industry knowledge is themost important item. Indeed, even the most prepared advisors, starting theirown independent firm, will not have the assets and proprietary data thatextensive firms have developed over numerous years with a diverse customerbase. Accordingly, new participants are compelled to grow by going up againstsmaller clients. Deloitte is regularly ready to expand incomes not through howthey can affect a particular customer, but instead their breadth of pastclients. Notoriety and reputationin this field are absolutely critical. One of the greatest drawbacks to having the capacity to consistentlycontend is the loss of talent. The very notoriety of the firm that builds acustomer base streams down to the experts.

These experts frequently gain areputation that is firmly connected with their firm. Accordingly, organizationswill hire advisors. This is a substitute that spares them costs, as they canaccumulate comparative mastery without the price increase. This forcesconsulting firms to consistently hire and grow new talents to balance this pattern. A challenge to holding talents is the extended hours and  frequent travelling that is expected ofadvisors. It is hard to hold these people for the life of their career. Deloitte has constantly endeavored to adjust the work-life balance with aspecific end goal to shield representatives from moving on. At Deloitte, it isuncommon that a professional will move to an alternate firm.

It issignificantly more probable that they leave to take a position with a previousclient. Deloitte, and its rivals, must contend not just within themselves forcontracting new talents, (for example, MBAs), however with differentorganizations, too.  Because of these endeavors to get their own ability to enhance companystrategy, buyer bargaining power remains moderately high. A substantial aspect tothe degree in the case of whether consulting firms can keep on producingbenefits depends on a few components. In the first place, the size of theclient is indispensable.

Accenture, for instance, could battle off the negativeimpacts of the recession (in any event contrasted with numerous other publicallytraded organizations) by serving vast companies. While these companies hadsuffering income, it was as of now that they required experts the most. Boutiquefirms devoted to smaller organizations frequently did not have thisextravagance. The second angle to fighting off buyer bargaining power is thepassageway to new ventures. Amid the downturn, the government kept on spendinga lot of cash on consulting.

Deloitte’s buyout of Bearing Point amid that timedemonstrated that development was conceivable, even in poor monetaryconditions. This outer factor, the prerequisite for governments to be moreproficient and deliver clean monetary records, was a shelter to Deloitte. While buyer bargaining power is a bit complicated, supplier bargainingpower in this industry is less demanding to understand. The biggest providersare the consultants.

Firms with great notorieties have strong recrutementprocesses, allowing them to acquire the best talents. Supply for new talent isinfrequently short for these organizations. Nonetheless, as examined prior, holding this talent can be a daunting task. Firms, for example, Deloitte put anexpansive accentuation on training. Deloitte University is opened in 2011 andgoes about as the center point for all consulting training in the United States. Also, proceeding with training hours is required, as is organizing events andfirm improvement. The objective is to make a superior expert but keeping inmind the end goal to hold top people.  Set up consultling firms have an extraordinary place in the market.

Amidmonetary downturns, they tend to toll superior to other companies, as theirexpertise is required like never before (a low-overhead structure utilized byfirms, for example, Deloitte, is useful too). As economies recuperate, enterprises will spend more on these services so as to pick up an edge. Theobjective of consulting firms is to dependably remain no less than one stage infront of the industry. Regardless of the back and forth movements, there arealways ways by which a built up firm can keep on improving its place inside themarket.

SWOT analysis   Market segmentation of the Financial advisory services department   Marketing mix ProductClients depend on member firms of Deloitte to provide them with servicesthat will help in transferring risk to the actual possibility. Deloitte hasseveral independent firms collaborating with each other to provide products andservices that include :·        Consulting- includes services in short-term outsourcing,, human capital, operations & strategy, technology integration and enterpriseapplication·        Audit- Provides audit and accounting services, IT controlassurance and internal auditing·        Risk Advisory- Offers business-continuity management, projectrisk, integrity and data quality, privacy and information security andenterprise risk-management·        Financial advisory- Corporate finance services related  including commercial and personal bankruptcy, conflict management, document review, due-diligence, advisory, capital projectsvaluation and consulting services·        Legal & Tax- Provides help to clients by undertakingglobal tax activities and transfer pricing of multinational companies, increasing the net-asset-value, minimising taxes, providing advisory related totax implications and implementing tax-computer-systemsPlaceDeloitte has about 244, 000 employeesworking under its various companies who provide professional help to itsclients. Its network is spread over one hundred and fifty countries.

In thebeginning, the organisation and its member firms were held together as anunincorporated association, but in 2010, they all came under the umbrella ofDeloitte Touche Tohmatsu or DTTL, a private company from the UK. Each member ofDeloitte keeps its independent and separate legal entity and is subject toregulations and laws of the country where it operates. Promotion Deloitte believes in promoting thecompany through the quality of the services that it offers. They also promotethrough the newspaper, magazines, internet, etc. They are a company whobelieves that if you provide the required quality of services then there wouldbe no need of promotion. Deloitte has also performed CSR activities to allow the people to knowabout the company and spread the name of their name among those who are not awareof them.

