

IFAC GLOBAL SMP SURVEY: 2018 SUMMARY



TECHNOLOGY

TALENT

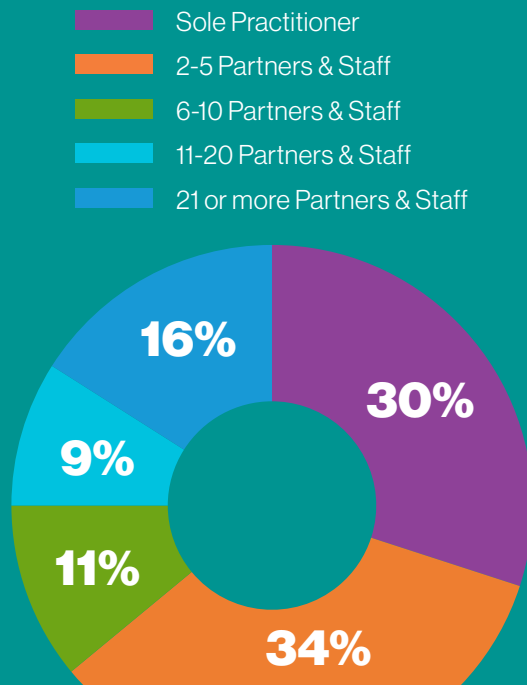
ADVISORY SERVICES



6,258
SMP¹
RESPONDENTS

24 LANGUAGES

% BY PRACTICE SIZE



REPRESENTING
150
COUNTRIES

% BY REGION

1% AUSTRALASIA/OCEANIA

3% NORTH AMERICA

3% MIDDLE EAST

6% CENTRAL AND SOUTH AMERICA/CARIBBEAN

12% AFRICA

36% ASIA

39% EUROPE

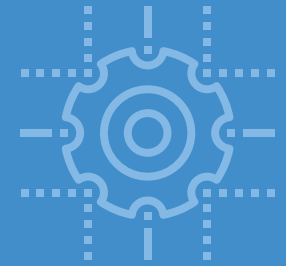
¹Small- and medium-sized practices (SMPs)

