

# Firm foundations

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**In less than a decade, 3E Accounting has emerged from nowhere to become one of Asia's largest home-grown global accounting networks. In July it opened an overseas office in Hong Kong – a brave and impressive move at a time when many companies are tightening their belts and hunkering down, waiting for the Covid storm to pass.**

Like many entrepreneurs and visionaries, the founder of 3E Accounting, Lawrence Chai, recognises that with crises come opportunity. His decision to expand, however, is not so much an opportunistic move to capitalise on the pandemic, but rather a result of

careful planning so his organisation can continue functioning effectively in the virtual environment enforced by Covid-19.

Long before the pandemic, 3E Accounting had been investing in technology to enable flexible working arrangements, Lawrence says. 'As early as 2011 we were adopting cloud solutions. We also have IP phones installed in our laptops, so staff can call clients or vice versa, just as if we were operating out of the office.'

#### Competitive advantage

He explains that the tech implementation was initially a way to support working mothers in the company but ended up preparing his staff to become adept remote workers. It is something that has proved to be a competitive advantage.

Despite the travel restrictions put in place because of Covid-19, Lawrence and his team in Singapore were able to turn to virtual communication tools to liaise with partners and employees in Hong Kong. Those tools let them oversee renovations, set up the IT infrastructure and even conduct a virtual office opening.

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### 3E Accounting

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3E Accounting was set up in 2011 to provide affordable corporate services to SMEs and startups. It offers the 'three Es' – efficiency, effectiveness and economy – as a suite of services covering professional incorporation, accounting, tax, immigration and compliance services and ongoing administration for every business entity.

Headquartered in Singapore, 3E Accounting opened a Malaysia office in 2014, followed by a Hong Kong office in 2020. Today, the group is the largest home-grown global accounting network in Asia, and has a presence in more than 80 countries.

Lawrence says that having the right overseas staff and maintaining good communications were the other critical pieces of his expansion plan. In this respect, he feels that being part of the ACCA network came in very handy. Not only did it give 3E Accounting confidence to hire its Hong Kong director, who is also an ACCA member, but it also helped them to get talent into the organisation.

'Every country that I expand into, one of the first things I do is apply to be an ACCA Approved Employer. With that I find that we attract talent much easier,' he explains.

#### Digital delegation

As for keeping up communications with his team in Hong Kong, Lawrence says that it is not too different from how he oversees his other staff. 'Today, we have close to 100 staff in our Singapore, Malaysia and Hong Kong offices. There's no way I can talk to

everyone every day. It's just not practical. We need to rely on appraisal systems, standardised HR policies and effective two-way communication.

'On the Hong Kong side, every month, we discuss and get feedback on what is happening, and whether they need our help. With technology, it's no longer a must to meet physically. We can have a town hall using online conference tools and we can WhatsApp them at any time.'

In just nine years, 3E Accounting has opened up three offices in Singapore, Malaysia and Hong Kong, while growing a global accounting network that, at last count, included members in 85 countries and will celebrate its 10th anniversary next year.

Lawrence attributes this success to the company fulfilling an SME need for affordable and efficient one-stop business solutions. To sustain its competitiveness, the company makes use of technology and people for strategic advantage.

#### Tech focus

3E Accounting's strong focus on technology can be seen in Lawrence's own role as the company's chief technology officer. In fact, from the very beginning, Lawrence felt that technology was the way forward for the company and procured the company its own servers, as well as customised CRM software to manage his client base.

'It may not have been very noticeable at the beginning, but over time we saw that these investments allowed us to scale faster than others, work more efficiently and improve our accuracy,' Lawrence explains.

'For example, our CRM software allows us to better manage our more than 1,000 clients in Singapore by automatically sending out reminders about financial reporting deadlines. Many service providers still don't send reminders to clients because they don't have the technology.'

It didn't stop there. In accordance with the Singapore government's accountancy industry digital plan, set out in 2019, Lawrence formed an in-house digital R&D team to spearhead development in robotic process automation, machine learning and artificial intelligence.

#### Time savers

This investment has already paid off, with the team successfully developing financial reporting software that can shorten the time taken to prepare a financial statement from eight hours to 60 seconds. 'This saves a lot of time for our accountants, and frees them up to do higher-value work such as business advisory and helping clients to grow,' Lawrence says.

Lawrence has even greater plans for the role of technology in 3E Accounting. For 2021, he plans to set up his own data centre in Singapore to house all the company's internal software development and help clients develop their own software. Lawrence says this

is in preparation for a future with AI and machine learning, which will require a lot of resource power.

‘We really need to start planning early, so that when the time comes, we will have enough resources to take the next step,’ he explains. ‘It’s better to start now rather than later.’

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#### Talent pool

The company’s other key strategic advantage is people. Lawrence says his HR management philosophy stems directly from his own working experience.

‘I started off as an auditor working very long hours,’ he explains. ‘I felt that this was not sustainable and longed for a working style that had better work-life balance. This was part of the reason why I decided to start my own practice.’

3E Accounting’s focus on work-life harmony has attracted a lot of working mothers; they make up 30% – 40% of its workforce. Lawrence says this has helped the company compete with the bigger firms for talent.

‘As a small company, we can’t fight in terms of salary,’ he points out. ‘What we can do is offer flexible work arrangements to people who share a similar view on work-life harmony.’

Lawrence’s experience is that working mothers are responsible and loyal workers. ‘We need to look at the bigger picture. Don’t be afraid to hire a working mother for fear you will lose out on short-term things such as maternity leave. In the long run, they will end up working longer and harder for you because they appreciate what you have done for them.’

Low staff turnover at 3E Accounting has helped Lawrence to focus on other important things, such as growing the business. As he puts it: ‘If you keep training staff on the same things over and over again, how can you start to think about expanding to other areas? After nine years, we have proof that this concept really works.’

#### Silver lining

In some ways, Lawrence feels that Covid-19 has been a gamechanger for businesses, and it has helped validate the company’s digital transformation efforts.

‘Before Covid-19, there wasn’t that big a difference for accounting firms whether things were done conventionally or digitally. Covid-19 proved the difference and gave us greater confidence in what we are doing.’

He is not prepared to rest on his laurels, though, and continues to think about how 3E Accounting can expand into new lines of businesses and build resilience.

‘Personally I’m quite a conservative person and I worry about the future,’ he says. ‘I’m always thinking about whether what we are doing today will be needed tomorrow, and whether we will be made redundant due to the introduction of new software or technology.’

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