

# THE ROLE OF SMPS IN PROVIDING BUSINESS SUPPORT TO SMES

## New Evidence

*A Review of the Literature*



International  
Federation  
of Accountants

IFAC serves the public interest and strengthens the accountancy profession by:

- Supporting the development of high-quality international standards;
- Promoting the adoption and implementation of these standards;
- Building the capacity of professional accountancy organizations; and
- Speaking out on public interest issues.

This report reviews literature published post-2010. For an overview of prior literature, see [IFAC Information Paper](#), Blackburn and Jarvis 2010.

We would like to acknowledge and thank Professors Cătălin Albu and Nadia Albu, Bucharest University of Economic Studies and Professor Donna L. Street, University of Dayton, for their research and participation in this publication. The research was facilitated by the University of Dayton in accordance with an agreement to increase IFAC's research capacity.

Exposure Drafts, Consultation Papers, and other IFAC publications are published by, and copyright of, IFAC.

IFAC does not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.

The IFAC logo, 'International Federation of Accountants', and 'IFAC' are registered trademarks and service marks of IFAC in the US and other countries.

Copyright © September 2016 by the International Federation of Accountants (IFAC). All rights reserved. Written permission from IFAC is required to reproduce, store or transmit, or to make other similar uses of, this document. Contact [permissions@ifac.org](mailto:permissions@ifac.org).

ISBN: 978-1-60815-307-7

# TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
INTRODUCTION	6
SECTION 1—CHARACTERISTICS OF SMES	7
SECTION 2—DETERMINANTS OF SME DEMAND FOR BUSINESS ADVICE	8
SECTION 3—CHARACTERISTICS OF SMPS	10
SECTION 4—ACCOUNTANTS’ ROLES AND COMPETENCIES	11
SECTION 5—ORGANIZATION OF SMPS	12
SECTION 6—ACCOUNTANTS AS SME ADVISORS	13
SECTION 7—TYPES OF SERVICES PROVIDED BY SMPS	14
SECTION 8—INTERACTION BETWEEN SMES AND SMPS	17
SECTION 9—SMPS’ MARKETING PRACTICES	19
SECTION 10—NETWORKING AND REFERRALS	20
SECTION 11—ROLE OF PROFESSIONAL ORGANIZATIONS IN DEVELOPMENT OF SME-SMP RELATIONSHIP	21
SECTION 12—CONCLUSION AND FUTURE RESEARCH AVENUES	22
REFERENCES	24
APPENDIX 1—AN OVERVIEW OF EMPIRICAL EVIDENCE ADDRESSING SMPS’ PROVISION OF ADVISORY SERVICES TO SMES	29
APPENDIX 2—EXAMPLES OF REPORTS ISSUED BY PROFESSIONAL ACCOUNTANCY OR OTHER ORGANIZATIONS ON SMES, SMPS, AND SME-SMP INTERACTION	52

## EXECUTIVE SUMMARY

In April 2010, the International Federation of Accountants® (IFAC®) published *The Role of Small and Medium Practices in Providing Support to Small- and Medium – Sized Enterprises*. The 2010 report provides “an analysis of the literature and evidence base on the role of small and medium practices (SMPs) in the provision of business support to small- and medium-sized enterprises (SMEs)” (Blackburn and Jarvis 2010, 5). This report represents a comprehensive review of the same literature stream published post-2010 to help formulate a more up-to-date understanding of the SME-SMP relationship and to identify remaining gaps in the knowledge base concerning the SME-SMP relationship and recommend avenues for future research.

### SMES AND DEMAND FOR BUSINESS SUPPORT

SMEs are heterogeneous in size, growth intentions, business goals, and level of international exposure. Regarding the latter, recent research reveals that SMEs are more international than is usually assumed. Factors driving SMEs’ demand for business advice from SMPs, among others, include the nature of the company (i.e., size, debt, age, growth, and available resources) and the environment-related factors (i.e., economic conditions, including regulations, and competition).

Personal characteristics of the SME owner-manager also impact the decision of whether to purchase accounting advice. Some owner-managers are more open than others to search for and utilize external advice. Furthermore, personal factors, including the relationship, trust, and perceived value of services moderate the impact of company – and environment-related factors on SMEs’ demand for business advice.

In general, recent literature indicates that the SMEs most likely to purchase business advice are larger, younger, carry higher levels of debt or intend to obtain new funding, and exhibit higher growth rates or intentions to grow. Market segmentations (e.g., start-ups, SMEs with an ambition to grow, SMEs with lifestyle expectations, and steady-state SMEs) facilitate an understanding of the demand for business advice from SMPs by various types of SMEs.

### SMPS AND BUSINESS ADVISORY SERVICES

In general, the majority of SMPs’ revenue is generated by traditional services, including compliance, audit, and taxation. However, recent literature identifies an increase and diversification in the provision of business advisory services and highlights the associated potential for future

revenue growth. Recent research furthermore reveals that an SMP’s geographic region, size, and strategy impact whether or not it will offer business advisory services. Larger and more proactive SMPs offer more business advisory services.

The literature review reveals that SMPs are knowledge-intensive enterprises, normally with limited resources. Most SMPs face shortages in terms of human resources.

The literature indicates that networks play a growing role in the expansion of SMP expertise, especially in attracting new clients and providing new services. SMP networks and networks of SMPs with other professionals (e.g., bankers, lawyers, HR and environmental specialists) facilitate the broadening of expertise and visibility to clients.

Recent literature shows SMPs have differing expansion strategies. Some SMPs are reluctant, while others proactively seek, to expand their service offerings. The desire to expand is influenced by factors including size, level and availability of competencies (e.g. networks and training), clients’ demands, and geographic location. SMPs’ expansion choices are also influenced by level of diversification, appetite for risk, and growth aspirations.

### SME-SMP RELATIONSHIP

Accountants face competition from other service providers for the delivery of business advisory services to, among others, SMEs. However, research indicates that irrespective of jurisdiction, accountants, and especially SMPs, continue to be the preferred advisors to SMEs. The main factors SMEs consider when determining whether to purchase SMP services include any prior relationship with the accountant, the image of the accountant, and the SME’s perception of the roles and competencies of accountants. Industry, type of advice, and personality of the SME owner-manager may also impact the selection of an advisor.

Due to the multitude of factors involved, interactions between SMEs and SMPs are complex. In general, the desired interaction embodies a long-term, personal relationship based on trust and communication. However, the literature reveals complexities in that trust is not easy for SMPs to obtain and is linked with other factors, e.g., integrity, competence, and empathy.

Research also indicates that communicating with the SME owner-manager is challenging for SMPs because of perceptions associated with the low level of readability of traditional accounting documents. While the development of digital communication channels has created new ways

for accountants to communicate with their clients, research suggests that the preferred form of communication between SMEs and SMPs remains face-to-face.

Recent literature additionally suggests that traditionally SMPs have been passive, as opposed to active, marketers. Conventionally, formal promotion such as media advertising has rarely been employed. Indeed, some accountants view marketing and promotion as incompatible with the profession or as not worthwhile as the hours spent on it are not billable. Others, especially the younger generation, embrace marketing and promotion to counter competition. Researchers have recently emphasized the need for greater proactivity from SMPs in gaining new business.

---

*Research indicates that irrespective of jurisdiction, accountants, and especially SMPs, continue to be the preferred advisors to SMEs*

---

## INTRODUCTION

SMEs represent a very significant part of the world's economy, and SMPs comprise an important segment of the accounting profession. The accounting and business advisory needs of SMEs are mainly covered by SMPs (Blackburn and Jarvis, 2010). Therefore, developing an understanding of the SME-SMP relationship is important to the accounting profession. This review of the post-2010 literature was undertaken to frame a more current understanding of the SME-SMP relationship and identify remaining gaps in the knowledge base of the SME-SMP relationship and recommend avenues for future research.

The main findings of Blackburn and Jarvis (2010) follow:

- SMEs' external search for business advice is mainly demand driven.
- Accountants (primarily SMPs) are the most popular source of external business advice and support for SMEs.
- The SME-SMP relationship is generally based on trust, competency, and proximity.
- Services provided by accountants are changing and expanding. However, many SMPs still focus on the provision of traditional statutory compliance services to SMEs.
- SMPs normally have limited capabilities to deliver advice in new areas outside of statutory compliance services.
- The environment of both SMEs and SMPs is changing and new relationship models are emerging (e.g., networks and specialization on targeted industries).

Blackburn and Jarvis (2010) identify the following gaps in the literature addressing the SME-SMP relationship:

- More research needs to focus on SMPs. Most literature does not separate SMPs from accountants in general.
- Little is known about the SME-SMP relationship from the SMP perspective. Most literature focuses on the relationship from the SMEs' perspective.
- There is insufficient research around SMPs' strategic intentions and attitudes toward the provision of non-traditional services.
- Little evidence is available regarding the experience of SMEs and SMPs with referral models emerging in association with rapidly expanding global accounting firm networks.
- More research needs to consider the implications for professional accounting organizations regarding future

training requirements and identification of career pathways.

Recently, accounting academics and professional accounting organizations have embarked on a more in-depth investigation of the SME-SMP relationship yielding new evidence that addresses some of the gaps identified by Blackburn and Jarvis (2010). To *inter alia* identify trends for the future, this review covers literature published post-2010 that addresses the following research questions:

- What are the main determinants of SMEs' demand/need for business advice?
- What are the main determinants of SMPs' supply of business advice? Specifically, what are the main characteristics of SMPs, and how are SMPs organized to cope with the changing demands of accountants?
- How do SMEs and SMPs interact? How do SMEs select their business and/or accounting advisors? What are the main types of services provided by SMPs? How are SMPs using marketing strategies and network referral models?
- What are the main implications of the evolving SME-SMP relationship for professional accounting organizations?

Literature addressing the SME-SMP relationship, published by academic accounting and management media and by professional accountancy organizations, is diverse in subject matter and geographic coverage. This literature review includes an analysis of more than 90 papers and reports published post-2010.<sup>1</sup>

<sup>1</sup> The following databases were utilized: Business Source Complete, JSTOR, ProQuest, Science Direct and Emerald Insight (academic journals) and Google and Google Scholar (covers conference papers, academic and professional articles, reports, publications in journals with lower visibility, PhD theses, etc.). Most of the research reviewed is based on surveys and interviews, with data generally collected through volunteer samples (human choice rather than random selection), which impedes the generalizability of results. However, data collection from SMPs and SMEs is extremely difficult and non-random samples represent the common approach utilized by researchers to conduct research in this area (Parry, 2015).

## SECTION 1 – CHARACTERISTICS OF SMES

Professional accountancy and other organizations have conducted surveys and reviews to address the economic evolution and performance of SMEs (e.g., ACCA 2010; Edinburgh Group 2013; European Commission 2014; and ACCA and IMA 2014). The resulting publications examine SMEs' evolution in terms of number, growth, value add, profitability, and employment by industry and country/region. These publications contribute to our understanding of SMEs' characteristics and dynamics, and as discussed in [Section 2](#), include the factors driving their demand for accounting and other business advice. The findings are relevant to the accounting profession, suggesting potential roles for, and contributions from, it (see [Appendix 1 Panel A](#)).

### Most companies worldwide are small by size.

Collectively, SMEs play an important role in innovation, employment, and economies in general. These entities represent 85 to 99.9 percent of the business population, account for more than half of the private sector value added, and two-thirds of employment (ACCA 2010). SMEs are usually defined by reference to quantitative thresholds (e.g., employees, assets, and turnover/revenues) set by jurisdictions. The threshold tends to be higher in larger economies (e.g., 50 to 150 employees in Malaysia, depending on sector and 250 employees in the European Union) (ACCA 2010). Most SMEs are very small; for example, the median business worldwide has no employees (ACCA 2010).

A significant proportion of SMEs are family enterprises (Hiebl 2013), characterized by family involvement and values permeating ownership, governance, and management. These enterprises desire to maintain family control (Songini et al. 2013) and attach considerable importance to non-financial objectives (e.g., reputation, image, or life-work balance) (Stone 2011a; Songini et al. 2013). Understanding the family context for the provision of business advice (including by accountants) is very important (Blackburn et al. 2014).

**Only a subset of SMEs is interested in growing or in seeking maximum return.** This subset is entrepreneurial in the sense of identifying strategies and making changes with the intent to grow (Edwards et al. 2010). Conversely, many SMEs choose to remain small or not grow (Stone 2011a; Anderson and Ullah 2014; ICAEW 2014) (see [Appendix 1, Panel A](#)). The success of SMEs cannot be equated with growth because SME owner-managers pursue a range of other goals in addition to, or alternatively to, growth (Parry 2015).

SMEs' decision-making processes frequently differ from the goal-driven, planned, and rational processes associated with larger companies (Child and Hsieh 2014). Personal "hunch" and unplanned actions are common features for many SMEs with decisions often based on little information. Owner-managers frequently use a learn-by-doing and informal approach to communication (Stone 2011a). This management philosophy impacts how accounting and accounting services are perceived and utilized.

SMEs are connected with the local, national environment and are often presumed to engage in little, if any, international activities. However, an Edinburgh Group (2013) study of 1,350 SMPs representing over 70 countries suggests that SMEs are more international than is often assumed. Internationalization is mainly related to import-exports (e.g., the global contribution of SMEs to exports is 30%). SME exporters tend to be larger, faster growing, and more profitable than non-exporters (ACCA 2013b).

SMEs are embedded in local communities with this feature being more prominent for those located outside big cities. Typically, SMEs have moral values and are interested in maintaining a good community image (Agan et al. 2013). Increasing pressure (e.g., from regulations, customers, and supply chain pressures) to have more sustainable practices influence SME activities, mainly because being socially responsible is associated with having a better image within the community. SMEs also have environmental and social responsibilities. For example, SMEs' contribution to global pollution (e.g., waste) is estimated at about 60-70% of total pollution (Revell et al. 2010) and almost equals their contribution to the global GDP (Vickers et al. 2009 cited in ACCA 2010). Globally, SMEs respond differently to these conflicting pressures depending on available resources, level of pressure (from regulations, customers, etc.), and the owner-manager's attitude toward sustainability.

In conclusion, **SMEs face economic, regulatory, social, and cultural pressures that may impact their utilization of accounting information and advice.** SMEs are neither "clones" nor scaled-down versions of larger entities.

Therefore, SMEs should not be considered as a homogenous, single category when investigating implications for the accounting profession.

---

*Growth intentions for SMEs differ depending on size, i.e., 48% of sole traders seek to grow, compared to 79% of micros, 88% of small, and 89% of medium-sized businesses. (ICAEW 2014)*

---

## SECTION 2—DETERMINANTS OF SME DEMAND FOR BUSINESS ADVICE

Some SMEs are more inclined than others to seek external business advice (Blackburn et al. 2014). There are various factors/determinants that motivate SMEs to seek business advice in general and accounting advice in particular. Blackburn and Jarvis (2010) identify the following determinants of advice-seeking behavior in SMEs:

- Owner-managers often prefer the “do-it-yourself” approach and are reluctant to seek business advice, thereby negatively impacting demand.
- The absence of in-house expertise increases demand for business advice.
- Increased regulation positively impacts demand for business advice (e.g. health and safety or environmental protection regulations).

Several studies (Blackburn et al. 2010a; Kamyabi and Devi 2012; Spence et al. 2012a; Strike 2012; Shehu et al. 2013) (see [Appendix 1, Panel B](#)) confirm the importance of the above listed determinants and suggest that additional factors may impact SMEs’ demand for business/accounting advice. Based on interviews with SME owner-managers and accountants from the UK and Australia working in second-tier firms (i.e., non-Big 4 with an international affiliation) or SMPs, Blackburn et al. (2010a, 2010b, and 2014) investigate the determinants of SMEs’ purchase of business advice. In addition to the availability of in-house resources, the study identifies **the following factors that drive demand: company size and age, debt, growth rate and intention to grow, business life cycle, and economic conditions.** Personal factors (i.e., existing relationship, including social rapport, and understanding business needs), level of trust (i.e., ability/competence, integrity, empathy, propensity to trust), perceived value of services, and perceived financial benefit play a mediating role between company – and environment-related factors and the demand for advice. In general, the existing literature indicates that **larger, younger SMEs, with higher levels of debt or those seeking funding, and exhibiting higher growth rates or intentions to grow, are more likely to purchase business advice** (Blackburn et al. 2010a and 2014; Spence et al. 2012a). A few other studies yield more nuanced findings, yielding mixed evidence about the above mentioned determinants (e.g., Shehu et al. 2013, suggest size is not a determinant of accounting services utilization) and some identify additional determinants.