TECHNOLOGY



38%

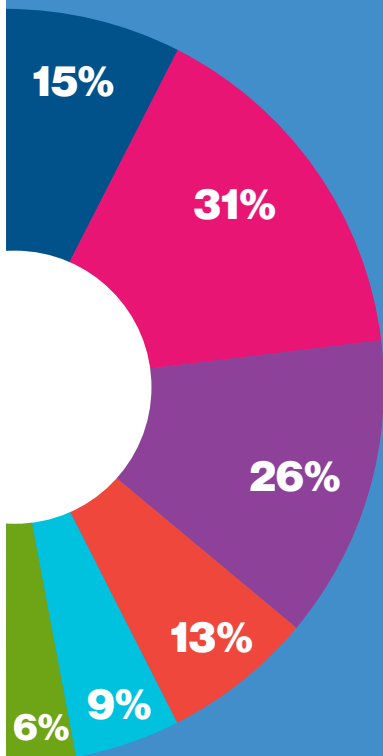
VIEWED TECHNOLOGY DEVELOPMENTS AS A SIGNIFICANT CHALLENGE²



TECHNOLOGY DEVELOPMENTS INTRODUCED OR PLANNED FOR IMPLEMENTATION IN THE NEXT 12 MONTHS

28%

PLAN TO ALLOCATE MORE THAN **10%** OF TOTAL PRACTICE REVENUE OVER THE NEXT 12 MONTHS TO TECHNOLOGY INVESTMENT



LESS THAN 1% OF REVENUE

BETWEEN 1-5% OF REVENUE

BETWEEN 6-10% OF REVENUE

BETWEEN 11-15% OF REVENUE

BETWEEN 16-20% OF REVENUE

ABOVE 20% OF REVENUE

TECHNOLOGY INVESTMENT



37%

Development of in-house skills and expertise in IT

32%

Adoption and use of cloud options for clients' interface and servicing

29%

Provision of business insights from data analytics as a new service offering

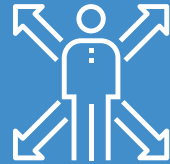
29%

Using technology to expand geographical reach in servicing of clients

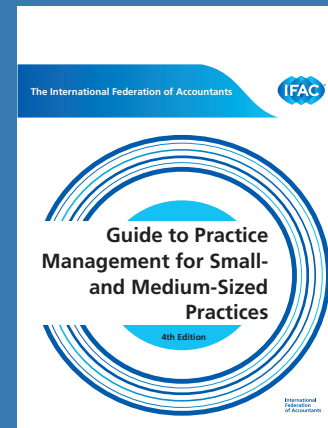
23%

Recruitment of non-accountants (e.g. IT specialists, data scientists)

Anticipated significant changes in the finance manager/accountants' role in a small business over the next 5 years³



TECHNOLOGY RESOURCES



Guide to Practice Management for SMPs, Fourth Edition

Includes a new module on developing a technology strategy, hardware and software options, technology risks, new and emerging technologies, and leveraging technology for practice innovation.

78%

NAVIGATING NEW TECHNOLOGIES AFFECTING TRADITIONAL ACCOUNTING AND FINANCE ROLES

73%

MANAGING CYBER SECURITY AND IT RISK

68%

FOCUSING ON USE OF DATA TO DRIVE STRATEGIC DECISION MAKING

GATEWAY ARTICLES & VIDEOS

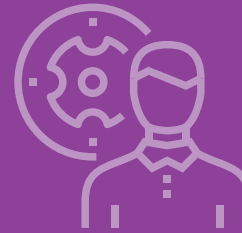
- Developing a Technology Strategy
- Cybersecurity: Eyes Wide Open
- Data Will Drive Audit Quality
- The Changing Face of the Accountancy Profession
- Navigating Ethics in a Digital Age

³ Combining moderate and major change

TALENT

54%

HAVE DIFFICULTY ATTRACTING NEXT GENERATION TALENT



CHALLENGES FACED ATTRACTING NEXT GENERATION TALENT⁴

DO YOU HAVE DIFFICULTY ATTRACTING NEXT GENERATION TALENT?

54%
YES



30%
NO

16%
N/A

Lack of candidates with the right mix of skills

66%

Competition from larger practices

57%

Increased opportunities in other fields

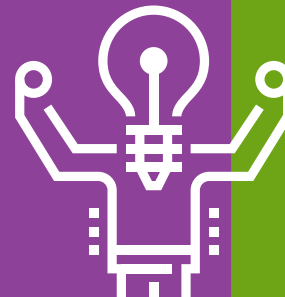
44%

Concern about work-life balance and flexibility

41%

Concern about technology impacting jobs and opportunities

27%



Talent management initiatives introduced or planned for implementation in the next 12 months

Flexible working hours or work days **47%**

Technical training programs **46%**

Direct incentive and reward programs **43%**

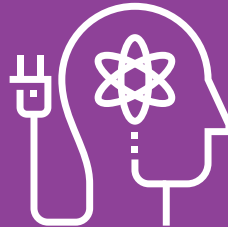
Enhanced work environment **39%**

Mentoring and career coaching programs **38%**

Virtual work arrangements **32%**

Soft skills development programs **31%**

Career enrichment programs **28%**



43%



plan to allocate more than **5%** of fee revenue over the next 12 months to training (technical, soft skills, mentoring etc.)

