



EVOLVING NEEDS OF SMES: WHAT THE PROFESSION CAN DO

Joint Accountancy Europe-EFAA event in Brussels

24 October 2019

SUMMARY

In an ever-changing societal and economic landscape, do accountants have to adapt to offer new services and in new ways in order to continue support SMEs? And if so, how? As a trusted advisor, the accountant of tomorrow is expected to be a co-pilot and a “business processor” to the SME owner.

INTRODUCTION

On 24 October, Accountancy Europe and the European Federation of Accountants and Auditors for SMEs (EFAA) organized a joint members-only workshop to discuss the emerging challenges and needs of SMEs, and how the accountancy profession should evolve to continue deliver added value for them. The event was especially timely given that most of the accountants either work in SMEs or provide services to them as members in practice. Our ability to remain relevant to the needs of SMEs is arguably the single most important challenge we face.

WHAT CHALLENGES ARE SMES FACING?



At the beginning of the workshop, the attendees were asked to vote via Slido, in 1-2 words, what they think the main challenges of SMEs are.

Whilst the Slido results include more ‘conventional’ challenge areas such as access to finance and over-regulation, it was interesting to see that technology and digitalization also scored very high.

The results provided food for thought for a subsequent panel discussion (see Annex for agenda), which reflected on the needs of SMEs and the role of the accountancy profession.

The panel discussion brought up a number of new and more conventional challenge areas where SMEs might need help.

For example, digitalisation can grant SMEs better access to the global market. However, only a fourth of SMEs are currently prepared for the digital age. Moreover, cyber risks and GDPR bring new obstacles stemming from digitalization that SMEs need to prepare for.

The panelists also reminded the audience that specific types of businesses can face particular challenges, for example family-owned businesses having to deal with succession planning. And it was also stressed that accountants should encourage SMEs to report non-financial information as this might facilitate access to finance.

One panelist highlighted that there are opportunities in challenges too. For example, despite their challenges, both globalisation and digitalisation can bring great benefits for SMEs, as they enable easier access to a global market and to have remote staffing.

HOW SHOULD THE ACCOUNTANCY PROFESSION ADAPT?

A SME representative elaborated on what SMEs find most useful from their accountants. He reminded that the vast majority of SMEs are micro-entities employing between 1 and 10 employees and managers are busy full-time running the business. What SMEs need is advice on a wide range of issues, from dealing with regulatory compliance to introducing new technologies into the business.

This is the sort of advice that accountants, who remain the main trusted advisors of SMEs, should provide in a dynamic and ongoing manner. In doing so, accountants must also bring their legal and ethical knowledge to the table, including in areas such as how to use data.

The panelists also reflected on the role of accountants in risk management, identifying, assessing and mitigating various risks – whether related to cashflows, technology, regulatory or others.

Ultimately, the panelists underlined that accountants do not need to know everything – but they should be able to identify key challenges and risks that their clients face and know where to look for help. This is an area where professional bodies, according to one attendee, could play a greater role: building up networks between different professionals and experts so as to create SME support ecosystems.

One attendee also reminded that small accountancy practitioners are SMEs themselves, and that sometimes the best way to map out the challenges and needs of SME clients is to reflect on one's own practice.

The bottom-line of the discussion was that accountants must adapt to their clients, develop soft skills, think ahead and anticipate. They need to listen, talk and interact with them.

The next generation of entrepreneurs is already in the marketplace. Their need for speed and spontaneity presents a new challenge for accountants to diversify and reinvent the profession. Accountants must offer a more diverse and valuable set of skills.

National professional accountancy organisations stand to play a key role in motivating and helping their members to adapt – especially in areas that are not core skills or expertise of today's accountants. By reviewing the basic education and training of the accountant, professionals can be prepared for the unknown. Soft skills and transparent communication will enable an accountant to be proactive and truly demonstrate their added value. Continuous learning and reskilling should also be adapted and become more flexible and dynamic to respond to the needs of SMEs. Accountants need to be able to learn, unlearn and relearn. Finally, professional accountancy organisations should listen carefully to and exchange and cooperate with relevant stakeholders to help the profession adapt to the needs of SMEs.



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AGENDA

24 October 2019, 8.30 – 11.30

8:30-9:00	REGISTRATION & COFFEE
9:00-9:10	OPENING ADDRESS Salvador Marin, EFAA, President
9:10-9:30	KEYNOTE SPEECH Chris Austin, Past IAESB Chair
9:30-10:30	STAKEHOLDERS PANEL: Jens Poll, Accountancy Europe Board Member Martin De Bie, Chair of EFAA's Digital Working Group and advisor new technology and innovation Luc Hendrickx, Director Enterprise Policy and External Relations, SMEunited Esther Ortiz Martínez, Department of Accounting and Finance, University of Murcia and Member of the EFAA Accounting Expert Group
10:30-11:20	GROUP DISCUSSIONS AND CONCLUSIONS
11:20-11:30	CLOSING REMARKS Olivier Boutellis-Taft, Accountancy Europe, CEO
11:30-12:30	NETWORKING LUNCH