Providing some insight on the mixed findings regarding size, Blackburn et al. (2010a) discuss contrasting rationales. Larger companies are more likely to internally employ business and accounting experts and, therefore, may be

less inclined to purchase external advice. Conversely, larger companies face more economic challenges and may have more financial resources available to purchase external advice.

The findings are also mixed regarding the impact company age and life cycle stage have on whether SMEs seek advice. Blackburn et al. (2010a) explain that during the initial stages of an SME’s life cycle, the owner-manager faces unfamiliar problems. Thus, external advisors may play an important role in helping the owner-manager cope with these problems. However, early in a company’s life cycle, fewer resources are likely available for buying advice. Additionally, the owner-manager may be unaccustomed with managing a business and where to find advice.

The economic environment, including regulations, competition, and predictability, is an important determinant of whether SMEs seek business advice. SME owners operating in dynamic (i.e., facing market or regulatory change), turbulent, and unpredictable environments are more likely to seek external advice (Blackburn et al. 2014). Moreover, SMEs facing intensified competition (Kamyabi and Devi 2012; Shehu et al. 2013) or environmental regulatory requirements (Spence et al. 2012a) utilize advisory services to a higher extent than their peers not facing them.

The demand for advice is also impacted by the absence of internal accounting knowledge (e.g., no accountants on staff). Smaller SMEs typically use external accountants for regulatory work and advice and for business advice. As an SME grows, usually to about 50 employees, the company often begins to develop in-house expertise (Schizas et al. 2012; ACCA 2012 2013a) but also faces other various information needs. Evidence suggests that external accountants normally do not lose such clients, instead the types of services provided are modified, especially services associated with higher value-added non-compliance services (ACCA 2013a). It is common for SMEs to have select accounting tasks performed internally, while external accountants execute other tasks (Everaert et al. 2007).

Several studies (Jarvis and Rigby 2012; Blackburn et al. 2014) provide evidence that **trust and social relationships positively impact demand for additional external accounting services.** Relationships established between an SMP and an SME during the provision of traditional compliance services often lead to additional services, especially business advice (Blackburn and Jarvis 2010; Jarvis and Rigby 2012). However, this link does not always materialize (Jarvis and Rigby 2012; Blackburn et al. 2014).



One possible reason is that accountants may not fully respond to SMEs' interest in purchasing additional services because some SMPs do not want to deliver non-traditional services (Jarvis and Rigby 2012).

**Personal characteristics of the owner-manager also impact an SME's decision of whether to purchase accounting advice** (Blackburn et al. 2010a; Forbes 2010; Jaouen and Lasch 2015; Parry 2015). Research reveals that some owner-managers are more open to search for and utilize external advice (see [Appendix 1, Panel B](#)).

Development of the business/accounting advice industry may also influence the demand for advice. For example, in less-developed economies, qualified business/accounting advisors may be limited in number, and SMEs may be less knowledgeable and open to seeking advice from these providers (see Strike 2012; Abang 2013; Devi and Samujh 2010). Research from developed and developing countries indicates that education level, knowledge, competence, and an understanding of the role of accounting services are important determinants of the SME owner-manager's demand for accounting advice (Padachi 2012; Kamyabi and Devi 2012; Kipsang 2012; Shehu et al. 2013). **Culture, gender, and ethnicity also influence whether advice is sought** (Blackburn 2012; Strike 2012).

The perceived value of services also impacts the demand for advice and brings into play the importance of the cost-benefit tradeoff. Benefits are more difficult to observe, and in many cases subjective or indirect, while costs are immediately visible. Not all SMEs are able or willing to pay for advice; therefore, the cost of services represents a barrier to receiving advice (Devi and Samujh 2010; Abang 2013). Research indicates that cost impedes the demand for advice in developing countries (Devi and Samujh 2010; Abang 2013; ICPAS and CPA Australia 2013), rural or remote areas (Alam and Nandan 2010), and even developed countries (Banham and He 2014). These studies also identify lack of time and knowledge regarding service providers as barriers to seeking advice.

To summarize, a number of factors impact, to varying degrees, the demand for external advice. Various segmentations of SMEs are proposed in the literature (IFAC 2008; ACCA 2010; Blackburn 2012) to facilitate an understanding of the impact these factors have on the advisory needs of SMEs (see [Appendix 1, Panel B](#)).

---

*The following factors influence demand for advisory services:*

- *business environment dynamics;*
- *importance of perceived added value of business services;*
- *owner-manager personality; and*
- *existing SME-accountant relationship (including trust, perceived competence, and experience).*

*(Blackburn et al. 2010a)*

---

## SECTION 3—CHARACTERISTICS OF SMPS

Accounting firms are frequently segmented into three groups based on size: Big 4 firms, second – or mid-tier firms and SMPs (Blackburn and Jarvis 2010; Lander et al. 2013). Like the Big 4, second – or mid-tier firms are large in size, in many cases belong to international networks, provide services to larger companies and other entities, and provide assurance services. Blackburn and Jarvis (2010) and ACCA (2010) illustrate how SMPs differ from the Big 4 and second-tier firms. **SMPs normally share the following characteristics: most of their clients are SMEs, they employ a small number of professional staff, they do not ordinarily audit the accounts of listed companies, and most of their work is the provision of non-assurance services** (e.g., regulatory compliance, tax, advisory services). SMPs represent a significant part of the accounting profession. The definition and meaning of SMP varies by jurisdiction.

While SMPs share several characteristics with other accounting firms, they are not simply a scaled down version of larger firms. For example, SMPs face different issues and service different clients. Alam and Nandan (2010), for example, distinguish metropolitan from rural SMPs and illustrate how these groups face different challenges and opportunities.

SMPs are knowledge-intensive service firms that use the knowledge of their employees to provide solutions to problems faced by their clients. They have similarities with other knowledge-intensive firms, especially other providers of business advice. For example, like larger firms, SMPs have expanded the range of services they provide, making innovation important for survival and profitability (Massaro and Rossi 2014). However, innovation in the service industry in general, and accounting firms especially, is understudied.

The main resource of knowledge-intensive firms is human capital, making knowledge management a part of operational and strategic activities (Huggins and Johnston 2012). Since employees are SMPs' key resource, issues related to staffing represent a major concern with limited resources for training or payments and/or career opportunities accentuating the challenge. Surveys conducted by professional accountancy organizations in various jurisdictions (e.g., Alam and Nandan 2010; Wines et al. 2013; ACCA 2011; Devi and Samujh 2010; IFAC 2015) confirm that staff-related issues are critical to SMPs (e.g., difficulties in hiring competent staff, professional development, succession, mergers, and achieving a balance between personal and professional life) (see [Appendix 1, Panel C](#)).

In conclusion, SMPs themselves are SMEs and, thus, share the same characteristics as other SMEs, such as limited resources, shortages of human resources, and non-financial objectives of owners and staff (e.g., life-work balance).

## SECTION 4—ACCOUNTANTS' ROLES AND COMPETENCIES

The roles and competencies of accountants are key factors in the relationship between the supply of and demand for advice. While these factors pertain directly to the supply of accounting advice, SMEs' perception of accountants impacts both the demand for advice and the SME-SMP relationship. Blackburn and Jarvis (2010) identify a movement in accountants' competency base and roles toward providing business advice services. Furthermore, they identify a gap in the literature as of 2010 and call for research to inform professional accountancy organizations regarding the evolving career paths of accountants and the associated new training requirements. Only a few studies since 2010 address this gap.

Accountants need specific competencies in order to deliver accounting services. Hiebl (2013, 150) posits that the skills accountants possess represent an antecedent of their role in companies because "role behavior is a product of qualifications and capacity and reflect person-organization fit." For example, CIMA (2015) reports that the accountant's involvement in the strategic management process depends on the accountant's technical and personal abilities and desire to contribute to strategy development.

Beyond financial accounting and taxation, **SMEs expect accountants to possess skills in management accounting, problem solving, communication, business acumen, interpersonal skills, and strategic thinking** (CIMA 2011). In some instances, change management and risk management skills are also in demand. The delivery of advisory services requires, to some extent, additional competencies, especially creativity and communication. However, like other accounting firms, SMPs face difficulties in attracting accountants that possess the skills needed to provide services beyond those traditionally provided by accountants (Robert Half Management Resources 2012). **To expand their skill set, some accounting firms hire non-accountants** (Lander et al. 2013) and/or those with double degrees, for example, in areas such as commerce and law (Ciccotosto et al. 2008). Research suggests that **accountants need additional training in the provision of business advice and communication** (e.g., listening, facilitation, and the ability to provide objective opinions) (Blackburn et al. 2010a; Strike 2012) to be effective advisors. Since they interact with company representatives based on specific hierarchical, social, and psychological considerations, accountants also play a social role (Carter et al. 2013a; Hiebl 2013).

Perceptions of the roles of accountants differ across situations, locations, countries, and cultures, and extend,

in some cases, outside the organization. For example, accountants practicing in small rural communities are expected to fulfill additional roles, e.g., serve in local organizations and be emotional wellbeing counselors (Carter et al. 2013a). Accountants may serve as facilitator (mediation and negotiation), educator (consciousness raising, informing), and company representative (e.g., in obtaining resources, advocacy, media relations, networking, sharing knowledge, and experience) (Tesoriero 2010, cited in Carter et al. 2013b). Several metaphors reflect the diverse roles accountants play in today's environment, including "legitimate friends" (Jarvis and Rigby 2012), "garage mechanics that keep the engine running with a range of crucial services" (ICAEW 2014), "hub in a referral network of advisors" (Blackburn et al. 2006), "business coach and mentor rather than just a source of narrow professional expertise" (Perry and Coetzer 2009), and "family doctors" (Hasle et al. 2010).

To counter stereotypes (for example, Carnegie and Napier 2010; Devi and Samujh 2010; Lucas et al. 2013) and promote a positive image, several professional accountancy organizations have published reports that articulate the competencies and roles of accountants (e.g., ACCA 2013a; IFAC 2011, 2012; CIMA 2011; CGMA 2014) (see [Appendix 1, Panel D](#)). These reports aim to increase awareness of the value of accountants and stimulate change within the accounting profession.

In conclusion, the literature identifies perceptions of accountants' roles and competencies as important to both the SMPs themselves (i.e., their perception affects the supply of advice) and SMEs (i.e., their perception affects demand for advice). The literature also suggests a change in the role of accountants, from the perspective of professional accountancy organizations and from the perspective of the interaction between SMEs and SMPs. Traditionally, accountants deliver compliance-based, technical services. However, **the evolution of SMPs, coupled with the growing demand for business advice, suggest that SMPs currently, and more so going forward, may play the roles of advisor, confidant, analyst, facilitator, and educator to their clients.**

## SECTION 5—ORGANIZATION OF SMPS

According to Blackburn and Jarvis (2010), the accounting profession and SMPs face pressure to change following the expansion of the role of accountants and of the services accounting firms provide. However, little is known about how SMPs are responding to these challenges, especially in terms of how they might adjust their strategy, organizational structure, and operations. Specifically, the literature as of 2010 focused more on how accountants should change their provision of services, and less on how SMPs have changed the type of advice and services provided.

Blackburn and Jarvis (2010) also note that researchers often study accountants or advice providers in aggregate instead of separately examining important sub-samples like SMPs. An understanding of SMPs' strategic intentions and reaction to changes in the advice market will continue to represent gaps in the literature unless new studies focus exclusively on SMPs.

Some post-2010 research addresses this gap. A few authors recommend how change should occur, e.g., **SMPs should be proactive in practice growth, in relation to clients and in providing staff training** (Sawers and Whiting 2010; Sleeter 2013; Doran 2014). Others are beginning to examine how SMPs respond to environmental change. For example, some studies (Bagchi-Sen and Kuechler 2000; Devi and Samujh 2010; ACCA 2011; Sarens et al. 2015) (see [Appendix 1, Panel E](#)) investigate the supply of advice and organizational implications for SMPs. These studies identify differing views among SMPs toward the provision of new services (some are more proactive) and the mechanisms mobilized to support change (e.g., alliances, professional organizations, technical materials).

Other studies investigate the determinants of offering accounting advice. Regarding size, small SMPs tend to be less prone to providing non-traditional services, such as business advisory, as these are outside their comfort zone (Jarvis and Rigby 2012). Moreover, staff qualification and training is important because they are usually associated with lower variety in the advisory services offered (Sarens et al. 2015). Therefore, **the likelihood of SMPs developing wider business advice services depends on the development of necessary competencies.**

A few studies analyze elements related to SMP strategy, e.g., types of strategy, competitive advantage, and market orientation. These studies (Lander et al. 2013; Massaro and Rossi 2014) (see [Appendix 1, Panel E](#)) underline the crucial role of a strategic orientation in developing new services and in performance. These strategies are shaped in a context where smaller firms face conflicting pressures,

i.e., traditional trustee logic (focused on technical expertise) and the new commercial logic (augmented by increased competition and client demands) (Lander et al. 2013). SMPs that provide new services are more market oriented (Massaro and Rossi 2014). However, **proactivity involves seeking market niches and being goal-oriented and does not necessarily involve high diversification of services** (Bagchi-Sen and Kuechler 2000). SMPs with fewer employees and smaller revenues tend to be less proactive and tend to concentrate on a few services, while proactive SMPs are distributed across all employee and revenue size categories. Strategic orientation impacts how firms are organized and managed, the services they provide, and client relationships (Lander et al. 2013).

Several recent Australian studies investigate how SMPs cope with specific conditions, e.g., working in remote or rural areas. (Alam and Nandan 2010; Carter 2010) (see [Appendix 1, Panel E](#)). The findings indicate that accountants working in remote areas play an active role in their communities and are close to their clients (e.g., educating them, adjusting their services in line with weather changes, and providing pro-bono or low-cost services). Working in remote areas has its benefits, e.g., having autonomy in decision making and a good image in the local community; however, it also results in geographical isolation and limitations in the diversification of services provided.

In conclusion, SMPs are not homogeneous in their provision of non-traditional services. SMPs embrace different strategies, with some being reluctant while others proactively seek to expand. **SMPs' response to the demand for non-traditional services is influenced by size, level or availability of competencies, client demand, geographic location, and preferences in terms of diversification, risk, and growth.**

---

*Five strategies to cope with opportunities and challenges in the current environment:*

- *forming strategic alliances;*
  - *diversifying services;*
  - *focusing on relationship building; and*
  - *focusing on market positioning and outsourcing. (ACCA 2011)*
-

## SECTION 6—ACCOUNTANTS AS SME ADVISORS

SMEs seek business advice from various sources, including professionals (accountants, banks, lawyers, and management consultants); public (governmental support); family, friends, and social networks; books; universities; and websites. Recent empirical evidence (Ballereau and Torres 2013; ICAEW 2014) (see [Appendix 1, Panel F](#)) confirms Blackburn and Jarvis' (2010) conclusion that accountants hold a preferred position among SME advisors. Based on a review of 105 articles on providing advice to family firms, Strike (2012) concludes that **accountants are the service provider most likely to hold the role of most trusted advisor and, therefore, to be the most common source of advice.**

Research also investigates the criteria used by SMEs when selecting advisors (accountants versus other advisors). Studies suggest **the most important factors considered when selecting an advisor include the type of advice, the prior relationship with the accountant (including the level of trust), the reputation and image of the accountant, the personality of the owner-manager, and SMEs' perception of the roles and competencies of accountants.** Based on interviews of accountants and SME owners from the UK and Australia, Blackburn et al. (2014) identify an expectation gap. Accountants perceive themselves as possessing the skills and expertise to provide business advice. However, SME owner-managers hold mixed views, mainly because they do not believe that accountants always possess adequate business expertise and industry knowledge. All of the SME owners interviewed use business advisors; however, not all utilize accountants for advice. The interviews reveal that relationships and trust (i.e., integrity and empathy) are necessary to stimulate demand for latent business advice.

