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Integrated Reporting for SMEs and the role of SMPs

IFAC Annual Seminar – Cape Town

14 November 2012



SMEs will soon be pushed to produce integrated reports

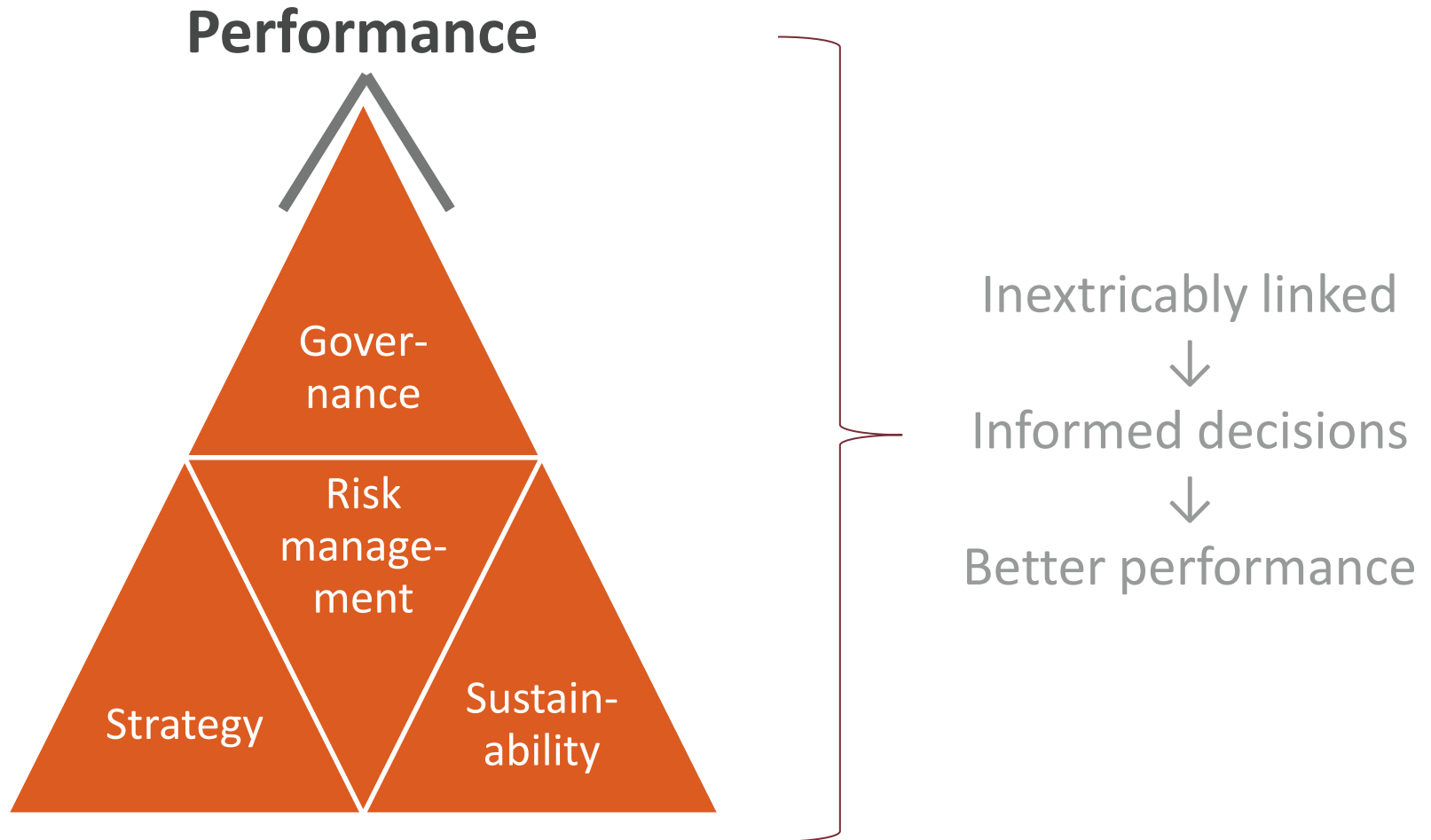
- **Adherence to King III good governance principles**
- **Stakeholder requirements:**
 - **Customers – particularly listed corporates**
 - **Financial institutions**



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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Bringing spirit into business



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