

Revenue Policy Toolkit



for the Professional Accountancy Organisation



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INTRODUCTION

Every PAO will be faced with revenue challenges due to its nature of business i.e. being a not-for-profit organisation that is limited to its membership. This Policy toolkit has been created to assist the PAO in identifying different sources of revenue. Where possible, it presents examples.

To identify and pursue sustainable revenue streams, a PAO should adopt the following guiding principles:

- Innovation and creativity – try doing things differently.
- Start small – don't take a big bang approach, rather de-risk by trying a pilot.
- Learn from failure – if something does not work, tweak the product offering, and otherwise wind it down.
- Collaborative partnerships – create win-win partnerships with partners, vendors, sponsors, etc
- Build compelling value propositions.

HOW TO IDENTIFY AND PURSE DIFFERENT REVENUE STREAMS?

- Identify key stakeholders to involve in the process
- Setup a workshop to identify revenue streams
- Brainstorm to identify the streams to pursue taking into account the examples in this policy note.
- Prioritise the revenue streams to pursue: type, when.
- Engage in initiatives to generate the revenue from prioritised streams over months and years
- Use PAO scorecard to monitor the achievement and revise where and when appropriate.

REVENUE STREAMS

MEMBERSHIP SUBSCRIPTION

A PAO can consider the following different types of membership categories.

- Chartered Accountant/ Certified Public Accountant
- Technician
- Registered Auditor
- Registered Audit firm
- Registered Accounting practicing firm
- Foreign members
- Student membership
- Corporate membership

PRACTICAL TRAINING FOR TRAINEE ACCOUNTANTS

- Contract registration fee – with the PAO
- Trainee contracts administration charges – in case of changes on the contract
- Penalties for late payment of contract registration fees or for non-compliance with the contract
- Registered Training office fees

EXAMS

- Exam fees

ADVERTISING AND SPONSORSHIP

- Advertising in the journal. The PAO can produce a magazine where adverts can be placed. Annual advertising and once – off packages can be created. Full page advertising, half page and quarter page advertising can be offered.
- Leverage digital e.g. Offer advertising packages on the PAOs websites.
- Other advertising e.g. advertising at the PAO's premises
- Sponsorship for seminars and events
 - Sponsor packages can be created (Platinum, Gold, Silver). Each category can provide various opportunities such as brand exposure, sales leads, etc)

CONTINUOUS PROFESSIONAL DEVELOPMENT/LIFE LONG LEARNING

- Seminars and workshops
 - A seminar can be classified as a full day information session and a workshop can be classified as a few hours intense focused session, which can be interactive.
- Events
 - Example, annual dinner. This annual dinner can attract sponsorship and advertising revenue, selling of tables to corporates.
 - Example can be an IFRS conference.
 - Example, breakfast event with a leading speaker.
 - Example, a cocktail evening with a leading speaker sponsored by a technology company, like SAP or Microsoft.
 - Example, a golf day which can attract sponsorship.
- Products (DVDs, Gadgets, Books, etc)
 - The seminar and workshop can be recorded onto a DVD and can be sold separately. The PAO can invest in a video recorder and a DVD labelling machine.
 - Memory sticks, laptop or golf bags, recording pens, caps, shirts can be branded and sold.
- Consider building CPD with member subscriptions
 - The PAO can bundle CPD offerings with its member subscriptions.
- Toolkits

- Toolkits are a nifty way of providing value to the members and its clients. For example, the Institute can provide a Practice Review Toolkit, a Practice Advisory Service, Policy toolkit, Audit Procedure Toolkit, etc

INNOVATION AND TECHNOLOGY

- Research
 - The PAO can also be involved in thought leadership activities. Research is a key element and can be done in conjunction with partners.
 - The research can either be made available or sold. An example of research that can be sold is salary benchmarking.
 - Some of the other PAOs create special interest groups and turn it into a revenue stream. See Faculties [<http://www.icaew.com/en/join-us/join-a-faculty>]. Each faculty provides a value proposition for the member.
 - Selling member database/lists. This would require a great CRM system and good member interaction. The member must allow third party companies to contact them. An option to unsubscribe must be made available. [<http://www.icaew.com/en/about-icaew/who-we-work-with/commercial-opportunities/list-rental>]
- Insurance and Finance Products
 - Insurance products for the practitioners that can be bundled with membership fees. Insurance products can range from personal (life, auto, home) or business plans that include group life insurance for firms and professional liability coverage.
 - Examples are firm-based member retirement Program
 - Finance products can come in the shape of Practice Financing and technology rentals. The idea is to partner and earn upfront commission and perhaps annuity based income. [see <http://www.aicpa.org/Membership/discounts/Pages/discounts.aspx>]
- Member discounts and Loyalty Programmes
 - Technology partners would be happy to assist in providing deals for members. A percentage of the revenue can be set aside for the PAO.
 - Similarly, software discounts can be negotiated.
 - Hotel chains and restaurants offer discounts and co-branding can be used.
 - Bank Cards can also be co-branded.
 - Motor Vehicle companies can offer deals to the member base either for purchases or rentals.
- Website advertising
 - Make extensive use of the website by providing desired information and thought leadership articles. This will attract many people to the website, which can then attract advertising revenue.
- Mobile app advertising

- The PAO can create a relatively simple mobile app for the leading mobile platforms such as android, apple and blackberry. This app can also attract advertising revenue.
- Job sites
 - The PAO can offer different types of services for its members and other people in the Finance area.
 - Recruitment can be lucrative income source