Socioemotional wealth is important in family businesses and may represent a significant factor in decisions, including those associated with governance and control models, strategy, and choice of advisors (Songini et al. 2013). Family businesses expect a fit not only in competencies but also in values and norms. Especially in collective-oriented cultures, family values are important, e.g., the importance of family name and harmony exceeds that of financial results (Strike [2012] reviews empirical evidence for India, Lebanon, Brazil, and Chile). **In collective cultures, the expectation is that advisors will become "pseudo family members."**

Studies conducted in emerging economies (Ismail and Zin 2009; Xiao and Fu 2009) indicate that, especially in countries with a strong State influence, government programs are popular and compete with private professional advisors.

In these countries, the market penetration for advisors is reduced and is further negatively affected by, for example, poor marketing, clients being unaware of available services, and scarcity of skilled residents.

Although accountants hold a privileged position in advising SMEs, SMPs face competition from other service providers, e.g., advisory service providers.

First, deregulation is increasingly emerging in various countries, thereby reducing boundaries between professional firms (Alam and Nandan 2010). **IT developments also simplify bookkeeping and other traditional accounting services.** Furthermore, other service providers increasingly offer accounting and financial advice traditionally provided only by accountants (Nandan 2010; Schizas et al. 2012). According to Albrecht and Sack (2000), "today anyone, armed with the right software, can be an 'accountant' and produce accounting information." This has serious implications for the accounting profession, including the types of services provided by the profession and the image of accountants. Specifically, poor quality "accounting" services purchased by SMEs from non-certified/qualified accountants can negatively impact perceptions of the quality of accounting advice and accountants' image (Devi and Samujh 2010).

Second, **SMPs increasingly offer advice in areas not directly related to their traditional expertise** (e.g., environmental activities) (see [Section 7](#)). Since other advisors also offer advice in these new service areas, competition is likely to intensify.

Third, the SME-SMP relationship and owner-managers' perception of accountants influence SMEs' selection of advisors for non-traditional services. If accountants are perceived as dealing only with taxes and bookkeeping, other service advisors (e.g., solicitors/lawyers, consultants, banks, and support agencies) emerge as competitors in the provision of advice in areas more or less traditionally related to accounting (e.g., management accounting, environmental advice) (Abang 2013; Lucas et al. 2013; see also [Appendix 1, Panel F](#)).

In summary, accountants face substantial competition from other service providers for the delivery of not only business advice but also traditional services. However, research indicates that accountants remain the preferred advisors of SMEs, irrespective of jurisdiction. **Selection of an advisor is affected by several factors, i.e., perceived level of expertise, level of trust, and the personal relationship with the SME owner-manager.**

## SECTION 7 – TYPES OF SERVICES PROVIDED BY SMPS

Blackburn and Jarvis (2010) explain that traditionally accountants provided SMEs with compliance and monitoring services. They also note that as of 2010 the SME-SMP relationship had begun to embrace the provision of non-compliance advice and support, thereby suggesting a trend toward expansion of the services provided by SMPs. Based on their review of the then-limited literature, they called for additional research to inform a better understanding of the growing range of services provided by SMPs.

Business advice can be broadly defined as the “professional services provided by accountants to assist or to advise clients in their strategic direction and operational running of their firms” (Blackburn et al. 2014, 2). According to Carey (2008), the major feature distinguishing traditional services from business advice is that the former primarily serves external stakeholders’ needs, while the latter serves management’s needs (i.e., internal stakeholders).

Evolving to position themselves as “professional service firms,” the Big 4 and second-tier firms to some extent initiated the expansion of the types of business advice offered by accountants. SMPs followed by widening their portfolio of services (Blackburn and Jarvis 2010; Blackburn et al. 2014). Business services provided by SMPs to SMEs include, but are not limited to: acquisition; succession; financial management; business strategy; tax planning; cash-flow advice; financing advice and debt administration; business valuation; forensic accounting; bankruptcy; costing and pricing; financial planning and budgeting; human resources; pensions; remuneration schemes and payroll; environmental sustainability; IT services; secretariat; training and skill development; and risk management (Alam and Nandan 2010; Blackburn et al. 2010a and 2014; Carey 2008; Devi and Samujh 2010).

[Appendix 1](#) provides an overview of empirical evidence addressing the services SMPs provide. Differences exist across geographic regions, SMP sizes, and strategies. [Panels G](#) and [H](#) address the SME and SMP view, respectively.

SMPs face conflicting pressures that impact the services provided. Some factors deter SMPs from progressing measurably from the provision of traditional compliance services, e.g., satisfaction with the provision of traditional services, lack of resources to provide other services, risks, and competition outside of traditional services (Nandan 2010). Conversely, **SMPs have an interest in moving beyond traditional compliance work motivated by, for example, audit exemptions, increasing competition,**

**and technological developments** (Jarvis and Rigby 2012; ICAEW 2014). Economic changes, limitations of mandatory services (e.g., auditing), competition, and the effects of technological developments place mounting pressure on SMPs to extend the array of services provided. ACCA and IMA (2012) report on 100 drivers of change for the accountancy profession and indicate that an imperative for the profession is development of a holistic view of the organization to enable the provision of a wide range of services, e.g., health and environmental. ACCA and IMA consider that the profession will, in a few years, provide assurance on compliance with regulations such as carbon tax and will audit the genetic health of the workforce.

Blackburn and Jarvis (2010) note that the provision of advice by SMPs includes areas such as human resources, health and safety, succession planning, marketing, and environmental issues. However, as of 2010, they did not identify any research addressing SMPs’ reaction to these new services. Thus, these authors call for future research related to SMPs’ strategic intentions and level of preparedness to provide non-traditional services.

Only a few post-2010 studies focus mainly on SMPs’/ accountants’ views regarding the provision of a wide variety of new services. Since few of the studies address specific forms of advice (Jarvis and Rigby 2012), it is difficult to ascertain the extent to which SMPs provide specific types of advice. Nonetheless, a limited number of papers address the extent, challenges, and implications for SMPs of providing specific types of business advice, e.g., health and safety services (Hasle et al. 2010), human resources (HR) (Sawers and Whiting 2010; Jarvis and Rigby 2012), services related to internationalization (ACCA 2013b; Jarvis et al. 2013), and environmental issues (Spence et al. 2012a; Williams et al. 2013). Additionally, given the competition SMPs face from other service providers, some authors encourage SMPs to market themselves in non-traditional areas including, IT/technology and management accounting (e.g., Nandan 2010; Sleeter 2013).

### HEALTH AND SAFETY SERVICES

Research reviewed in Hasle et al. (2010) indicates that health and safety problems are rarely addressed by SMEs due to limited resources and capacity to absorb external information. Moreover, in regard to health and safety, it is difficult for external advisors and authorities to reach out to SMEs with preventative solutions. Thus, some authors suggest that accountants may serve as a “window for contact” to SMEs (Hasle et al. 2010) (see [Appendix 1, Panel I](#)).

Some suggest that, since accountants have at times provided health and safety advice to SMEs, the future role of accountants may include, as mentioned previously, auditing the genetic workforce (ACCA and IMA 2012). However, to develop assurance services in this area, accountants need training and educational materials, as well as support from authorities and professional accountancy organizations.

## HR SERVICES AND SUCCESSION PLANNING

SMPs are one external source of support for SMEs in the HR and employment area. The types of support most frequently provided relate to HR procedures, contractual obligations and employment legislation, recruitment, succession planning, and reward (Sawers and Whiting 2010; Jarvis and Rigby 2012) (see [Appendix 1, Panel I](#)). Such services are normally offered by SMPs that are familiar with both the SME's context and the associated legal requirements. In some cases, the provision of HR and other employment-related services require SMPs to have access to additional resources (e.g., specialized staff, additional training) (Jarvis and Rigby 2012).

## INTERNATIONAL AND FOREIGN EXCHANGE RISK MANAGEMENT SERVICES

An increasing number of SMEs conduct international activities (ACCA 2013b) and are thus exposed to foreign exchange risk and different tax and regulatory requirements. Consequently, their accountants may provide corresponding services. International advisory services provided by SMPs may include taxation, guidance on customs duties, and legislation for other jurisdictions, currency hedging, and credit terms (Jarvis et al. 2013). SMPs tend to lag SMEs in embracing internationalization because their SME clients may obtain advice on international activities from other sources (Edinburgh Group 2013). Availability of the resources required for the development of skills represents the major determinate of whether or not SMPs offer advisory services related to international activities (ACCA 2013b) (see [Appendix 1, Panel I](#)).

## ENVIRONMENTAL/CSR ADVICE

Sustainability and corporate social responsibility (CSR) represent emerging key issues for the accounting profession (IFAC 2011 and 2012; NBA 2012; FEE 2010a; ACCA 2012; CICA, AICPA, and CIMA 2011; OEC 2011a and 2011b). Therefore, the literature addressing sustainability and CSR from the perspective of the accounting profession

is growing rapidly.

First, professional accounting associations identify sustainability as a critical area of expertise for the profession to develop. IFAC (2011) underlines that sustainable success for SMEs will depend on their economic, environmental, and social performance; a narrow focus on financial performance can result in a loss of trust in the organization that will damage performance. Professional accountants act as creators, enablers, preservers, and reporters of value in the sustainable value creation process. Several professional accounting organizations (FEE 2010a; CICA, AICPA, and CIMA 2011; OEC 2011a and 2011b; NBA 2012; ACCA 2012) have published reports highlighting the need for accountants to anticipate and respond to the increasing CSR needs of SMEs (see [Appendix 1, Panel I](#)). Professional organizations and associations of professional organizations are also beginning to provide more guidance on best practices in CSR advisory, including the provision of resources for advisors/consultants (FEE 2010b; CICA, AICPA, and CIMA 2011; ICAS 2012; IFAC 2012; NBA 2012; Knopf and Mayer-Scholl 2013).

Second, **research reveals that SMEs embrace sustainability for various reasons, e.g., pressures in the supply chain, regulatory requirements, and reputational and financial concerns** (Revell et al. 2010; IFAC 2012; CICA, AICPA, and CIMA 2011; Agan et al. 2013). The main barriers faced by SMEs when advancing corporate sustainability performance are the lack of financial resources and lack of knowledge (Hillary 2004; United Nations Global Compact 2013) (see [Appendix 1, Panel I](#)).

Third, a body of research addressing SMPs/accountants providing environmental and sustainability advice is beginning to emerge. This research indicates that the provision of environmental and sustainability advice is influenced by the industrial sector, national and international legislation, and the economic climate (Spence et al. 2012a). Since accountants are knowledgeable in financial matters, reporting, accounting, and auditing, they are also equipped to fulfill an important role in offering CSR advisory services (NBA 2012). Research suggests that accountants begin to provide sustainability advice in an informal manner (Berger-Douce 2012; Spence et al. 2012a, 2012b, and 2013; Williams et al. 2013) (see [Appendix 1, Panel I](#)). The main barriers to accountants providing such advice include, but are not limited to, the lack of resources and knowledge (Spence et al. 2012b and 2013). To grasp the opportunities in this area, research suggests that SMPs should establish collaborations with CSR experts to gain access

to knowledge, seek recognized training and education, gain experience (starting with their own business), initiate conversations with clients, and work to build institutional trust in the accounting profession as providers of CSR/ environmental services.

## PERSONAL ATTENTION & EMPATHY

---

The literature suggests that **accountants and other business advisors are expected to give due regard to personal contact with their clients as well as their emotional problems** (Smyrnios et al. 2000 cited in Sawers and Whiting 2010). While this responsibility pertains more to the SME-SMP relationship (further investigated in [Section 8](#)) and normally does not generate (nor is it intended to generate) revenue, personal attention and empathy are strongly interrelated with the provision of other services. Financial and emotional wellbeing are interrelated, i.e., counselors or psychologists sometimes address financial issues, while accountants sometimes address emotional issues (Carter et al., 2013a).

In conclusion, our review facilitates an understanding of the extent to which SMPs in various jurisdictions provide business advisory services to SMEs. Studies focused on specific types of services such as HR and environmental advice, provide a rich insight into the rapidly growing opportunities for SMPs to expand their advisory offerings, how SMPs organize themselves to provide and/or expand their offerings of non-traditional services, and the strategies utilized by SMPs when seeking to offer or grow their advisory offerings.

---

### **IFAC Global SMP Survey 2015**

*The vast majority of SMP respondents (84%) provide some form of business advisory and consulting service. The top three most commonly provided were:*

- *tax planning (52%);*
  - *corporate advisory (advice on financing, mergers, due diligence, valuations, legal issues) (45%); and*
  - *management accounting (planning, performance, risk management) (41%). (IFAC 2015)*
-



## SECTION 8—INTERACTION BETWEEN SMES AND SMPS

Blackburn and Jarvis (2010) identify three themes related to the interactions of SMEs and SMPs: competency, trust, and proximity and responsiveness. Based on their literature review, Blackburn and Jarvis conclude that the perceived competency of SMPs is related primarily to the technical knowledge demonstrated in providing compliance/traditional services. **Accountants benefit from both institutional trust** (derived from membership in a regulated profession adhering to a code of ethics) **and relational trust** (derived from their relationship with owner-managers). However, research suggests that accountants' geographic proximity, responsiveness, and timeliness in providing services are, in some cases, more important than their demonstrated competencies. Related bodies of literature investigate, in more depth, specific elements related to SME and SMP interactions.

Several studies identify trust as a key concept associated with the SME-SMP relationship. Conceptually trust encompasses various attributes, including (Blackburn et al. 2014):

- ability—perceived competence of accountants;
- integrity—perceived level of adherence to a set of principles; and
- empathy—expected action in the best interest of SMEs.

Schizas et al. (2012) consider differences between trust and confidence. Trust is associated with fiduciary duty, related to individuals, and has an affective dimension. Confidence is related to effectiveness and has a calculative dimension. Schizas et al. find that no category of advisor, including accountants, benefits from the combination of trust and confidence (see [Appendix 1, Panel J](#)).

Perceptions regarding the level of trust are influenced by the SME-SMP relationship. The relationship involves social contact and interaction, support beyond accounting services, and mutual understanding (Kautonen et al. 2010; Alam and Nandan 2010; Blackburn et al. 2014) (see [Appendix 1, Panel J](#)). Strike (2012) discusses the characteristics of effective advisors identified in previous studies (i.e., trustworthiness, honesty, integrity, common sense, commitment, loyalty, humility, courage, and patience) and explains that **advisors should be warm, psychologically aware, understand family characteristics, and have emotional intelligence**. Some studies indicate that at times, it is difficult for accountants to become identified with these desired characteristics (Devi and Samujh 2010).

In addition to trust, existence of a personal relationship, and expertise, SMEs consider other factors when selecting an

accountant or deciding to purchase a new service from their existing accountant. These factors include cost, geographic proximity, referrals, and reputation (Sleeter 2013; ICPAS and CPA Australia 2013) (see [Appendix 1, Panel J](#)).

Communication represents another important facet of SME-SMP interactions. A few studies empirically investigate the form, frequency, and characteristics of the communication between SMPs and SMEs (Stone, 2011b). Despite the increasing use of the Internet, **SMEs prefer face-to-face and telephone communication** (see [Appendix 1, Panel J](#)).

Direct face-to-face communication facilitates the transfer of information, helps build trust, demonstrates commitment, and facilitates screening and socializing (Carter et al. 2013b). Additionally, it is important for accountants to adapt their communication style to the needs of owner-managers, e.g., using limited accounting terminology and highlighting key issues.

