

Company organizations and the largest professional services network

[Business](#), [Accounting](#)



Company context 1. Description of the company Deloitte is one of the “ Big Four” accounting organizations and the largest professional services network in the world by revenue and number of professionals. By the end of 2017, the company earned a record \$38.8 billion USD in revenues. As of 2016, Deloitte is the 6th-largest privately-owned organization in the United States. Deloitte has been ranked number one by market share in consulting by Gartner, and for the fourth consecutive year, Kennedy Consulting Research and Advisory ranks Deloitte number one in both global consulting and management consulting based on aggregate revenue.” Deloitte” is the brand under which 263 900 experts and professionals worldwide team up in independent consulting firms to give audit, advisory, tax, financial advisory and 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

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Every member firm of Deloitte Touche Tohmatsu Limited is organized as per national legislation, regulations and practices and can offer expert services to its region through subsidiaries, affiliates and other entities. Not all member firms provide these services, and a few members may not be

accessible for our certification clients under public bookkeeping regulations. DTTL and its member firms are separate legal entities.

DTTL and each DTTL member firm must be held responsible for their own particular acts or omissions. DTTL (otherwise called “ Deloitte Global”) does not offer services to clients. As more companies and institutions do business in Africa, Deloitte tries hard to provide clients with a consistent service through the One Deloitte approach. Deloitte is one of Africa’s leading professional services firm, with offices in 33 African countries, a current presence in 45 and the ability to serve 52 nations on the continent. Deloitte has been present in French-speaking African nations for more than thirty years: Maghreb, West Africa and Central Africa. Deloitte is present 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. Deloitte offers services to its Tunisian and foreign clients. These two firms help Tunisian companies to contribute to the economic growth of their country and support foreign companies in their establishment and development in Tunisia. 2.

Mission and Objectives Deloitte is a purpose-led organization. In 2015, that purpose was put into words to inspire Deloitte professionals and help them achieve Deloitte’s global strategy of being the undisputed global leader in professional services. The Purpose statement says: « Deloitte makes an impact that matters. » Deloitte’s desire to make a positive, enduring impact every day for their organization and stakeholders requires: · Serving

clients with quality and distinction, making a measurable and attributable impact. Inspiring their employees to deliver value—mentoring and developing future leaders and colleagues for life. Making a contribution to society, building confidence and trust, upholding integrity, and supporting the community. Leading the profession by challenging themselves to do what matters most, delivering innovative ideas that reflect their unique capabilities. These Purpose-driven behaviours are guided by their network's shared values—integrity, value to markets and clients, commitment to each other, and strength from cultural diversity.

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

The top 100 are generally competing amongst themselves for mid-market clients. Everyone else is either competing in market niches or in geographic areas. The oligopoly of the top four largest consulting firms, all with a history in the accountancy sector, known as the Big Four (Deloitte, PwC, Ernst and Young 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-based partner for global talent at Deloitte: "The Big Four are pretty similar in that they're all large professional

partnerships and have a lot in common, but there are important structural and cultural differences too.” (<https://news.efinancialcareers.com/uk-en/204621/working-for-the-big-four-pwc-deloitte-ey-kpmg>) Compared to ten years ago, the Big Four firms have widely increased their market share, through organic growth and numerous acquisitions.

The top 10 consultancies own 52% of the market, while the top 200 service providers with consulting services hold 79% market share, suggesting a non-fragmented and consolidated market according 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 in terms of market size and market shares Source : <https://www.consultancy.uk/news/2149/10-largest-management-consulting-firms-of-the-globe> Revenue, revenue growth and market share 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 competitive, yet is sufficiently substantial for different players to enter and contend. Be that as it may, the capacity to do this viably relies upon many variables. Huge firms regularly adopt the strategy of offering claim to specialty services on an extensive scale.

Deloitte, fills in as a generalist who can convey strategy through implementations services on a high scale. Then again, boutique firms may use evaluating power or a more individual way to produce benefits. While the

consulting marketplace is entrenched, it is a long way from perceiving market saturation. Fracture still exists, as the demand for consulting needs far outpaces the capacity of even the biggest firms to fulfill. Be that as it may, the reason for competition is comparable no matter how you look at it.