LESS THAN 1% OF REVENUE

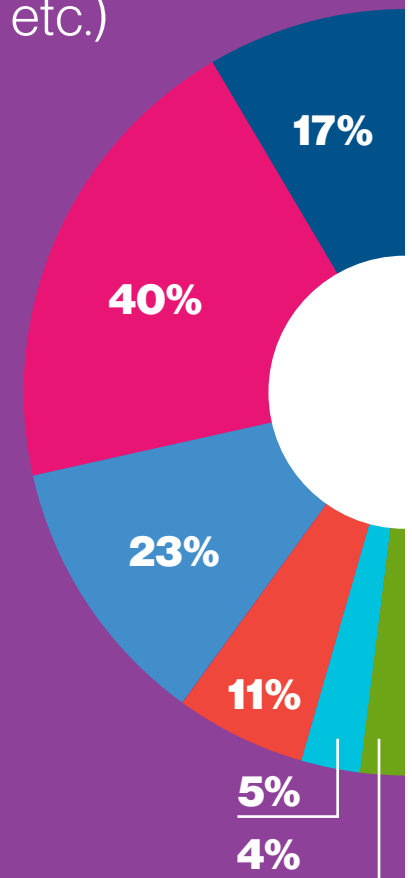
BETWEEN 1-5% OF REVENUE

BETWEEN 6-10% OF REVENUE

BETWEEN 11-15% OF REVENUE

BETWEEN 16-20% OF REVENUE

ABOVE 20% OF REVENUE



TALENT RESOURCES

GATEWAY ARTICLES & VIDEOS

- Finding Talent, Keeping Talent
- Searching for Stars: Youth & Talent Management
- Technology Brings Opportunities to Attract Young Talent
- Building Profitable Advisory Services: Specialize Your Young Talent
- Attracting and Retaining New Talent: The Case for SMPs

