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# THE MOSS GROUP

## Integrated Reporting for SMEs and the role of SMPs

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## **SMEs will soon be pushed to produce integrated reports**

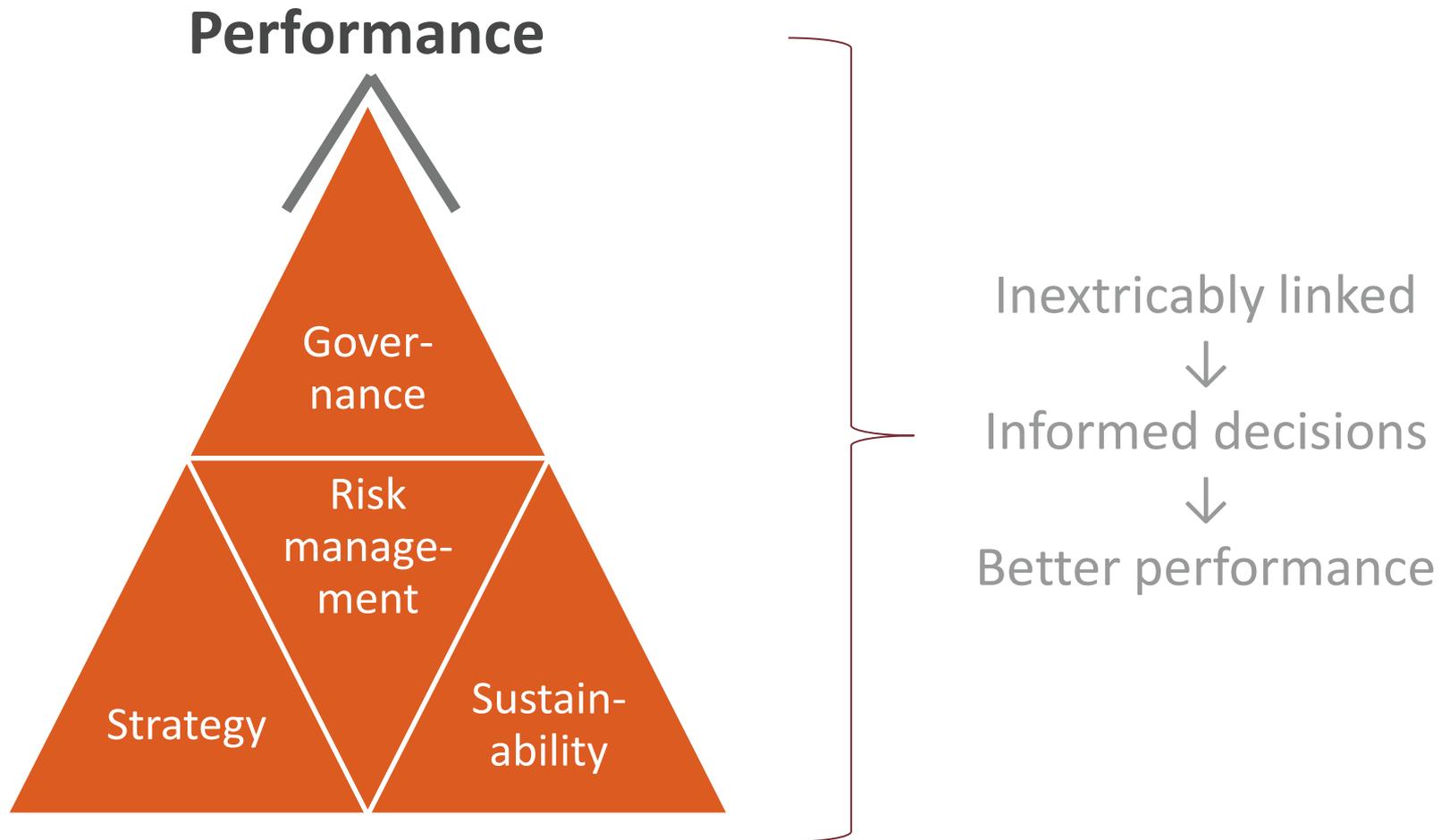
- **Adherence to King III good governance principles**
- **Stakeholder requirements:**
  - **Customers – particularly listed corporates**
  - **Financial institutions**



***Many SMEs, like listed corporates, will probably do so grudgingly.***



**However, there is significant opportunity awaiting SMEs who adopt an integrated way of thinking**





## The process of developing an integrated report can deliver great value to SMEs



### *Opportunities*

- *Mitigate **risk** and reduce **cost***
- ***Differentiate** products and services*
- *Create or enter **new markets***
- *Influence industry **standards** / norms*



## However, the SME mindset doesn't always lend itself to integrated thinking and strategising

### *Entrepreneurial style:*

- **Action-oriented**
- **Constantly readjusting:**
  - Nimble and flexible
  - BUT often reactive
- **High risk / high reward with shorter timeframes**
- **Limited funds:**
  - Limited long-term investments
- **Lean organisations:**
  - Limited time and human resource





## This presents a fantastic opportunity for small and medium practice accounting firms

### *Support needed by SMEs:*

- “Big picture” thinking
- Longer-term views
- Risk understanding
- Integrated reporting process knowledge
- Non-financial metrics



### *Opportunities for SMPs:*

- New business opportunity:
  - Additional revenue streams
  - Additional capability
- Already recognised for ability with numbers:
  - Add support on non-financial metrics
- More deeply entrenched relationships

*SMPs should be skilling themselves up to take advantage of this opportunity.*



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