Since SME owner-managers perceive informal communication and the understandability of the information communicated as very important, the readability of documents prepared by accountants represents a critical component of the SME-SMP relationship (Stone 2011a). Readability involves a shared understanding between the issuer of a document and its reader. Communication is impacted by important differences between SME owner-managers and SMPs. SME owner-managers use intuition and informal channels when making business decisions and a process of learning by doing. Conversely, accountants are rational and analytical (Stone 2011a). The small business advisory literature indicates that owner-managers may create internal informal systems to support decision making that achieves their non-financial objectives. Therefore, a challenge for accountants is to communicate interesting and easily understandable information to SME owner-managers.

Research also investigates the various channels accountants use to communicate with SMEs. Traditional accounting documents (i.e., financial statements) are perceived as difficult to understand by owner-managers. Newsletters emerged some time ago as an informal communication channel, but some SMPs consider newsletters as ineffective in communicating with SMEs (Stone 2012). **Social media channels such as Facebook, Twitter, and LinkedIn are now being utilized to facilitate communication between SMEs and SMPs** (Pinkston 2009 cited in Stone 2012) (see [Appendix 1, Panel J](#)).

In conclusion, the interaction between SMEs and SMPs is complex due to a multitude of factors. The general, desirable interaction from the perspective of the SME

is best described as a long-term, personal relationship, based on trust and communication. However, the literature suggests complexities in that **trust is not easy to obtain** and is associated with various other factors, e.g., integrity, competence, and empathy. The low level of readability associated with traditional accounting documents additionally impacts communication with SME owner-managers. While the recent development of various forms of online communication opens new opportunities for accountants to communicate with their clients, SMEs' preferred form of communication continues to be face to face.

---

*Accountants are perceived as the most trusted advisor, with almost 60% of SMEs responding accordingly, in comparison to business network (less than 20%) and consultants, lawyers, and bankers (less than 10%). 72% of respondents believe accountants add value in the relationship. (ICAEW 2014):*

---

## SECTION 9—SMPS' MARKETING PRACTICES

How SMPs secure clients is important in the context of increased competition. Given the limited literature on this topic, Blackburn and Jarvis (2010) address marketing practices, sources of clients, and referral networks based on interviews with representatives of six SMPs. The interviews indicate that SMPs rely mainly on referrals for clients and suggest an absence of conventional proactive marketing strategies. Blackburn and Jarvis pose that, since SMPs have limited in-house capabilities to deliver advice across a variety of business operations, it is appropriate that they utilize a referral system. While some interviewees are involved in referral networks, they view their networks as underdeveloped. They believe that word of mouth is the main source of customer development and that crude advertising campaigns or aggressive tactics are not appropriate. Reputation and reliance on recommendations are used to attract clients, while websites and the Internet are being considered by some practices to attract new customers.

Post-2010 research suggests that **most SMPs are predominantly passive (as opposed to active) marketers** (Blackburn et al. 2010a; Lander et al. 2013; Sarens et al. 2015) and that business advice is buyer driven (Schizas et al. 2012) (see [Appendix 1, Panel K](#)). A small body of professional literature (Devi and Samujh 2010; Gardiner 2013; Sleeter 2013) now underlines the need for greater proactivity from SMPs to gain new business. **One recommended strategy is to provide opportunities that encourage more frequent interaction with clients** (Gardiner 2013). For example, a significant opportunity for differentiation in the market is available to SMPs that market themselves as experts in technology and capable of meeting SMEs' expectations as providers of strategic advice (Sleeter 2013).

Authors including Lander et al. (2013) and Stone (2012) are also beginning to encourage the use of marketing techniques. This literature suggests that **accountants working in SMPs need further training in communication (selling/marketing skills)** to market their services in a more structured selling format than the traditional, outdated "wait for them to ring" style (Blackburn et al. 2010a). Practitioners are urged by Spence et al. (2012a) to formalize the advisory services they offer through marketing and profile raising in newsletters and SMPs' documentation and websites. Furthermore, the relaxing of professional codes that previously prohibited or severely restricted advertising, promotion, and marketing by accountants makes new approaches (e.g. newsletters) a widespread means of promotion among accounting

practitioners (Stone 2012). Websites can also be important because owner-managers occasionally use them as supplements to recommendations for accountants, and accountants sometimes research potential clients through the Internet (Blackburn et al. 2010a.) Caution, however, is recommended because SME owner-managers in different regions, countries, or cultures may have varying perceptions regarding marketing (Stone 2011b).

The attitude toward marketing activities differs among accountants. While some disregard marketing and promotion (primarily because they are perceived as incompatible with the profession or not worth the hours as they are not billable), others, especially younger accountants, embrace these techniques to counter competition and declining client loyalty (Stone 2012).

## SECTION 10—NETWORKING AND REFERRALS

Blackburn and Jarvis (2010) recognize networking and referrals as crucial practices for SMPs but identify little empirical evidence in the literature at the time. Thus, they note this lack as a gap in the literature and encourage additional research. Since then, a few papers addressing networks and referrals have been published.

**Networks contribute to the development of human and social capital of SMPs** (Nandan and Ciccotosto 2014). SMPs, like other professional business service providers, utilize networks to expand their range of expertise and for functional and geographical diversification. Networks also offer visibility to clients by serving as a source of client referrals (Blackburn et al. 2011b and 2014; Lee 2011) (see [Appendix 1, Panel L](#)).

The role of networks in broadening expertise is highlighted by research addressing the provision of new specialized services, e.g., HR, succession planning, international advice, and environmental advice (Jarvis and Rigby 2012; Spence et al. 2012a; Sawers and Whiting 2010; Edinburgh Group 2013; ACCA 2013b; Knopf and Mayer-Scholl 2013). [Section 7](#) introduced this topic with examples of benefits derived from networks and referrals, e.g., utilization of staff with additional qualifications, establishing joint-venture companies or networks with other consultants, and consulting with experts from other areas (e.g., lawyers, valuers, and family counselors).

IFAC (2016) report that, of 6,725 accountants working in SMPs based in 169 countries, only 28% (up slightly from 27% for the 2014 survey) of the respondents to the 2015 survey reported that their SMP belongs to a network (11%), association (10%), or alliance (7%). An additional 24% indicated they are considering joining one. Slightly less than half of the respondents in both 2015 and 2014 (48% and 49%, respectively) expressed no interest in joining a network, association, or alliance. Few other studies provide additional insight into the extent to which SMPs utilize networking and referrals (ACCA 2011; Lee 2011; Blackburn et al. 2010b and 2014; Schizas et al. 2012; Wines et al. 2013) (see [Appendix 1, Panel L](#)).

A few authors discuss in more detail the role of networks. Networks may facilitate strategy implementation, diversification, and growth in SMPs (Bocconcelli and Pagano 2013) and may serve as a platform for communication and knowledge sharing (Nandan and Ciccotosto 2014) (see [Appendix 1, Panel L](#)). The IFAC Global SMP Survey identified the following as benefits associated with membership in a network, association, or alliance: attracting new clients (36%); broadening client service offerings (34%); branding

and marketing (32%); training, conferences, and workshops (30%); technical and practice management assistance (30%); attractive to international clients (29%); retaining clients expanding in size or operations (28%); strong networking opportunities (28%); risk management and quality control reviews (25%); and attracting and retaining staff (22%) (IFAC 2016).

In conclusion, building networks requires common interest by SMPs in certain areas and establishing reciprocal trust between network members. However, such networks may bring competitive advantages by facilitating SMPs' development in the context of increased competition and uncertainties related to service diversification.

## SECTION 11 – ROLE OF PROFESSIONAL ORGANIZATIONS IN DEVELOPMENT OF SME-SMP RELATIONSHIP

Blackburn and Jarvis (2010) explain that literature emphasizes the role of professional organizations in the development of SMPs. However, additional research on the changing SMP environment and the implications for professional organizations is needed.

Only a few studies investigate the interaction between professional organizations and their members, and SMPs' satisfaction with this interaction. Professional organizations develop campaigns, utilize visuals, and their annual reports to guide SMPs (Low et al. 2012).

Professional organizations also influence their members through materials developed to facilitate training and knowledge development. Research (Wines et al. 2013; Nandan and Ciccotosto 2014) suggests that the support provided to SMPs has increased in recent years.

Some empirical studies have implications for professional accountancy organizations (e.g., Devi and Samujh 2010; Nandan 2010; ACCA 2011; Jarvis and Rigby 2012; Schizas et al. 2012; Spence et al. 2012a). Important suggestions include:

- Local professional organizations should be more involved in issuing guidelines for SMPs on how to offer a broader array of advice to SMEs;
- Professional organizations should establish a strategic direction for the profession and monitor, on behalf of their members, opportunities and threats in the service market;
- Professional organizations should commission research to identify the critical needs of SMEs;
- Professional organizations should develop educational programs for competency development;
- Professional organizations should develop toolkits addressing the delivery of new services;
- Professional organizations should conduct campaigns to promote the role of the accountant and to build institutional trust in the profession;
- Professional organizations should partner with other organizations, business associations, and agencies to develop joint programs that serve the interest of the profession;
- Professional organizations should provide business – and service-matching sessions to link service providers and users.

There is considerable evidence regarding advancements in the above areas; see [Appendix 2](#) for examples of publications addressing the needs of SMEs and SMPs and their interactions. First, professional organizations have created partnerships to better understand changes in the profession (e.g., the Edinburgh Group—a coalition of 14 accounting organizations created to support SMEs and SMPs) and to issue informative joint reports (e.g., CICA, AICPA, and CIMA 2011; ACCA and IMA 2012; ICPAS and CPA Australia 2013; ACCA and IMA 2014).

Second, professional organizations have initiated networks to facilitate the interaction of SMEs and SMPs (e.g., see the [Institute of Chartered Accountants of Pakistan](#)).

Third, professional organizations have conducted studies in an effort to better understand the needs of SMEs and the relationship between SMEs and SMPs (e.g., Blackburn et al. 2010a; Devi and Samujh 2010; Schizas et al. 2012; Spence et al. 2012a; ACCA 2010, 2011, 2013a., and 2013b; Edinburgh Group 2013; ICAEW 2014).

Fourth, resources are available to members to assist with the delivery of new services, especially sustainability advice (e.g., FEE 2010b; CICA, AICPA, and CIMA 2011; OEC 2011; NBA 2012).

Lastly, professional organizations have initiated campaigns to promote the image of accountants as advisors and business partners (ACCA 2013a) (see [Appendix 2, Panel A](#)).

The provision of new services and the importance of marketing have implications for professional accountancy organizations. For example, Jarvis and Rigby (2012) raise the issue of ethics and liability for professional organizations when accountants provide advice in areas outside the scope of their traditional advice offerings. Jarvis and Rigby recommend that professional organizations review the provision of services in new areas and establish guidance reflective of their members' involvement in non-traditional areas. These authors also call for more studies to address the provision of advisory services. Such studies should precede and inform professional organizations' investment in developing training materials and programs in these areas.

## SECTION 12—CONCLUSION AND FUTURE RESEARCH AVENUES

This review of post-2010 literature builds on the 2010 Information Paper of the same name to frame a more current understanding of the SME-SMP relationship, identify remaining gaps in the knowledge base concerning the SME-SMP relationship, and recommend avenues for future research. The literature addressing the role of SMPs in providing business advice to SMEs is diverse and has grown considerably since 2010. Recent studies are, for example, reflective of an increase in the number of countries investigated, comparative studies, topics investigated, and research methodologies employed.

First, the demand-side is analyzed. SMEs are not homogeneous and do not manifest the same level of demand for business advice. Demand is influenced by factors including company-, environment-, and personal-related.

Second, the supply-side is investigated. The main characteristics of SMPs, including the challenges they face and strategies to cope with these challenges. SMPs are not homogeneous; they come in various sizes, have different strategies, and provide different types of services.

Third, the SME-SMP relationship is investigated, including the selection of an accountant as advisor, the types of services provided by SMPs and expected by SMEs, and interaction between them. Recent literature confirms accountants' status as SMEs' preferred and trusted advisor. Additionally, recent research provides evidence, based on surveys and interviews, regarding the complexity of the relationship: the findings indicate that trust is not easy to earn, the perception of an accountant's expertise is important, and perceptions about trust and expertise influence each other and also influence the utilization by SMEs of additional services from their accountant. Recent evidence is reviewed addressing the extent to which and how SMPs organize themselves to provide new forms of advice and employ networking and marketing strategies to cope with market challenges. More proactive SMPs employ marketing techniques and referral systems and enter networks to attract new clients and diversify the services they offer.

The existing literature provides some implications for SMPs. These practices should identify ways to address increased competition with both other SMPs and other service providers. Coping mechanisms include expanding expertise through networks and partnerships, training existing staff, and hiring experts. Communication with SMEs and their owner-managers is important to achieving an understanding of their needs, enhancing trust between

SMEs and SMPs, and introducing new services to meet SMEs' needs.

The literature also suggests implications for professional organizations. SMPs expect professional accountancy organizations to identify new roles for accountants and to issue guidelines on how to offer a broader array of services. Moreover, SMPs need training sessions, educational materials, and public campaigns to promote the role of the accountant and to consolidate institutional trust in the profession.

### GAPS IN LITERATURE AND RECOMMENDATIONS FOR FUTURE RESEARCH

This literature review provides an overview of the role of SMPs in providing business advice to SMEs. The review reveals several gaps in the literature including, but not limited to, the following.

First, **caution should be exercised in generalizing the findings of the studies reviewed.** Research continues to focus on a few countries and on a specific point in time; therefore, results cannot be generalized to all countries. In those cases where recent research does address additional countries, differences in topics and methodology present difficulties in performing international comparisons. Comparative studies are needed to observe similarities and differences on regional and international levels. Moreover, changes may occur over time. Therefore, longitudinal studies are needed to understand the magnitude of change over time. Generalizability is also impeded by sample size and the data collection methods used. Most existing studies are based on surveys and interviews, with data collected from respondents volunteering to participate in the study and not necessarily selected based on random sampling. Therefore, additional sources of data should be employed in future research. While most academic papers indicate the inherent limitations of research methods employed for their purpose, this is not necessarily characteristic of professional research. Therefore, future research should address the risks associated with a specific data collection method and discuss the generalizability of results (statistical or theoretical).

Second, while an emerging body of literature is identified that investigates the business advice provided by SMPs to SMEs, **some recent studies still do not distinguish between internal and external accountants, types of accounting firms (SMPs or second tier), types of companies (SMEs versus large), and/or types**

**of services provided by accountants** (statutory/compliance versus business advisory). This diminishes the comparability of the findings with other studies. To better position their research in the literature, the authors of future research on the accounting profession are encouraged to adequately explain the types of professionals, firms, and services included within the scope of their study. Moreover, studies investigating similarities and differences across the groups mentioned above would be useful. SMEs represent a heterogeneous group, with significant variations in size, available resources, strategic objectives, and attitudes toward growth. Additional research investigating sub-groups of SMEs is needed, that considers, for example, the implications of differing objectives, sizes, attitudes toward growth, the use of an external accountant, and their expectations of SMPs.

Third, the management literature includes reviews of the advisory process and of the relationship between advisors and SMEs. However, the literature specifically addressing accounting advice and the relationship between SMEs and SMPs has not been synthesized. Moreover, trust is identified as a key element in the relationship between SMPs and SMEs. However, **literature investigating the concept of trust from the perspective of the relationship between SMPs and SMEs is still scarce**. To this end, existing theories and findings from other disciplines may be useful to inform future research in this area.

Fourth, few studies examine how professional accountancy organizations monitor changes in the profession and prepare future generations of accountants. Additional research is needed to ascertain whether present strategies to fulfill these roles are effective.

Fifth, the development of information technology is widely mentioned in prior research, both as a job requirement (such as to fulfill daily responsibilities or to create opportunities to provide information technology advice) and as a means of communication. However, more in-depth evidence would help achieve a better understanding of the impact of information technology on the profession, especially in terms of training and communication with clients.

Sixth, literature suggests that SMEs have moderately informal decision-making systems and place a high emphasis on personal rapport. On the other hand, business advice is generally intended to improve performance and decision making. Existing research

offers some insight into how SMEs and SMPs work in this area. Longitudinal and in-depth case studies are needed to further observe the dynamics of the SME-SMP relationship.