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

These organizations, while charging higher costs, set up obstructions through information and customer connections that new contestants are not able to

copy. While the required costs to enter the consulting field are not high, industry knowledge is the most important item. Indeed, even the most prepared advisors, starting their own independent firm, will not have the assets and proprietary data that extensive firms have developed over numerous years with a diverse customer base. Accordingly, new participants are compelled to grow by going up against smaller clients. Deloitte is regularly ready to expand incomes not through how they can affect a particular customer, but instead their breadth of past clients. Notoriety and reputation in this field are absolutely critical. One of the greatest drawbacks to having the capacity to consistently contend is the loss of talent. The very notoriety of the firm that builds a customer base streams down to the experts.

These experts frequently gain a reputation that is firmly connected with their firm. Accordingly, organizations will hire advisors. This is a substitute that spares them costs, as they can accumulate comparative mastery without the price increase. This forces consulting 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 of advisors. It is hard to hold these people for the life of their career. Deloitte has constantly endeavored to adjust the work-life balance with a specific end goal to shield representatives from moving on. At Deloitte, it is uncommon that a professional will move to an alternate firm.

It is significantly more probable that they leave to take a position with a previous client. Deloitte, and its rivals, must contend not just within

themselves for contracting new talents, (for example, MBAs), however with different organizations, too. Because of these endeavors to get their own ability to enhance company strategy, buyer bargaining power remains moderately high. A substantial aspect to the degree in the case of whether consulting firms can keep on producing benefits depends on a few components. In the first place, the size of the client is indispensable.

Accenture, for instance, could battle off the negative impacts of the recession (in any event contrasted with numerous other publically traded organizations) by serving vast companies. While these companies had suffering income, it was as of now that they required experts the most. Boutique firms devoted to smaller organizations frequently did not have this extravagance. The second angle to fighting off buyer bargaining power is the passageway to new ventures. Amid the downturn, the government kept on spending a lot of cash on consulting.

Deloitte's buyout of Bearing Point amid that time demonstrated that development was conceivable, even in poor monetary conditions. This outer factor, the prerequisite for governments to be more proficient and deliver clean monetary records, was a shelter to Deloitte. While buyer bargaining power is a bit complicated, supplier bargaining power in this industry is less demanding to understand. The biggest providers are the consultants.

Firms with great notorieties have strong recruitment processes, allowing them to acquire the best talents. Supply for new talent is infrequently short for these organizations. Nonetheless, as examined prior, holding this talent

can be a daunting task. Firms, for example, Deloitte put an expansive accentuation on training. Deloitte University is opened in 2011 and goes about as the center point for all consulting training in the United States. Also, proceeding with training hours is required, as is organizing events and firm improvement. The objective is to make a superior expert but keeping in mind the end goal to hold top people. Set up consulting firms have an extraordinary place in the market.

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

SWOT analysis Market segmentation of the Financial advisory services department Marketing mix Product Clients depend on member firms of Deloitte to provide them with services that will help in transferring risk to the actual possibility. Deloitte has several independent firms collaborating with each other to provide products and services that include : Consulting- includes services in short-term outsourcing,, human capital, operations & strategy, technology integration and enterprise application. Audit- Provides audit and accounting services, IT control assurance and internal auditing. Risk Advisory- Offers business-continuity management,

project risk, integrity and data quality, privacy and information security and enterprise risk-management. Financial advisory- Corporate finance services related including commercial and personal bankruptcy, conflict management, document review, due-diligence, advisory, capital projects valuation and consulting services. Legal & Tax- Provides help to clients by undertaking global tax activities and transfer pricing of multinational companies, increasing the net-asset-value, minimising taxes, providing advisory related to tax implications and implementing tax-computer-systems. Place Deloitte has about 244, 000 employees working under its various companies who provide professional help to its clients. Its network is spread over one hundred and fifty countries.

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

Price The pricing strategy is dependent on the required solutions, the manpower used, the geographic location etc. Deloitte are willing to charge high for the products but they also focus on offering high quality services to their clients. Deloitte has a variety of services to offer and each service is charged differently depending on the areas where the services is provided.

The international services are charged higher than local ones. 1. Internship Context and Topic The internship has been carried out in the Financial advisory department which has an essential role in Deloitte. It conducts financial analysis, firm valuations, due-diligence missions, mergers and acquisitions, builds financial models and develops business plans and project finance reports for buy-side and sell side clients whether they be businesses or high net worth individuals but also for new market entrants.