Useful links for job sites

ICAS

http://www.cajobs.org.uk/?utm_source=ICAS+&utm_medium=quick+links&utm_campaign=CA+jobs&_hstc=49186553.88f22dc6e257865159b658150ee19b29.1401856114006.1401856114006.1401856114006.1&_hssc=49186553.1.1401856114006&_hsfp=843920972

ICAEW

<http://www.icaewjobs.com/>

SAICA

www.careersuite.co.za

CICA

<http://www.cica.ca/career-and-professional-development/career-centre/index.aspx>

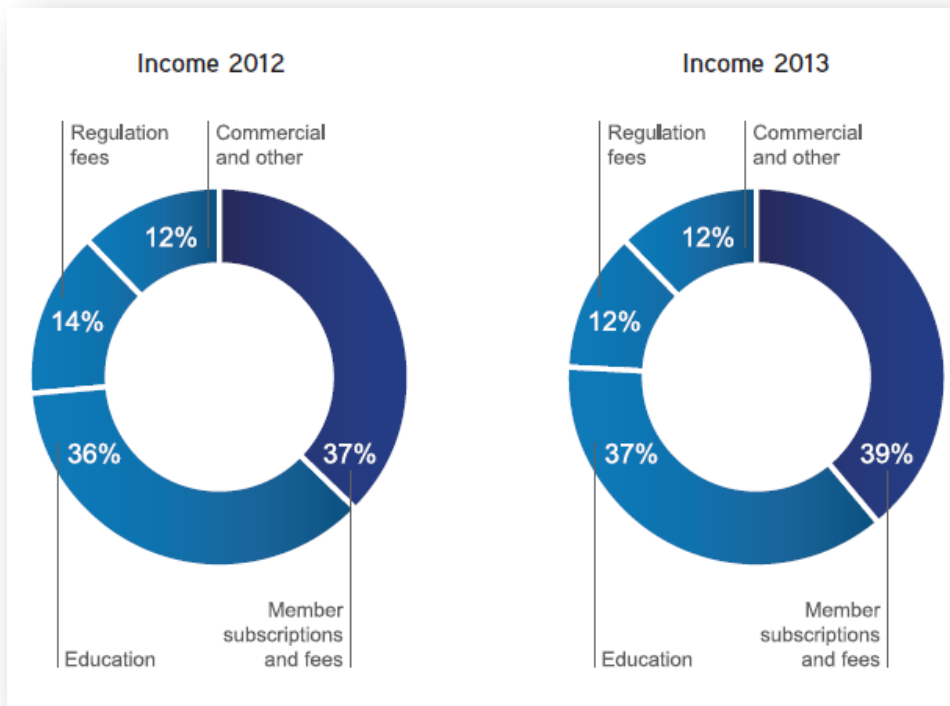
<http://www.cpasource.com/>

AICPA

http://www.cpa2biz.com/AST/AICPA_CPA2BiZ_Nav/Top/Browse/Primary/Career_Center.jsp

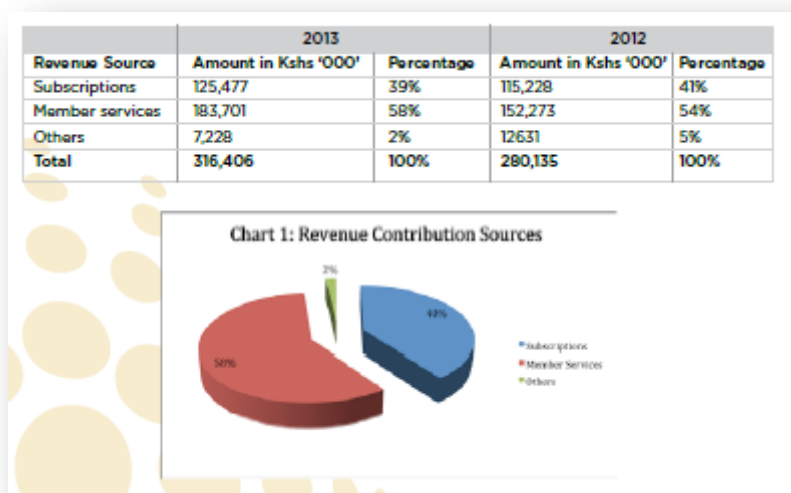
EXAMPLES OF ACTUAL PAO REVENUE SOURCES

Institute of Chartered Accountants of Scotland



Source: ICAS Annual Review 2013

Institute of Certified Public Accountants of Kenya



Source: Kenya (ICPAK Annual Report 2013)

Institute of Chartered Accountants of Ghana

Gross Income

Gross Income grew from GH¢ 6,704,143 in 2012 to GH¢ 9,203,364 in 2013, representing a growth in income of 37%.

The number of students who sat for the Institute's examinations increased considerably in 2013. Also 254 new members were admitted in the year. These increases accounted, partly, for the growth in income.

The breakdown of the income for the period is as follows:

	2013 GH¢	2012 GH¢
General Income	2,844,185	1,604,040
Examination/Other Students Activities	4,508,513	3,445,775
Continuing Professional Development	555,738	206,826
Professional Body Activities	401,516	1,084,300
Other Operating Activities	722,688	312,228
Investment	170,724	50,974
Total Income	9,203,364 =====	6,704,143 =====

Source : ICAG 2013 Annual Report