Price The pricing strategy isdependent on the required solutions, the manpower used, the geographic locationetc. Deloitte are willing to charge high for the products but they also focuson offering high quality services to their clients. Deloitte has a variety ofservices to offer and each service is charged differently depending on theareas where the services is provided. The international services are chargedhigher than local ones. 1. Internship Context andTopicThe internshiphas been carried out in the Financial advisory department which has anessential role in Deloitte. It conducts financial analysis, firm valuations, due-diligence missions, mergers and acquisitions, builds financial models anddevelops business plans and project finance reports for buy-side and sell sideclients whether they be businesses or high net worth individuals but also fornew market entrants.

It ensures the industry analysis, business plan development, modification, adjustment and update, applying different firm valuationtechniques in order to determine the intrinsic value of a company and providesinvestors with insight and recommendations regarding their investment decisionsbut also offers the possible to provide them with an integrated service byworking jointly with the tax, legal, risk advisory, consulting and auditingdepartments. Basically, the financial advisory team focuses on recommending investment products andservices that are fit for prospects and clients based on their objectives, resources, time horizon, risk profile, and preferences, executing andnegotiating the follow through of implementation tools including insurance, investments, tax planning, debt management, and other tasks quoted to client, deciding how to build your practice by choosing your clients and the marketsyou want to pursue, soliciting clients actively via telephone, mail, referrals, meetings etc and maintaining the proper documentation that follows pre-set guidelinesestablished by compliance and management while complying with all industryrules and regulations. In perfect compliance with this context, our projectaims to advise Deloitte’s client, BX insurance company, interested in investingin AX who is a service provider, that has recently initiated an OTC processconcerning an opening in its capital. The target company (the seller) has askeda Tunisian investment bank to assist it in the process of opening up itscapital in order to collude with one or more of its technical partners. Inorder to advise the client about his investment decision, MS Louzir (Deloitte), financial advisory department, aims to provide its client with a financialanalysis and valuation of the service provider AX. Inorder to be able to estimate a realistic value of AX, we will conduct internal andexternal analyses of our target company based on the electronic data roomprovided by the investment bank to Deloitte for analysis purposes, detect risksof the target company and describe the provisions that need to be made, valuateAX using various firm valuation methods and providing the investor with thereal intrinsic value of the target firm in order to allow him to make the bestinvestment decision possible. Thus, this financial analysis and firm valuation process consists of 6 steps. First, we will consult the information provided by the investment bank, run internaland external analyses of the target company using the SWOT analysis andPorter’s 5 forces techniques.

We will then review the provisional accountsalready established for future years including the assumptions supporting themand adjust them to make them more realistic and better reflect the futureexpectations of the industry and the market in general. In order to conduct thefirm valuation, we will start by identifying comparable companies listed incountries in the region with similar characteristics and then we will run a comparablesanalysis of the firm. After that, we will develop a discounted cash flow modeland determine an indicative range of the company’s values based on the valuesfound using these two techniques. Our report aims to provide Deloitte’s client with allthe information that is relative to the target company and an estimation of itscurrent value in order to allow him/her to carefully decide whether it is agood investment or not and also to have the necessary negotiation arguments ifhe/she decides to proceed with the investment transaction.  2. General and specificobjectives of the Internship Based on the Mediterranean School of Business’sinternship guide, we can say that: « TheInternship program recruits highly qualified Master’s students in order totrain them, with the opportunity to incorporate them into full-time employmentupon graduation…The internship program objectives are: • Produce competent andcontemporary business managers.

• Develop an analyticalapproach for problem solving and decision-making. • Enhance and fosterenthusiastic and persuasive writing and oral communication skills. » Along these lines, the principle goal of theinternship is to get a genuine vision of professional life and have a solidapproach of theoretical ideas and knowledge gained along the 3 semesters at MSB. It is additionally a necessity to approve the Master’s degree.

The result of this internship is to deliver a reportthat deals with a particular subject that might bring an added value to thehosting organization. Additionally, general purposes incorporate creatingbusiness contacts, meeting some of the important professionals of the industryto increase the possibility of acquiring a potential employment positionidentifying the most suitable career by watching the various management andleadership styles inside the hosting company. The internship position causes the student to learnhow to deal with and manage various types of individuals inside the work place andto improve his/ her interpersonal abilities with associates, colleagues, clients and partners. Our report aims to provide Deloitte’s client, BXinsurance company, interested in investing in AX who is a service provider witha clear understanding of the financial, risk, and overall current conditions ofthe target company to ensure that he/ she has all the necessary informationthat will facilitate the investment decision that is about to be made. 3.

Assigned Tasks andResponsibilities  As an intern in Deloitte, my personal task was workingon a project aiming to conduct a financial analysis and firm valuation of atarget firm that has recently had an opening in its capital for Deloitte’sclient who is interested in acquiring these newly available shares. To define the subject of this report, I had to speakto the manager of the Financial Advisory department and some of my colleaguesin order to find out about their current needs and missions that I would beable to participate in, taking into account the confidentiality restrictionthat I was facing as an intern.   On 18 January 2018, I had the opportunity to attend animportant training session along with all the financial analysts and managersof the Financial Advisory department discussing issues related to thecalculations of net debt and adjusted net debt that are very importantconsiderations to take into account when conducting due-diligence and adjustingthe financial statements of a company in order to have more accurate valuationresults. During these last threeweeks, the tasks that were assigned to me were mostly about conducting industryanalyses, translating client presentations, understanding the specific