## REFERENCES

1. Abang, S. "Boosting SMPs through Supporting SMEs?" *Accountancy Today*. (Jan-Feb 2013): 48-49.
2. Agan, Y., Acar, M. and Borodin, A. "Drivers of Environmental Processes and Their Impact on Performance: A study of Turkish SMEs." *Journal of Cleaner Production*, vol. 51 (2013): 23-33.
3. Alam, M. and Nandan, R. "Organisational Change and Innovation in Small Accounting Practices: Evidence from the Field." *Journal of Accounting & Organizational Change*, vol. 6, no. 4 (2010): 460-476.
4. Albrecht, S.W. and Sack, R.J. *Accounting Education: Charting the Course through a Perilous Future*. American Accounting Association, Accounting Education Series 16 (2000).
5. Anderson, A.R. and Ullah, F. "The Condition of Smallness: How What It Means to Be Small Deters Firms from Getting Bigger." *Management Decision*, vol. 52, no. 2 (2014): 326-349.
6. Association of Chartered Certified Accountants (ACCA). *Small Business: A Global Agenda*. 2010.
7. Association of Chartered Certified Accountants (ACCA). *Small and Medium Sized Public Accounting Practices in Singapore – Bridging the Current to the Future*. Accounting and Corporate Regulatory Authority, 2011.
8. Association of Chartered Certified Accountants (ACCA). *Driving SME Growth through an Evolving Finance Function*. ACCA, 2012.
9. Association of Chartered Certified Accountants (ACCA). *Accountants for Small Business*. ACCA, 2013a.
10. Association of Chartered Certified Accountants (ACCA). *SMEs and Foreign Exchange Risk: Are Small and Medium-Sized Accountancy Practices Up to Speed?* ACCA, 2013b.
11. Association of Chartered Certified Accountants (ACCA) and Institute of Management Accountants (IMA). *100 Drivers of Change for the Global Accountancy Profession*. Accountancy Futures Academy, 2012.
12. Association of Chartered Certified Accountants (ACCA) and Institute of Management Accountants (IMA). *Back in the Game: Global SME Performance Review 2013/14*. 2014.
13. Bagghi-Sen, S. and Kuechler, L. "Strategic and Functional Orientation of Small and Medium Sized Enterprises in Professional Services: An Analysis of Public Accountancy." *The Service Industries Journal*, vol. 20, no. 3 (2000): 117-146.
14. Ballereau, V. and Torres, O. "L'influence proxémique des parties prenantes en PME: une validation empirique." Paper presented at 8e Congrès de l'Académie de l'Entrepreneuriat et de l'Innovation. Fribourg, Switzerland, October 2013.
15. Banham, H. and He, Y. "Exploring the Relationship between Accounting Professionals and Small and Medium Enterprises (SMEs)." *Journal of Business & Economics Research*, vol. 12, no. 3 (2014): 209-214.
16. Bennett, R. J. "Government Advice Services for SMEs: Recognising and Managing Expectations—The Lessons from British Experience." In *Government, SMEs and Entrepreneurship Development: Policy, Practice and Challenges*, Gower. Edited by R. Blackburn and M. Schaper (2012): 185-198.
17. Berger-Douce, S. "Les experts-comptables et l'appropriation du développement durable par les dirigeants de PME." *Entrepreneurial Practice Review*, vol. 2, no. 3 (2012): 5-21.
18. Blackburn, R., Carey, P. and Tanewski, G. "[Business Advice to SMEs: Professional Competence, Trust and Ethics](#)," *ACCA Research Report 119* (2010a).
19. Blackburn, R., Carey, P. and Tanewski, G. "Business Advice by Accountants to SMEs: Relationship and Trust." Paper presented at Small Enterprise Association of Australia and New Zealand, 27th Annual SEAANZ Conference Proceedings, Sydney, Australia, July, 16-18, 2014.
20. Blackburn, R. *Segmenting the SME Market and Implications for Service Provision. A Literature Review*. ACAS' Advisory, Conciliation and Arbitration Service, 2012.
21. Blackburn, R., Eadson, W., Lefebvre, R., Gans, P. *SMEs, Regulation and the Role of the Accountant*. ACCA Certified Accountants Educational Trust, 2006.
22. Blackburn, R. and Jarvis, R. *The Role of Small and Medium Practices in Providing Business Support to Small – and Medium-Sized Enterprises*. International Federation of Accountants, 2010.
23. Blackburn, R., Tanewski, G. and Carey, P. "[Advice Seeking Strategies: Entrepreneurs' and Accountants' Perspectives](#)." in *RENT XXIV: Research in*



- Entrepreneurship and Small Business*. 2010b.
24. Bocconcelli, R. and Pagano, A. "Networking in an Organized Network: A Case Study of a Small Professional Service Firm." 29th IMP Conference: Atlanta, Georgia. 2013.
  25. Business Link. *Business Link Segmentation Model*, South West Regional Development Agency, 2010.
  26. Canadian Institute of Chartered Accountants (CICA), American Institute of Certified Public Accountants (AICPA) and Chartered Institute of Management Accountants (CIMA). *SMEs Set Their Sights on Sustainability. Case Studies of Small and Medium-Sized Enterprises (SMEs) from the UK, US and Canada*. CICA, AICPA, CIMA, 2011.
  27. Carey, P.J. "The Benefits of Services Provided by External Accountants to Small and Medium Sized Enterprises." PhD thesis, University of New South Wales, 2008.
  28. Carnegie, G. D. and Napier, C.J. "Traditional Accountants and Business Professionals: Portraying the Accounting Profession after Enron." *Accounting, Organizations and Society*, vol. 35 (2010): 360-376.
  29. Carter, A. J. "A Study of the Choice of Owner-Accountants to Practice in Regional and Remote Areas." PhD thesis, University of South Australia, 2010.
  30. Carter, A.J., Burritt, R.L. and Pisaniello, J.D. "Accountants as Emotional Wellbeing Counselors in Rural Areas." *Australian Accounting Review*, vol. 23, no. 2 (2013a): 151-162.
  31. Carter, A.J., Burritt, R.L. and Pisaniello, J.D. "The Dual Roles for Accountants in Sustaining Rural Communities." *Accounting Research Journal*, vol. 26, no. 2 (2013b): 130-153.
  32. Chartered Global Management Accountant (CGMA). "[Global Management Accounting Principles](#)." 2014.
  33. Chartered Institute of Management Accountants (CIMA). *Finance Transformation. A Missed Opportunity for SMEs?* CIMA, 2011.
  34. Chartered Institute of Management Accountants (CIMA). *Management Accounting in Support of the Strategic Management Process*. CIMA, 2015.
  35. Child, J. and Hsieh, L.H.Y. "Decision Mode, Information and Network Attachment in the Internationalization of SMEs: A Configurational and Contingency Analysis." *Journal of World Business*, vol. 49, no. 4 (2014): 598-610.
  36. Ciccotosto, S., Nandan, R. and Smorfitt, D.B. "Issues Facing Small Accounting Practices in Regional North Queensland: An Exploratory Study." *Australian Accounting Review*, vol. 47, no. 4 (2008): 324-333.
  37. Devi, S.S. and Samujh, R.H. "[Accountants as Providers of Support and Advice to SMEs in Malaysia](#)." *ACCA Research Report*, no. 118 (2010).
  38. Doran, P. "The Trusted Advisor." *Accountancy Ireland*, vol. 46, no. 3 (2014): 43-44.
  39. Edinburgh Group. *Growing the Global Economy through SMEs*. Edinburgh Group, 2013.
  40. Edwards, P., Sengupta, S. and Tsai, C.J. "The Context-Dependent Nature of Small Firms' Relations with Support Agencies: A Three-Sector Study in the UK." *International Small Business Journal*, vol. 28, no. 6 (2010): 543-565.
  41. European Commission. *A Partial and Fragile Recovery. Annual Report on European SMEs 2013/2014*. 2014.
  42. Everaert, P., Sarens, G., Rommel, J. "Sourcing Strategies of Belgian SMEs: Empirical Evidence for the Accounting Services." *Production, Planning and Control*, vol. 18, no. 8 (2007): 716-725.
  43. Federation of European Accountants (FEE). *Small and Sustainable: Opportunities for SMEs*. FEE, 2010a.
  44. Federation of European Accountants (FEE). *SMEs Sustainability*. FEE, 2010b.
  45. Forbes. "Small and Medium-Sized Enterprises: Rebuilding a Foundation for Post-Recovery Growth." *Forbes Report* (2010).
  46. Gardiner, S. "Accountants Key to Local Business Success." *The Chartered Accountants Journal* (May 2013): 44-45.
  47. Hasle, P., Bager, B. and Granerud, L. "Small Enterprises—Accountants as Occupational Health and Safety Intermediaries." *Safety Science*, vol. 48, no. 3 (2010): 404-409.
  48. Hiebl, M.R.W. "Bean Counter or Strategist? Differences in the Role of the CFO in Family and Non-family Businesses." *Journal of Family Business Strategy*, vol. 4, no. 2 (2013): 147-161.
  49. Hillary, R. "Environmental Management Systems and

- the Smaller Enterprise." *Journal of Cleaner Production*, vol. 12, no. 6 (2004): 561-569.
50. Huggins, R. and Johnston, A. "Knowledge Alliances and Innovation Performance: An Empirical Perspective on the Role of Network Resources." *International Journal of Technology Management*, vol. 57, no. 4 (2012): 245-265.
  51. Institute of Certified Public Accountants of Singapore (ICPAS) and CPA Australia. [\*ICPAS-CPA Australia Survey on Advisory Services for Singapore Businesses\*](#). 2013.
  52. Institute of Chartered Accountants in England and Wales (ICAEW). [\*The 99.9%: Small and Medium-Sized Businesses. Who Are They and What Do They Need?\*](#) ICAEW, 2014.
  53. Institute of Chartered Accountants of Scotland (ICAS). [\*Corporate Responsibility Template Report\*](#). ICAS, 2012.
  54. International Federation of Accountants (IFAC). [\*Professional Accountants in Business – At the Heart of Sustainability\*](#). Professional Accountants in Business Committee, 2006.
  55. International Federation of Accountants (IFAC). [\*The Crucial Roles of Professional Accountants in Business in Mid-Sized Enterprises\*](#). Professional Accountants in Business Committee, 2008.
  56. International Federation of Accountants (IFAC). [\*Competent and Versatile: How Professional Accountants in Business Drive Sustainable Organizational Success\*](#). Professional Accountants in Business Committee, 2011.
  57. International Federation of Accountants (IFAC). [\*The Role of SMPs in Greening Small Business\*](#). Small and Medium Practices Committee, 2012.
  58. International Federation of Accountants (IFAC). [\*IFAC Global SMP Survey, 2014 Results\*](#). IFAC, 2015.
  59. International Federation of Accountants (IFAC). [\*IFAC Global SMP Survey, 2015 Results\*](#). IFAC, 2016.
  60. Ismail, N.A. and Zin, R.M. "Usage of Accounting Information among Malaysian Bumiputra Small and Medium Non-manufacturing Firms." *Journal of Enterprise Resource Planning Studies*, vol. 1, no. 2 (2009): 11-17.
  61. Jaouen, A. and Lasch, F. "A New Typology of Micro-Firm Owner-Managers." *International Small Business Journal*, vol. 33(4) (2015): 397-421.
  62. Jarvis, R., Stoian, C. and Ko, W.W. *International Advisory Services Provided by Small and Medium-Sized Accountancy Practices to SMEs*. 2013.
  63. Jarvis, R. and Rigby, M. "The Provision of Human Resources and Employment Advice to Small and Medium-Sized Enterprises: The Role of Small and Medium-Sized Practices of Accountants." *International Small Business Journal*, vol. 30, no. 8 (2012): 944-956.
  64. Kamyabi, Y. and Devi, S. "The Impact of Advisory Services on Iranian SME Performance: An Empirical Investigation of the Role of Professional Accountants." *South African Journal of Business Management*, vol. 43, no. 2 (2012): 61-72.
  65. Kautonen. T. Zolin. R. Kuckertz. A. and Viljamaa. A. "Ties that Bind? How Strong Ties Affect Small Business Owner-Managers' Perceived Trustworthiness of Their Advisors." *Entrepreneurship & Regional Development*. vol. 22, no. 2 (2010): 189-209.
  66. Kipsang. B.S. *Factors Influencing the Use of Accounting Services by Small and Medium Enterprises in Kenya*. University of Nairobi, 2012.
  67. Knopf. J. and Mayer-Scholl. B. [\*Tips and Tricks for Advisors. Corporate Social Responsibility for Small and Medium-Sized Enterprises\*](#). European Commission Directorate-General for Enterprise and Industry, 2013.
  68. Lander. M.W. Koene. B.A.S. and Linssen. S.N. "Committed to Professionalism: Organizational Responses of Mid-tier Accounting Firms to Conflicting Institutional Logics." *Accounting, Organizations and Society*, vol. 38, no. 2 (2013): 130-148.
  69. Lee. D. "Won't You Be My Client?" *Accounting Today*, vol. 25, no. 8 (2011).
  70. Low. M. Davey. H. and Davey. J. "Tracking the Professional Identity Changes of an Accountancy Institute—The New Zealand Experience." *Journal of Accounting and Organizational Change*, vol. 8, no. 1 (2012): 4-40.
  71. Lucas. M., Prowle. M. and Lowth. G. *Management Accounting Practices of (UK) SMEs—Improving SME Performance through Management Accounting Education*. CIMA, 2013.
  72. Massaro. M. and Rossi. G. "Linking Market Orientation and Service Relatedness to New Service Development: The Case of Italian Small Accounting Firms," in

- Proceedings of the 2nd International Conference on Innovation and Entrepreneurship, Bangkok, Thailand, 2014.
73. Nandan. R. "Management Accounting Needs of SMEs and the Role of Professional Accountants: A Renewed Research Agenda." *Journal of Applied Management Accounting Research*, vol. 8, no. 1 (2010): 65-77.
74. Nandan. R. and Ciccotosto. S. "Networks in Knowledge-Intensive Industry: The Case of a Regional Accountants' Network." *Journal of Accounting & Organizational Change*, vol. 10, iss. 1 (2014): 2-21.
75. Nederlandse Beroepsorganisatie van Accountant (NBA). [Corporate Social Responsibility. CSR for SME Accountants](#). NBA, 2012.
76. Ordre des Experts Comptable (OEC). "[Responsabilité sociétale: Comment répondre aux attentes de vos clients](#)." Ordre des Experts Comptable—Club Développement Durable, 2011a.
77. Ordre des Experts Comptable (OEC). "Développement durable: des missions innovantes pour l'expert comptable." Ordre des Experts Comptable—Club Développement Durable, 2011b.
78. Padachi. K. *Why SMEs Ignore Formal Accounting Systems? Entity Concept Explanation*. Paper presented at International Conference on Applied and Management Sciences, Bangkok, Thailand, June 16-17, 2012.
79. Parry. S.N. "The Influence of Neoliberal Economics on Small Business Accounting Research: A Critical Evaluation of Agendas and Methodologies." *International Small Business Journal*, 2015.
80. Perry. M. and Coetzer. A. "Small Enterprise Relations with Banks and Accountants." *Journal of Small Business and Enterprise Development*, vol. 16, no. 2 (2009): 306-321.
81. Revell. A. Stokes. D. and Chen. H. "Small Business and the Environment: Turning Over a New Leaf?" *Business Strategy and the Environment*. vol. 19, no. 5 (2010): 273-288.
82. Robert Half Management Resources. [Business Partnering. Optimising Corporate Performance](#). 2012.
83. Sarens. G., Everaert. P., Verplancke. F., De Beelde. I. "Diversification of External Accountants Serving Small and Medium-sized Enterprises: Evidence from Belgium." *Australian Accounting Review*, vol. 25, issue 2 (2015): 155-174.
84. Sawers. D. and Whiting. R.H. "Perceived Usefulness of Business Succession Planning and Chartered Accountants' Involvement in the Process." *Small Enterprise Research*, vol. 17, no. 1 (2010): 87-102.
85. Schizas. E., Jarvis. R. and Daskalakis. N. "[SMEs and Their Advisers: Measuring Trust and Confidence](#)." *ACCA Research Report 127* (2012).
86. Shehu. A.M., Aminu. I.M., Mat. N.K.N., Nasiru. A., Johnson. P.O.M., Tsagem. M.M. and Kura. K.M. "The Mediating Effect between Some Determinants of SME Performance in Nigeria." *Management*, vol. 3, no. 4 (2013): 237-242.
87. Sleeter. D. "[What Small Businesses Want from Their Accounting Professional](#)." *CPA Practice Advisor* (April 2013).
88. Songini. L., Gnan. L. and Malmi. T. "The Role and Impact of Accounting in Family Business." *Journal of Family Business Strategy*, vol. 4, no. 2 (2013): 71-83.
89. Spence. L., Agyemang. G. and Rinaldi. L. "[Environmental Aspects of Sustainability: SMEs and the Role of the Accountant](#)." *ACCA research report*, no. 128 (2012a).
90. Spence. L., Agyemang. G. and Rinaldi. L. *Beyond the Limits of Accountants as "Trusted Advisors" for Small and Medium Sized Enterprises: Environmental Sustainability Advice*. Centre for Research into Sustainability, 2012b.
91. Spence. L. Agyemang. G. and Rinaldi. L. "[Habermas, The Accounting Profession and Accountant-Client Relationship: Steering for Sustainability](#)." Paper presented at Seventh Asia Pacific Interdisciplinary Research in Accounting Conference, Kobe, Japan, July 26-28, 2013.
92. Stone. G. "Readability of Accountants' Communications with Small Business—Some Australian Evidence." *Accounting Forum*, vol. 35, no. 4 (2011a): 247-261.
93. Stone. G. "Let's Talk: Adapting Accountants' Communications to Small Business Managers' Objectives and Preferences." *Accounting, Auditing & Accountability Journal*, vol. 24, no. 6 (2011b): 781-809.
94. Stone. G. "The Effectiveness of Newsletters in Accountants' Client Relations with Small Business Managers." *Qualitative Research in Accounting &*

*Management*, vol. 9, no. 1 (2012): 21-43.