It ensures the industry analysis, business plan development, modification, adjustment and update, applying different firm valuation techniques in order to determine the intrinsic value of a company and provides investors with insight and recommendations regarding their investment decisions but also offers the possible to provide them with an integrated service by working jointly with the tax, legal, risk advisory, consulting and auditing departments. Basically, the financial advisory team focuses on recommending investment products and services that are fit for prospects and clients based on their objectives, resources, time horizon, risk profile, and preferences, executing and negotiating 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 markets you want to pursue, soliciting clients actively via telephone, mail, referrals, meetings etc and maintaining the proper documentation that follows pre-set guidelines established by compliance and management while complying with all industry rules and regulations. In perfect compliance with this context, our project aims to advise Deloitte's client, BX insurance company, interested in investing in AX who is a service provider, that has recently initiated an OTC process concerning an opening in its capital. The target company (the seller) has asked a Tunisian investment bank to assist it in the process of opening up its capital in order to collude with one or more of its technical partners. In order to advise the client about his investment decision, MS Louzir (Deloitte), financial advisory department, aims to provide its client with a financial analysis and valuation of the service provider AX. In order to be able to estimate a realistic value of AX, we will conduct internal and external analyses of our target company based on the electronic data room provided by the investment bank to Deloitte for analysis purposes, detect risks of the target company and describe the provisions that need to be made, value AX using various firm valuation methods and providing the investor with the real intrinsic value of the target firm in order to allow him to make the best investment 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 internal and external analyses of the target company using the SWOT analysis and Porter's 5 forces techniques.

We will then review the provisional accounts already established for future years including the assumptions supporting them and adjust them to make them more realistic and better reflect the future expectations of the industry and the market in general. In order to conduct the firm valuation, we will start by identifying comparable companies listed in countries in the region with similar characteristics and then we will run a comparable analysis of the firm. After that, we will develop a discounted cash flow model and determine an indicative range of the company's values based on the values found using these two techniques. Our report aims to provide Deloitte's client with all the information that is relative to the target company and an estimation of its current value in order to allow him/her to carefully decide whether it is a good investment or not and also to have the necessary negotiation arguments if he/she decides to proceed with the investment transaction.

2. General and specific objectives of the Internship Based on the Mediterranean School of Business's internship guide, we can say that: « The Internship program recruits highly qualified Master's students in order to train them, with the opportunity to incorporate them into full-time employment upon graduation... The internship program objectives are:

- Produce competent and contemporary business managers.
 - Develop an analytical approach for problem solving and decision-making.
 - Enhance and foster enthusiastic and persuasive writing and oral communication skills.
- » Along these lines, the principle goal of the internship is to get a genuine vision of professional life and have a solid approach 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 report that deals with a particular subject that might bring an added value to the hosting organization.

Additionally, general purposes incorporate creating business contacts, meeting some of the important professionals of the industry to increase the possibility of acquiring a potential employment position identifying the most suitable career by watching the various management and leadership styles inside the hosting company. The internship position causes the student to learn how to deal with and manage various types of individuals inside the work place and to improve his/ her interpersonal abilities with associates, colleagues, clients and partners. Our report aims to provide Deloitte's client, BX insurance company, interested in investing in AX who is a service provider with a clear understanding of the financial, risk, and overall current conditions of the target company to ensure that he/ she has all the necessary information that will facilitate the investment decision that is about to be made. 3.

Assigned Tasks and Responsibilities As an intern in Deloitte, my personal task was working on a project aiming to conduct a financial analysis and firm valuation of a target firm that has recently had an opening in its capital for Deloitte's client who is interested in acquiring these newly available shares. To define the subject of this report, I had to speak to the manager of the Financial Advisory department and some of my colleagues in order to find out about their current needs and missions that I would be able to participate in,

taking into account the confidentiality restriction that I was facing as an intern. On 18 January 2018, I had the opportunity to attend an important training session along with all the financial analysts and managers of the Financial Advisory department discussing issues related to the calculations of net debt and adjusted net debt that are very important considerations to take into account when conducting due-diligence and adjusting the financial statements of a company in order to have more accurate valuation results. During these last three weeks, the tasks that were assigned to me were mostly about conducting industry analyses, translating client presentations, understanding the specific