ADVISORY SERVICES



86%

PROVIDE SOME FORM OF
ADVISORY/CONSULTING
SERVICE

53% CORPORATE
ADVISORY

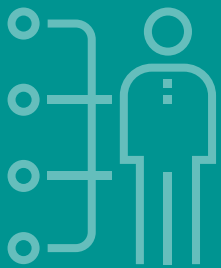
50%
MANAGEMENT
ACCOUNTING

**TOP 4
SERVICES**



31%
RESTRUCTURING/
INSOLVENCY/
LIQUIDATION

27%
HUMAN
RESOURCES
POLICIES AND
PROCEDURES/
EMPLOYMENT
REGULATIONS



OTHER
SERVICES
PROVIDED **%**

24

Succession planning/
Business transfers

24

Business development

21

Forensic accounting/
Fraud investigation

16

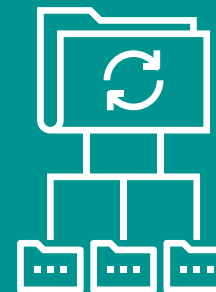
Information
technology

14

Enhanced corporate
reporting

12

Wealth management/
Retirement planning



6

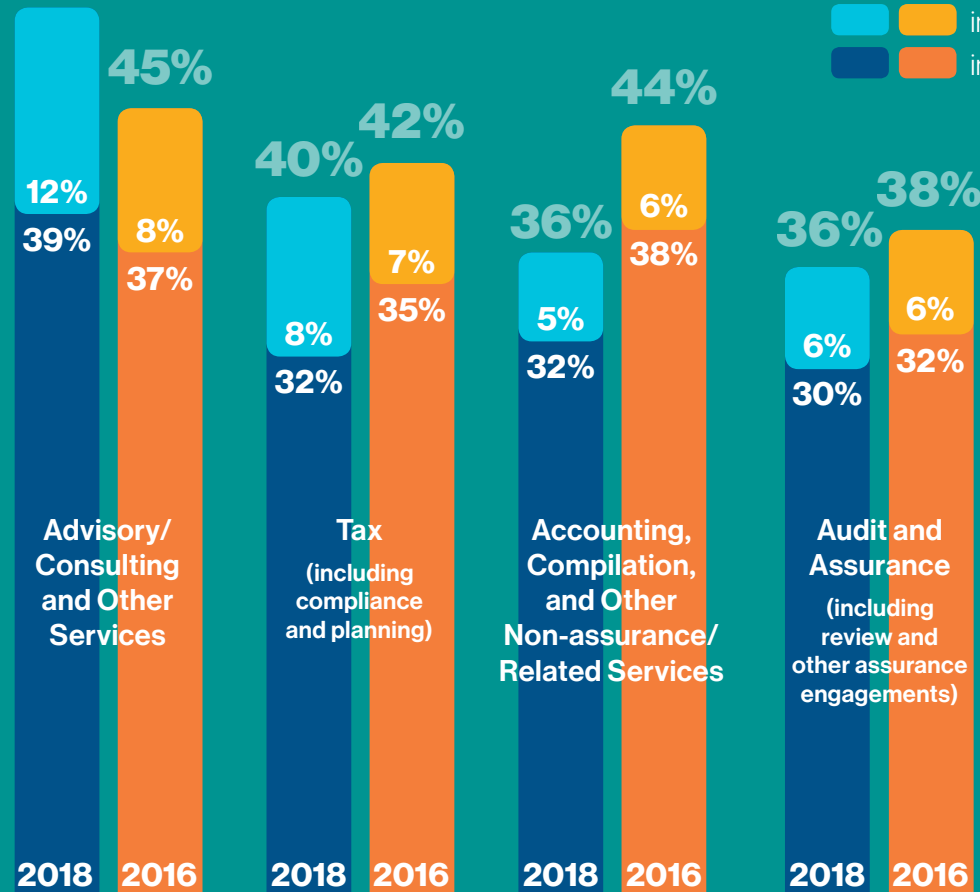
Others

PRACTICE REVENUE FORECAST

ANTICIPATE A MODERATE OR SUBSTANTIAL REVENUE INCREASE IN **ADVISORY SERVICES** OVER THE NEXT 12 MONTHS

51%

51%



■ increase substantially
■ increase moderately



ADVISORY RESOURCES

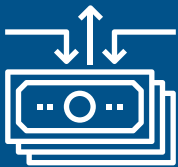
GATEWAY ARTICLES & VIDEOS

- Firms of the Future—Building Advisory Services
- Integrated Thinking & Reporting Requires Trusted Advisors: Guiding Your SME Clients
- For Small Businesses, Trust Goes Beyond the Numbers
- SMPs Can Add Value with New Services
- The Future of Small Practices & Service Offerings

TOP GLOBAL CHALLENGES⁵

CONSISTENT CHALLENGES DRIVE OPPORTUNITIES FOR INNOVATION

48% PRESSURE TO LOWER FEES



- Set prices for certain services based on estimated value for the client
- Evaluate and group clients to offer different service levels
- Maximize technology to improve processes and lower costs

46% ATTRACTING NEW CLIENTS AND RETAINING EXISTING CLIENTS



- Develop relationships with other firms for referrals and create a networking plan
- Create a marketing strategy that embraces all areas and activities of the firm
- Develop a social media strategy to engage with clients and attract staff

46% DIFFERENTIATING FROM COMPETITION



- Specialize in a specific industry sector or niche
- Leverage technology when communicating, providing services and engaging with clients
- Invest in educating and training staff, both technical and soft skills

45% KEEPING UP WITH REGULATIONS AND STANDARDS



- Embrace online learning for flexibility and join with other firms for specific sessions
- Set aside time and organize informal group staff discussions on changes
- Take advantage of professional accountancy organizations resources and join local business associations

Visit the [Knowledge Gateway](#) for more ways to address these challenges.

IFAC supports the SMP sector through a number of initiatives to raise the profile and build the capacity of SMPs globally. With input and guidance from the SMP Committee, IFAC represents SMPs' interests to standard setters and regulators, facilitates the sharing of tools and resources to help them compete in the global marketplace, and speaks out to raise awareness of their role and value, especially in supporting small- and medium-sized entities.

The IFAC Global Knowledge Gateway has received more than one million visitors since inception and now hosts over 625 original articles and videos, and links to approximately 10,000 related resources and news around the world.

Through the Gateway, SMPs can access high-quality resources in key areas, including audit & assurance, ethics, practice management, technology and business reporting.

Sign up for The Latest, our twice monthly Gateway digest.

Some regions, countries, and larger SMPs were not well represented in the 2018 IFAC Global SMP Survey. Therefore, caution should be exercised when attempting to generalize the results to specific countries, regions, or SMPs of all sizes.

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