95. Strike. V.M. "Advising the Family Firm: Reviewing the Past to Build the Future." *Family Business Review*. vol. 25, no. 2 (2012): 156-177.
96. United Nations Global Compact. *Global Corporate Sustainability Report 2013*. UN Global Compact Office, 2013.
97. Williams. B. O'Donovan. G.M. and Hrasky. S. "The Accountants Perspective on Sustainability Business Practices in SMEs." Paper presented at 12th A-CSEAR Conference, Waikato, New Zealand, December 1-3, 2013.
98. Wines. G.L. Carr. R.A. Cooper. B.J. Ferguson. C.B. Hellier. P.K. and Jackling. B. "Rural and Regional Australian Public Accounting Firm Services: Service Provision. Concerns and Tensions." *Australian Accounting Review*, vol. 23, no. 2 (2013): 163-176.
99. Xiao. J. and Fu. H. "An Empirical Study of Usage of External Business Services by Chinese SMEs." *Journal of Enterprise Information Management*, vol. 22, no. 4 (2009): 423-440.

# APPENDIX 1 – AN OVERVIEW OF EMPIRICAL EVIDENCE ADDRESSING SMPS’ PROVISION OF ADVISORY SERVICES TO SMES

Study	Data Source	Findings
<b>Panel A – Characteristics of SMEs</b>		
ACCA and IMA (2014)	Global 1,598 SMEs (survey)	The most resilient group during the economic recession was mid-market companies (250+ employees, self-defined as SMEs). These companies responded to the crisis by creating jobs and investing in staff instead of cutting costs. The findings point to a potential role for accountants in the management of costs in the manufacturing industry and in support of economic growth.
ICAEW (2014)	UK 500 SMEs (survey)	Growth intentions for SMEs differ depending on size, i.e. 48% of sole traders seek to grow, compared to 79% of micros, 88% of small and 89% of medium-sized businesses.
Jaouen and Lasch (2015)	France 79 micro-firms owner-managers (interviews)	Four owner-manager types are identified. The “success” type seeks growth and regularly uses networks and professional advice. The “hedonism” type has a growth-refusal strategy, lacks management skills, and is inclined to use personal networks. The “paternalism” type designs and follows business strategies and a careful growth plan. The “subsistence” type has an emerging strategy, lacks management skills, and shows no growth ambition.

Study	Data Source	Findings
<b>Panel B—Determinants of SMEs Seeking External Advice</b>		
Blackburn et al. (2010a)	UK and Australia 21 SME owner-managers and accountants (interviews)	The study identifies the following factors that influence demand for advisory services: <ul style="list-style-type: none"> <li>• business environment dynamics;</li> <li>• importance of perceived added value of business services;</li> <li>• owner-manager personality; and</li> <li>• existing SME-accountant relationship (including trust, perceived competence, and experience).</li> </ul>
Spence et al. (2012a)	UK, Canada, Hong Kong, and Netherlands 14 SME owner-managers and SMPs (interviews)	The following factors have an impact on the process of seeking environmental advice: <ul style="list-style-type: none"> <li>• nature and type of industry in which the SME is engaged;</li> <li>• existence of regulations or pressures from other stakeholders (e.g., supply chain partners); and</li> <li>• state of the economy.</li> </ul> Regarding the latter, during crises, there is a motivation to cut existing costs, including energy and fuel; and in a stronger economy, there are more resources for investment in environmental practices, but there is weaker motivation.
Strike (2012)	Literature review	The advisor-client relationship functions best when both parties share cultural and religious values. For example, some countries and cultures are more open than others to outsiders and to external advisors. Cultures centered on privacy where there is a reluctance to rely on external advisors include: <ul style="list-style-type: none"> <li>• Central and South American; and</li> <li>• Greek and East and Central European.</li> </ul> Other cultures (e.g., Turkish) exhibit an even lower level of trust. Family-owned companies, especially from countries with a privacy culture (e.g., Brazil and Greece), prefer local advisors who are of the same ethnicity and culture.
Kamyabi and Devi (2012)	Iran 658 SMEs (survey)	The utilization of advisory services is positively associated with: <ul style="list-style-type: none"> <li>• owner-managers' knowledge;</li> <li>• competitive intensity; and</li> <li>• complexity of marketing decisions.</li> </ul>
Shehu et al. (2013)	Nigeria 198 SMEs (survey)	The utilization of advisory services is positively associated with: <ul style="list-style-type: none"> <li>• owner-managers' knowledge;</li> <li>• competitive intensity; and</li> <li>• complexity of marketing decisions.</li> </ul> Company size is not a determinant of accounting services utilization.

Study	Data Source	Findings
Forbes (2010)	Canada, China, Italy, Singapore, South Africa, and the UK 1,750 SMEs (survey)	<p>Four company profiles derived from orientation in seeking advice based on trust and confidence are identified:</p> <ul style="list-style-type: none"> <li>• “Community networkers” are community-based businesses that rely on a network that admits few outsiders. These organizations have limited financial resources but value advice, work with professionals, and leverage many informal sources.</li> <li>• “Confidence seekers” value both expert advice and social rapport. These companies turn to the most trusted authorities and rely frequently on accountants and banks for financial management.</li> <li>• “Skeptics” have a lower level of trust in advisors and are confident only in formal advice. Therefore, skeptics focus primarily on expert advice.</li> <li>• “Go-it-aloners” seek almost no advice, either because their managers believe they have knowledge or are suspicious.</li> </ul> <p>Based on an analysis of the SMEs included in the sample, 27% are community networkers, 21.8% skeptics, 38.9% confidence seekers, and 9.5% go-it-aloners. Variation in advice seeking behavior is identified across countries.</p>
Blackburn (2012)	Based on Business Link (2010) and Bennett (2012)	<p>The following segmentation is proposed:</p> <ul style="list-style-type: none"> <li>• Start-ups need advice to understand how they need to work and survive.</li> <li>• SMEs with an ambition to grow have a high potential for utilizing advice. They need advice to attract funding, develop capabilities, and manage rules and regulations.</li> <li>• SMEs with lifestyle expectations develop out of a hobby and have less intention to grow. Their advice needs are associated with compliance and effectiveness improvements.</li> <li>• Steady-state SMEs are experiencing moderate growth and have a medium potential for advice. Advice is needed mainly to improve practices.</li> </ul>

### Panel C—Challenges Faced by SMPs

Devi and Samujh (2010)	Malaysia 174 SMPs (survey and focus groups)	University accounting graduates tend to choose more “attractive” career paths, for example, with the Big 4 firms or large corporations and tend to prefer to be located in big cities, thus posing additional difficulties for SMPs when attempting to hire competent staff.
------------------------	--	--

Study	Data Source	Findings
<b>Panel D—The Roles of Accountants</b>		
IFAC (2011)	Normative	<p>The following roles for accountants in business (including accountants who are employed as consultants and advisors) are described:</p> <ul style="list-style-type: none"> <li>• creators of value;</li> <li>• enablers of value;</li> <li>• preservers of value; and</li> <li>• reporters of value.</li> </ul>
ACCA (2013a)	Report for a campaign to raise awareness of the value of accountants who work in or for SMEs	<p>The report expands on the roles of accountants (internal and external) specified by IFAC (2011) in an effort to more specifically address the types of activities that accountants may deliver during the SME lifecycle and in various areas (pre-start-up, compliance and control, standardization and monitoring, and accounting for growth).</p>
CIMA (2011)	Based on surveys of accountants working in UK SMEs, roundtables, and white papers	<p>The report discusses, in the context of SMEs, the four roles identified by CIMA (2008) for accountants in business:</p> <ul style="list-style-type: none"> <li>• technical expert;</li> <li>• business partner;</li> <li>• steward and controller; and</li> <li>• trusted reporter.</li> </ul> <p>Empirical results indicate that management accountants focus more on the traditional financial reporting side and ensuring compliance. In SMEs, accountants rarely serve in the role of business partner.</p>



Study	Data Source	Findings
ACCA and IMA (2012)	Based on input from ACCA and IMA members and other Global Forums	<p>The report lists the following mandates for the accounting profession:</p> <ul style="list-style-type: none"> <li>• Embrace an enlarged strategic and commercial role.</li> <li>• Establish trust and ethical leadership.</li> <li>• Focus on a holistic view of complexity, risk, and performance.</li> <li>• Develop a global orientation.</li> <li>• Reinvent the talent pool.</li> </ul> <p>The following four scenarios for the future role of accountants are analyzed:</p> <ul style="list-style-type: none"> <li>• Changemaker—As guardian of integrity, having a broad organizational remit, the accountant balances public expectations for responsible financial management with a more entrepreneurial view of the company.</li> <li>• Buccaneer—The accountant focuses on organizational problems rather than preventing financial irregularities. This scenario is considered to be unstable because of the short-term focus on profits.</li> <li>• Safehands—A guardian of integrity, focused on compliance issues, the accountant focuses on financial stewardship. This is considered to be a stable scenario especially in turbulent times.</li> <li>• Survivor—The accountant focuses on technical and regulatory issues. This too is perceived as an unstable scenario, being too focused on technical proficiency.</li> </ul>
CGMA (2014)	Normative	<p>Four Global Management Accounting Principles are proposed: influence, relevance, value, and trust. The principles guide best practice and provide guidance about the core competencies required from management accountants to help organizations generate and preserve value.</p>

Study	Data Source	Findings
<b>Panel E—SMPs' Structure and Organization</b>		
Devi and Samujh (2010)	Malaysia 174 SMPs (survey and focus groups)	<p>Some SMPs respond by adding other services to a recently considered introduction of an audit exemption threshold. Raising professional capabilities is critical for SMPs if they are to seize opportunities and grow. In terms of growth:</p> <ul style="list-style-type: none"> <li>• most SMPs (66%) prefer organic growth; and</li> <li>• only 3% envisage mergers.</li> </ul> <p>SMPs also engage in several forms of affiliation with other SMPs:</p> <ul style="list-style-type: none"> <li>• 59% have informal arrangements and networking sessions;</li> <li>• 31% ad hoc consultancy;</li> <li>• 18% client referral arrangements; and</li> <li>• 5% consultancy with other SMPs.</li> </ul> <p>SMPs mainly seek out technical assistance from:</p> <ul style="list-style-type: none"> <li>• 88% publicly available technical materials;</li> <li>• 75% professional accounting bodies;</li> <li>• 42% other SMPs; and</li> <li>• 32% large audit firms.</li> </ul>
ACCA (2011)	Singapore 144 SMPs (survey)	<p>Some SMPs intend to restrict bookkeeping services by outsourcing them. In terms of strategy, half of the sampled SMPs do not intend to offer additional types of services in the future; however, these SMPs plan to increase the volume of services, especially in areas such as business planning, business coaching, internal control and internal audit.</p> <p>Participants in the focus group suggest five strategies to cope with opportunities and challenges in the current environment:</p> <ul style="list-style-type: none"> <li>• forming strategic alliances;</li> <li>• diversifying services;</li> <li>• focusing on relationship building; and</li> <li>• focusing on market positioning and outsourcing.</li> </ul>
Sarens et al. (2015)	Belgium 367 external accountants (survey)	<p>The degree of diversification of SMPs' services in accounting is associated with the level of homogeneity of staff having an accounting background. The degree of diversification of SMPs' services outside accounting is associated with the level of collaboration with other service providers. Accounting firms offer fewer non-accounting services and diversify their accounting services (rather than non-accounting services) when they serve smaller SMEs.</p>

Study	Data Source	Findings
Massaro and Rossi (2014)	Italy 960 SMPs (survey)	Market orientation (i.e., customer and competitor orientation and internal coordination) generally plays a limited role in the development of new services relative to the core services provided. However, when the additional services provided are very different from the core services provided, all three dimensions of market orientation become important.
Bagchi-Sen and Kuechler (2000)	USA 55 SMPs (survey)	<p>The competitive strategies of SMPs are mainly driven by fee structures, but also by quality, response, speed, specialization, and customization, especially for services other than compliance. Only some SMPs have the motivation and resources to design and implement strategies. However, those SMPs implementing strategic plans perform better. The 55 SMPs are classified as follows.</p> <ul style="list-style-type: none"> <li>• strategic orientation: proactive (27) vs. reactive (28)—proactive firms are more open to innovate, compete, seek niches, and have goals;</li> <li>• functional orientation: diversified (29) vs. concentrated (26)—based on the number of services delivered out of 15; and</li> <li>• international orientation: international (9) vs. local (46).</li> </ul> <p>Proactive SMPs are distributed across all employee size and revenue size categories. Conversely, SMPs with a small number of employees and smaller revenues are reactive and concentrated. SMPs with international activities are proactive and diversified. SMPs exhibiting the best performance are those that are proactive, diversified, and/or with international activities.</p>
Lander et al. (2013)	Netherlands 34 employees of 11 mid-tier firms (interviews)	<p>Firms face pressure from the environment to change, including:</p> <ul style="list-style-type: none"> <li>• challenges in terms of audit fees (from their competitors);</li> <li>• number of billable hours (from technology); and</li> <li>• offering more services (from clients).</li> </ul> <p>These pressures impact:</p> <ul style="list-style-type: none"> <li>• the services offered;</li> <li>• the role of the accountants for their client; and</li> <li>• firms' organization (governance, pay-systems, structure).</li> </ul> <p>Firms implement automated services to:</p> <ul style="list-style-type: none"> <li>• be more efficient;</li> <li>• provide new services (more or less accounting related); and</li> <li>• hire staff with different backgrounds.</li> </ul>

Study	Data Source	Findings
Alam and Nandan (2010)	Australia 6 SMPs from remote areas (interviews)	<p>Rural SMPs:</p> <ul style="list-style-type: none"> <li>• mostly serve local farmers and have an opportunity to get to know their clients well, thereby enhancing their potential to offer adequate services;</li> <li>• adapt their services to various requirements and changes, including weather changes, bank requirements, and IT developments; and</li> <li>• employ strategies based on diversification and on external environmental management.</li> </ul> <p>Regional SMPs:</p> <ul style="list-style-type: none"> <li>• serve various types of clients, such as traders, small investors, and employees, and have more opportunities to develop their services;</li> <li>• tend to provide more specialized services than rural SMPs, based on their expertise and strategic choices; and</li> <li>• mostly employ strategies based on specialization and cost effectiveness.</li> </ul>
Carter (2010)	Australia 24 accountants and business developers (interviews)	<p>Eight factors are identified as leading to accountants' decision to work in regional or remote areas:</p> <ul style="list-style-type: none"> <li>• family and friends;</li> <li>• income opportunities;</li> <li>• lifestyle factors;</li> <li>• home;</li> <li>• escape;</li> <li>• education;</li> <li>• reversibility of choice; and</li> <li>• intellectual challenge.</li> </ul> <p>As members of the local community, accountants provide in many cases low-cost or pro bono services. Accountants play an active role in both the financial and psychological wellbeing of their clients. When practicing in small communities, accountants should demonstrate responsiveness and trustworthiness at all times.</p>

Study	Data Source	Findings
<b>Panel F—SMPs as Business Advisors</b>		
ICAEW (2014)	UK 500 SMEs (survey)	<p>Small companies name accountants as their chief source of business advice, twice as often as they name other sources.</p> <p>Accountants are perceived as the most trusted advisor, with almost 60% of SMEs responding accordingly. Accountants enjoy the highest rate of trust among advisors, between 40% and 60%, depending on the SME size, in comparison to:</p> <ul style="list-style-type: none"> <li>• business network (less than 20%); and</li> <li>• consultants, lawyers, and bankers (less than 10%).</li> </ul> <p>Respondents believe accountants add value in the relationship (72% of respondents).</p>
Ballereau and Torres (2013)	France 70 entrepreneurs (experiment)	<p>The study asked entrepreneurs from whom they seek advice:</p> <ul style="list-style-type: none"> <li>• 41% seek advice from family and friends; and</li> <li>• 25% seek advice from professional advisors.</li> </ul> <p>Among those who use professional advisors:</p> <ul style="list-style-type: none"> <li>• 41% use accountants;</li> <li>• 21% use consultants;</li> <li>• 18% use bankers; and</li> <li>• 11% use lawyers.</li> </ul>
Abang (2013)	Opinion paper	<p>SMEs view SMPs more as legal officials than advisors. Malaysian SMEs only recently have started to recognize SMPs as consultants or business partners, especially in large cities.</p>
Lucas et al. (2013)	UK 11 SMEs (case studies)	<p>SME owner-managers still view accountants as “bean counters.” This perception may deter SMEs from hiring accountants, e.g., to provide management accounting services.</p>

Study	Data Source	Findings
<b>Panel G—The Services Provided by SMPs: The SME Perspective</b>		
Stone (2011b)	Australia 107 SMEs (survey)	Percentage of SMEs communicating with SMPs regarding various issues: <ul style="list-style-type: none"> <li>• compliance 40.3%;</li> <li>• tax issues 27.4%;</li> <li>• decision support 20.5%;</li> <li>• IT services 5.3%; and</li> <li>• non-business matters 6.5%.</li> </ul>
Gardiner (2013)	Australia 1,000 SMEs (survey)	One-third of SMEs use their accountant as a business advisor beyond compliance work.
Kamyabi and Devi (2012)	Iran 658 SMEs (survey)	On a 7-point Likert Scale of SMEs' usage of SMPs' advisory services (where 7 = a high degree), the average is 3.8 for the following services: tax consultancy, business advice, management consultancy, financing advice, and IT advice.
ICAEW (2014)	UK 500 SMEs (survey)	The most popular services provided by SMPs include: <ul style="list-style-type: none"> <li>• accounts preparation 65%;</li> <li>• tax services 62%;</li> <li>• bookkeeping 32%;</li> <li>• audit 28%; and</li> <li>• business advice 25%.</li> </ul> The least popular services used by only 4% of SMEs: <ul style="list-style-type: none"> <li>• sustainability assurance;</li> <li>• IT services;</li> <li>• insolvency services; and</li> <li>• payroll.</li> </ul> Larger SMEs utilize more types of accounting services than smaller SMEs.
Sleeter (2013)	USA 160 SMEs (survey)	Top services received by SMEs: <ul style="list-style-type: none"> <li>• tax planning;</li> <li>• representation to governmental audits;</li> <li>• business strategy;</li> <li>• business planning;</li> <li>• business analytics; and</li> <li>• succession planning.</li> </ul> Top desired services, include those listed above, followed by: <ul style="list-style-type: none"> <li>• budgeting;</li> <li>• investment advice;</li> <li>• cash management;</li> <li>• dashboard creation; and</li> <li>• technology consulting.</li> </ul>

Study	Data Source	Findings
ICPAS and CPA Australia (2013)	Singapore 130 SMEs (survey)	<p>The utilization of accounting services by SMEs in Singapore is as follows:</p> <ul style="list-style-type: none"> <li>• audit and assurance 72%;</li> <li>• tax and compliance 59%; and</li> <li>• other traditional accounting services 31%.</li> </ul> <p>The utilization of advisory services by SMEs in Singapore is as follows:</p> <ul style="list-style-type: none"> <li>• tax advisory 12%;</li> <li>• financial management 6%;</li> <li>• risk management 5%;</li> <li>• business process advisory 2%; and</li> <li>• business strategy advisory 2%.</li> </ul> <p>More than 40% of SMEs anticipate using various types of advisory services in the future.</p>

Study	Data Source	Findings
<b>Panel H—Services Provided by SMPs: The SMP Perspective</b>		
IFAC (2015)	135 countries IFAC survey of 5,083 accountants working in SMPs	<p>Business advisory and consulting services provided in 2014 include:</p> <ul style="list-style-type: none"> <li>• tax planning 76%;</li> <li>• corporate advisory 61%;</li> <li>• business development 42%;</li> <li>• HR/employment regulations 35%;</li> <li>• succession planning/business transfers 30%;</li> <li>• enhanced organizational reporting 26%;</li> <li>• IT 22%;</li> <li>• pension planning 12%; and</li> <li>• health and safety/environmental legislation 6%.</li> </ul> <p>Of the respondents, 7% did not provide business advisory or consulting services in 2014. Another 11% offered services other than those listed above.</p> <p>The survey also reveals differences between countries and regions in the prevalence of advisory services offered, e.g., tax planning: Asia 72%, Europe 73%, and North America 90%; corporate advisory: Central and South America/Caribbean 45%, Africa 48%, North America 52%, and Middle East 76%; and enhanced organizational reporting: North America 16%, Australasia 22%, Africa 28%, Central and South America/Caribbean 45%, and Middle East 59%.</p>
IFAC (2016)	169 countries IFAC survey of 6,725 accountants working in SMPs	<p>Business advisory and consulting services provided in 2015 include:</p> <ul style="list-style-type: none"> <li>• tax planning 52%;</li> <li>• corporate advisory 45%;</li> <li>• management accounting 41%;</li> <li>• HR/employment regulations 29%;</li> <li>• business development 27%;</li> <li>• succession planning/business transfers 20%;</li> <li>• business intelligence 16%;</li> <li>• IT 15%;</li> <li>• enhanced organizational reporting 14%;</li> <li>• pension/retirement planning 9%; and</li> <li>• health and safety/environmental legislation 4%.</li> </ul> <p>Of the SMP respondents, 16% did not provide business advisory or consulting services in 2015. Another 8% offered services other than those listed above.</p>
ACCA (2011)	Singapore 144 SMPs (survey)	<p>Contribution to SMPs' revenues:</p> <ul style="list-style-type: none"> <li>• statutory audits 40%;</li> <li>• taxation 12%;</li> <li>• other accounting services 10%; and</li> <li>• other audits 7%.</li> </ul>



Study	Data Source	Findings
ICPAS and CPA Australia (2013)	Singapore 108 SMPs (survey)	<p>More than 80% of SMP respondents provide traditional accounting and compliance services:</p> <ul style="list-style-type: none"> <li>• 94% audit and assurance; and</li> <li>• 86% tax and compliance.</li> </ul> <p>Advisory services provided include:</p> <ul style="list-style-type: none"> <li>• tax 41%;</li> <li>• financial management 38%; and</li> <li>• risk management 33%.</li> </ul> <p>Additionally, 37% of SMPs do not provide any type of advisory services, and 37% provide three or more types of advisory services. For those providing advisory services, each type of service generally contributes less than 25% to total revenues, and 70% obtain more than 50% of their revenues from traditional services.</p> <p>Most plan to grow the provision of advisory services:</p> <ul style="list-style-type: none"> <li>• tax advisory 70%; and</li> <li>• other types of advisory approximately 30%.</li> </ul>
Wines et al. (2013)	Australia 545 regional SMPs (survey)	<p>Percentage of SMPs providing various services:</p> <ul style="list-style-type: none"> <li>• accounting compliance 94%;</li> <li>• management accounting 65%;</li> <li>• tax compliance 96%;</li> <li>• tax planning 90%;</li> <li>• superannuation 72%;</li> <li>• auditing 52%;</li> <li>• business investigations 19%;</li> <li>• valuations 29%;</li> <li>• IT consulting 11%;</li> <li>• IT training 23%;</li> <li>• computerized accounting 38%;</li> <li>• business planning 60%;</li> <li>• investment advice 30%;</li> <li>• estate planning 32%; and</li> <li>• economic outlook 5%.</li> </ul>
Devi and Samujh (2010)	Malaysia 174 SMPs (survey and focus groups)	<p>Of SMP respondents, 68.5% spend less than 40% of their time on non-compliance services for SMEs. Half of the SMPs earn less than 20% of their revenue from non-compliance services.</p>

Study	Data Source	Findings
Sarens et al. (2015)	Belgium 367 external accountants (survey)	<p>Statutory accounting services (end of year transactions, VAT, tax declarations, bookkeeping, financial statements) are offered by:</p> <ul style="list-style-type: none"> <li>• 97.79% of accounting firms; and</li> <li>• 95.95% of self-employed accountants.</li> </ul> <p>Accounting and tax-related advisory services (tax advice, valuation, cash flow management, corporate failures, etc.) are offered by:</p> <ul style="list-style-type: none"> <li>• 86.30% of accounting firms; and</li> <li>• 81.80% of self-employed accountants.</li> </ul> <p>Non-accounting related advisory services (legal advice, internal audits, staffing services, corporate planning) are offered by:</p> <ul style="list-style-type: none"> <li>• 50.33% of accounting firms; and</li> <li>• 41.57% of self-employed accountants.</li> </ul>

Study	Data Source	Findings
<b>Panel I—The Provision of Specific Types of Business Advice by SMPs</b>		
Hasle et al. (2010)	Denmark 74 accountants (survey)	State-authorized accountants from Denmark were invited to training seminars to obtain health and safety knowledge to assist them in advising small entities. Most accountants participating in the training had previously provided health and safety advice and, in most instances, the advice had been positively received. Constraints noted by accountants participating in the training related to the small importance SMEs place on health and safety issues and the limited knowledge of accountants in this area, even after participating in the seminars. Due to the limited importance that SMEs attach to health and safety issues, accountants participating in the study do not usually charge their clients separately for health and safety advice. The participants view any health and safety advice provided as an additional service that complements advice provided on a wide range of issues.
Jarvis and Rigby (2012)	UK 19 SMPs (interviews)	Since they provide related assurance/compliance services, SMPs are familiar with legal requirements. SMPs provide advice related to statutory sick pay, minimum wage, and disciplinary and grievance procedures resulting from the management of client payrolls. Some SMPs also assist with recruiting SME financial staff. In the absence of specialized or experienced staff, some interviewees indicate their practices use other resources including online training.
Sawers and Whiting (2010)	New Zealand Five SME owners (interviews)	While SME owners also consult family members and other professionals, they believe accountants are useful in business succession planning. Accountants' contribution is appreciated mainly in regard to "hard," technical issues (e.g., shareholder arrangements and taxation) as opposed to "soft" issues (e.g., identifying a successor and assisting older co-owners in decreasing involvement).
Edinburgh Group (2013)	70 countries 1,350 SMPs (survey)	One in three SMPs have clients dealing in foreign currencies. However, only 30% of SMPs service international clients and offer at least one form of "international" advice. SMEs, accordingly, obtain most of the international advice they need from other sources. Of those SMPs providing services to support international activities, 68% use internal resources, more than 50% use their business network (e.g., governmental institutions, business partners) and 30% use informal social networks (e.g., family, friends, and colleagues).

Study	Data Source	Findings
ACCA (2013b)	70 countries 1,350 SMPs (survey conducted by Edinburgh Group)	SMPs could provide more services for international clients, especially since the provision of advice on international issues can improve the brand and attract additional high-value services. Investing in skills development is justified only in association with an increase in the number of clients in need of “international” services. Countries with a substantial presence of overseas banks and volatile currencies (e.g., Central and Eastern Europe, East Africa, and South America) tend to host more SMPs possessing skills in foreign exchange activities.
Jarvis et al. (2013)	UK 25 SMP partners (interviews)	When advising foreign SME clients that plan to start businesses in the UK, the SMPs provide advice on a large array of services including the business plan, registering the business, taxation, legislation, and budgeting issues.
IFAC (2012)	Normative	SMPs are well positioned to offer sustainability advice, especially in reducing costs, “increasing and greening the bottom line,” setting and achieving environmental targets, and complying with sustainable reporting and any attendant assurance requirements.
NBA (2012)	Normative	Areas where SMEs should be good citizens include the environment, community involvement, human rights, labor practices, consumer issues, and fair operations. Accountants can take on a variety of roles related to supporting CSR, i.e., advisor, reporter of findings, and assurance provider. The advisor role represents the first step of creating awareness and helping formulate a CSR vision. Next comes design of systems and performance measurement and reporting. NBA details the potential involvement of accountants in each of these important steps.
Revell et al. (2010)	UK 200 SMEs (survey)	The most important drivers of movement toward sustainability are cost savings, attracting new customers, earning a good image and reputation, and the need to comply with regulations and environmental taxes. Three-quarters of survey respondents disagree that their company is too small to have an environmental impact, and 80% believe environmental issues should be a very high management priority.

Study	Data Source	Findings
Hillary (2004)	Literature review of 33 studies addressing environmental management systems in smaller EU enterprises	Adopting environmental practices (which for small entities may take the form of non-formal systems) leads to real benefits. External barriers that deter SMEs from implementing environmental systems include the lack of experienced consultants, the inconsistent approach of consultants, the lack of a clear legislative framework, and the lack of sector-specific tools and examples. Internal barriers include inadequate technical knowledge and skills, lack of training, and the perception of high implementation and maintenance costs.
Berger-Douce (2012)	France 14 accountants (interviews)	Despite encouragement from professional bodies, the French accountants interviewed rarely integrate the provision of sustainability advice into their practices. Most interviewees do not offer sustainability advice because they lack time, knowledge, interest, or relevant network. However, younger interviewees express an interest in expanding into the provision of sustainability advice.
Spence et al. (2012a)	UK, Canada, Hong Kong, and the Netherlands 14 accountants, SMEs, and environmental consultants (interviews)	Environmental sustainability advice is not widely provided by SMPs. The environmental sustainability advice offered by SMPs to SMEs generally consists of identifying cost reduction opportunities (e.g., energy consumption, transport costs, and generic resource input reduction). The relationship between accountants and SMEs in relation to CSR is generally informal, e.g., part of a conversation. Even though CSR may represent an opportunity to enter a new market and diversify their business, SMPs are often hesitant to grasp this opportunity. In an effort to better illustrate the market opportunities in this area, Spence et al. identify the differences between sustainability and environmental advice provided by professional accountants and environmental advisors.
Williams et al. (2013)	Australia 118 accountants (survey)	The accounting profession is perceived to be the most appropriate of several sources of advice to assist SMEs in implementing sustainability practices. Respondents believe that accountants should be actively involved in advisory roles, including feasibility analysis, monitoring the success of initiatives implemented, and placing SMEs in contact with other appropriate sources of advice. However, accountants participating in the study perceive the current level of their involvement in the above roles to be relatively low and reflective of an expectation gap between the current and desired role of accountants.

Study	Data Source	Findings
<b>Panel J—Communication between SMEs and SMPs</b>		
Schizas et al. (2012)	Canada, China, Italy, Singapore, South Africa, and UK 1,777 SMEs (survey)	Services analyzed include taxation, financial management, regulatory, and business operations services. These services may be provided by various service providers (i.e., family and friends, trade or professional bodies, local business associations, accountants, attorneys, finance providers, internet resources, books and magazines, and government). No category of advisor, including accountants, benefits from the combination of trust and confidence. This result may be explained by the informational asymmetry between accountants and SMEs. Furthermore, informational asymmetry may be generated by the accountant's expertise. For all categories of advisors included in the survey, both trust and confidence are very important. However, trust and confidence are difficult to earn.
Alam and Nandan (2010)	Australia 6 SMPs (interviews)	The geographic proximity to clients, and understanding clients' activities and the local context, are very important. SMPs provide additional support to SMEs, such as training to do basic bookkeeping, to reduce the cost of accounting services. The SMP-SME relationship is very complex, including the important social dimension. Neither SMEs nor SMPs have solely financial objectives.
Devi and Samujh (2010)	Malaysia 174 SMPs (survey and focus groups)	SMPs believe it is very important to incorporate the following within their relationship with SME clients: <ul style="list-style-type: none"> <li>• a personal touch;</li> <li>• rapport and trust;</li> <li>• educating the client; and</li> <li>• providing quality service</li> </ul> However, time and resources are necessary to fulfill all these expectations. SMPs confronted with, for example, staff shortages may find it difficult to meet all the expectations of their SME clients.
Blackburn et al. (2014)	UK and Australia 20 accountants and SME owner-managers (interviews)	A successful SMP-SME relationship requires a thorough knowledge of the client's business, as well as mutual understanding.

Study	Data Source	Findings
Sleeter (2013)	USA 160 SMEs (survey)	SMEs assessed the importance of a variety of factors in the SME-SMP relationship (6-point Likert Scale, where 6 = less important) as follows: <ul style="list-style-type: none"> <li>• expertise 3.1;</li> <li>• personal relationship 3.6;</li> <li>• responsiveness 3.9;</li> <li>• referral 4.2;</li> <li>• reputation 4.5; and</li> <li>• low fees 5.1.</li> </ul>
ICPAS and CPA Australia (2013)	Singapore 130 SMEs (survey)	The most important elements considered in the utilization of accounting services are: <ul style="list-style-type: none"> <li>• cost 74%;</li> <li>• professional experience 68%;</li> <li>• ability to provide services in multiple geographic locations 43%; and</li> <li>• variety of services provided 31%.</li> </ul>
Stone (2011a)	Australia 92 documents prepared by 15 SMPs	Accountants' communication with SMEs is analyzed by assessing the readability of accounting documents. The Flesch Reading Ease formula is used to analyze cover letters, financial statement notes and disclosures, newsletters, and decision support documents. The documents are either of standard difficulty (36.4%), difficult (31.7%), or fairly difficult (22.7%) to read. The most difficult documents to read are the financial statements and notes.
Stone (2011b)	Australia 107 SMEs (survey)	Of the respondents, 40.6% have two to five telephone discussions a year and 35.8% have more than 10 telephone discussions a year with their accountant. One fourth of the surveyed SMEs do not use email to communicate with their accountant. In terms of communication preferences, (on a 5-point scale, where 5 = most important) telephone discussions (4.16), meetings at the accountant's office (4.04), financial reports (3.91), emails (3.81), visits at the company premises (3.73), and written reports/letters (3.47) are preferred. Newsletters are less preferred (2.3).

Study	Data Source	Findings
Stone (2012)	Australia 10 accountants (interviews)	Newsletters represent a client relation technique widely employed by accountants. The interviews suggest that newsletters are ineffective in developing client relations. SMPs prepare newsletters monthly, quarterly, or yearly to inform clients about accounting issues or changes, provide information businesses need to survive, create awareness, maintain contact, and promote the SMPs' services. In some cases, newsletters may be perceived as intrusive or unrequested and can negatively affect the SME-SMP relationship. Based on the reaction of their SME clients, those accounting firms participating in the study that were still producing newsletters planned to reduce the newsletter's frequency, length, and technical content.



Study	Data Source	Findings
<b>Panel K—The Utilization of Marketing Practices by SMPs</b>		
Blackburn et al. (2010a)	UK and Australia 11 accountants (interviews)	Accountants are passive marketers and the demand for their services is largely based on referrals.
Schizas et al. (2012)	6 countries 1,777 SMEs (survey)	Marketing to the appropriate clients is more effective than trying to sell services to reluctant potential clients. The key to marketing value-added services represents the nexus between competence and professionalism on the one hand and personal rapport and trust on the other. The study suggests that seeking out more hands-on clients is likely to be more rewarding than trying to coax more reluctant clients into buying value-added services. Thus, advisors should focus more on customer segmentation and the development of distinct value-added service lines than on client development.
Sarens et al. (2015)	Belgium 367 external accountants (survey)	The mean level of involvement in marketing activities (on a 5-point Likert Scale, 0 = never, 4 = very often) is 0.9: <ul style="list-style-type: none"> <li>• 0.3 for advertising; and</li> <li>• 1.5 for social activities.</li> </ul> The highest value for the involvement in social activities confirms the importance of face-to-face interaction with existing and potential clients.
Lander et al. (2013)	Netherlands 34 employees of 11 mid-tier firms (interviews)	“Cold calling” is a marketing technique used by some, mainly larger accounting firms. However, this technique is presently not acceptable to most accountants working in SMPs as a form of advertising; these accountants view the technique as unprofessional and as something that could break the trust they have built with SMEs.

Study	Data Source	Findings
<b>Panel L—The Utilization of Networks by SMPs</b>		
Blackburn et al. (2014)	UK and Australia 12 accountants (interviews)	Accountants view themselves as multi-disciplinary service providers. However, accountants believe that knowing where to source specialized knowledge is the key, i.e., they do not need to “know everything.” In this vein, one interviewee describes accountants as “a distribution network.”
Lee (2011)	Opinion paper	It is very important for SMPs (especially small ones) to be active members of the community in order to attract small business clients. SMPs may, for example, use their banker and lawyer contacts to meet small business owners.
Blackburn et al. (2010b)	UK and Australia 11 accountants (interviews)	Accountants are members of chambers of commerce and trade as well as business groups and professional bodies. They attend events hosted by these organizations to gather information about the market and to promote their services.
Schizas et al. (2012)	6 countries 1,777 SMEs (survey)	Ties to local business associations can serve as a significant source of demand for non-accounting advice from SMPs.
ACCA (2011)	Singapore 144 SMPs (survey)	Of the participating SMPs: <ul style="list-style-type: none"> <li>• 59% use informal arrangements and networking sessions;</li> <li>• 31% use ad-hoc consultancy with other SMPs;</li> <li>• 18% use formal client referrals; and</li> <li>• 24% do not use any form of networking.</li> </ul>
Wines et al. (2013)	Australia 545 SMPs (survey)	The rural SMPs participating in the survey refer clients to other vendors for the following services: <ul style="list-style-type: none"> <li>• 51% for investment advice;</li> <li>• 63% for legal services;</li> <li>• 49% for personal financial planning and advice;</li> <li>• 32% for estate planning; and</li> <li>• 43% for finance brokerage.</li> </ul>
Bocconcelli and Pagano (2013)	Italy One SMP (case study)	Two partners began an SMP in a small Italian town offering accounting and consulting services. As part of the firm’s development, it entered several international networks to expand its activities in Italy and internationally. The firm has about 15 “best friends” located in various countries with which it shares competencies and reciprocal trust. Networks helped the firm become involved in governmental programs to attract foreign investment and increase its portfolio of clients. The firm also entered a personnel exchange program with network firms in other countries to further develop the firms’ competencies. The network represents a “strategic asset” for the SMP.

Study	Data Source	Findings
Nandan and Ciccotosto (2014)	Australia A regional accountants network (case study)	<p>A network of regional accountants, i.e., the Cairns Regional Accounting Forum (CRAF) was created in Australia. The main benefits identified for creating accounting networks include: the need for communication to respond to instability in the business environment, and the limited communication between the accounting profession and its members, especially for geographically dispersed firms. The network was characterized by enormous trust and goodwill and the lack of perceived competition between members. Referrals for specialist services occurred during meetings. The role of the network decreased after professional bodies became more present in this and other regions of Australia and following changes within local tax offices that generated freely available knowledge for accounting professionals. Therefore, when the cost of maintaining the network began to exceed its benefits, the network collapsed.</p>

## APPENDIX 2—EXAMPLES OF REPORTS ISSUED BY PROFESSIONAL ACCOUNTANCY OR OTHER ORGANIZATIONS ON SMES, SMPS, AND SME-SMP INTERACTION

Professional Body/ Organization	Title	Objectives	Methodology
<b>Panel A—Campaigns Initiated by Professional Accountancy Organizations</b>			
ACCA (2013a)	<i>Accountants for small business</i>	<p>The campaign raised awareness of the value of professional accountants in SMEs, aimed at, among other things:</p> <ul style="list-style-type: none"> <li>• raising awareness among entrepreneurs, SME owner/managers, and their advisors of the value of employing professional accountants in-house and the process of building a professional finance function;</li> <li>• cultivating partnerships around the world between the accountancy profession and the business associations, government agencies, and service providers best placed to promote capacity-building among SMEs;</li> <li>• providing practical resources for owner-managers considering investing in the finance functions of their businesses and those supporting them in their efforts;</li> <li>• acknowledging the breadth of the finance professional's role in a small business and the need for finance professionals to help run SMEs; and</li> <li>• focusing stakeholders' attention and ACCA's efforts on the kinds of SMEs best placed to benefit from investment in the finance function.</li> </ul>	Not applicable

Professional Body/ Organization	Title	Objectives	Methodology
<b>Panel B—General Research on SMEs</b>			
ACCA and IMA (2014)	<i>Back in the game: Global SME performance review 2013/2014</i>	The report reviews the performance of SMEs around the world during 2013/14.	Not applicable
ICAEW (2014)	<i>The 99.9%: small and medium-sized businesses. Who are they and what do they need?</i>	The report aims to explore the diversity of the business community and better understand the need for business support that can be provided by accountants. It provides meaningful insights to chartered accountants working with these businesses, many of whom are themselves small business owners and might not have the capacity to conduct in-depth research for themselves. ICAEW additionally aims to make use of these insights to benefit society and the public interest.	Survey of 500 SMEs in the UK
Edinburgh Group (2013) (in association with ACCA)	<i>Growing the global economy through SMEs</i>	The report provides cross-country evidence about the contribution made by SMEs to the global economy and investigates the extent to which SMPs' clients are undertaking international activities.	Survey of 1,350 SMPs from over 70 countries
ACAS (Blackburn 2012)	<i>Segmenting the SME market and implications for service provisions – A literature review</i>	The review was conducted to inform ACAS in the development of an appropriate strategy to provide advice/support to SMEs.	Literature review
ACCA (2010)	<i>Small business: a global agenda</i>	The report reviews small- and medium-sized enterprises and their needs for the benefit of those involved in the design of policy, regulation, and business support around the world.	Not applicable

Professional Body/ Organization	Title	Objectives	Methodology
<b>Panel C—Research on the SME-SMP Relationship</b>			
ICPAS and CPA Australia (2013)	<i>ICPAS-CPA Australia survey on advisory services for Singapore businesses</i>	The survey was conducted to aid in understanding the range of accounting and advisory services needed by SMEs and those provided by SMPs.	Survey of 130 SMEs and 108 SMPs
ACCA (2013a)	<i>Accountants for small business</i>	The report aims to raise awareness of the value of professional accountants in SMEs.	Not applicable
ACCA (2013b) (in collaboration with Kantox Peer Fx)	<i>SMEs and foreign exchange risk: Are small and medium-sized accountancy practices up to speed?</i>	The report explores the role of practitioners in managing the foreign exchange exposure of SMEs clients.	Survey of 1,350 SMPs from over 70 countries
ACCA (Schizas et al. 2012)	<i>SMEs and their advisors: Measuring trust and confidence</i>	The report examines the role of trust and confidence in the relationship between SMEs and their accountants.	Survey of 1,777 SMEs from 6 countries
ACCA (2011) (commissioned by ACRA)	<i>Small and Medium sized public accounting practices in Singapore – Bridging the current to the future</i>	The survey was conducted to obtain a clearer sense of the current state of the SMP sector in Singapore and assess the challenges and opportunities ahead.	Survey of 144 Singaporean SMPs
ACCA (Blackburn et al. 2010)	<i>Business advice to SMEs: Professional competence, trust and ethics</i>	The report provides an understanding of the nature of services provided by accountants; examines the role of competence, trust, and ethics; and uncovers the factors influencing SMEs' purchase of business advice.	21 interviews with SMEs and accountants in the UK and Australia
ACCA (Devi and Samujh 2010)	<i>Accountants as providers of support and advice to SMEs in Malaysia</i>	The report examines: <ul style="list-style-type: none"> <li>• services offered to SMEs;</li> <li>• SMPs' perceptions of the needs of SMEs;</li> <li>• perceived barriers in the work of SMPs with SMEs and suggested solutions; and</li> <li>• SMPs' training needs.</li> </ul>	Survey of 174 SMPs and 11 focus groups
ACCA (Leung et al.) 2008	<i>Accounting services and SMEs: An Australian study</i>	The report provides evidence of the effects of regulation on demand for advice by SMEs and how accountants can help SMEs to meet their regulatory obligations.	Survey of 250 SMEs and of 130 accountants

Professional Body/ Organization	Title	Objectives	Methodology
<b>Panel D—Research on Greening SMEs</b>			
European Commission (Knopf and Mayer-Scholl 2013)	<i>Tips and tricks for advisors – CSR for SMEs</i>	The report provides guidance on improving the quality and quantity of CSR advice available to European SMEs.	Not applicable
United Nations Global Compact (2013)	<i>Global corporate sustainability report 2013</i>	The report assesses the state of corporate sustainability to date.	Survey of nearly 2,000 companies
IFAC (2012)	<i>The role of SMPs in greening small business</i>	The report presents a rationale for SMEs to improve their environmental performance and highlights the role that SMPs have in this emerging area of business advisory services.	Not applicable
ACCA (Spence et al. 2012)	<i>Environmental aspects of sustainability: SMEs and the role of the accountant</i>	The report explores the potential for further widening SMP advisory services to include environmental sustainability.	14 interviews with SMPs and SMEs in the UK, Canada, Hong Kong, and the Netherlands. Includes a list of resources available on environmental sustainability (toolkits, case studies, legislation, etc.)
NBA (2012)	<i>CSR for SME accountants</i>	The report provides practical guidance to accountants working with SMEs on getting started with CSR.	Not applicable
CICA, AICPA and CIMA (2011)	<i>SMEs set their sights on sustainability</i>	The report presents case studies to illuminate elements that are crucial for SMEs implementing sustainable practices.	Case studies
CIMA (2011)	<i>Finance transformation – A missed opportunity for SMEs?</i>	The report illustrates how firms transform their finance functions.	Not applicable
OEC (2011)	<i>Responsabilité sociétale: Comment répondre aux attentes de vos clients</i>	The report supports accountants in integrating environmental and social issues in their practices.	Not applicable
FEE (2010a)	<i>Small and sustainable: opportunities for SMEs</i>	The report sets forth a policy statement on core issues in relation to sustainability and the accountancy profession.	Not applicable
FEE (2010b)	<i>SMEs sustainability</i>	The report introduces a sustainability tool developed by the Swedish professional organization for accountants.	Not applicable



*Strengthening Organizations,  
Advancing Economies*

International Federation of Accountants  
529 Fifth Avenue  
New York, NY 10017  
T +1 212 286 9344  
[www.ifac.org](http://www.ifac.org)