



Key Challenges for SMPs Globally

Paul Thompson
Director, Global Accountancy Profession Support

June 25-27, 2015
ICAC 33rd Annual Caribbean Conference
Port of Spain, Trinidad and Tobago

Agenda

- IFAC Strategy for 2016-2018
- IFAC Global SMP Survey 2014
- IFAC's SMP-SME related activities
- Future Ready SMPs
- Resources

IFAC Strategy 2016-2018: CEs Forum - Looking to the Future—Dr. James Canton

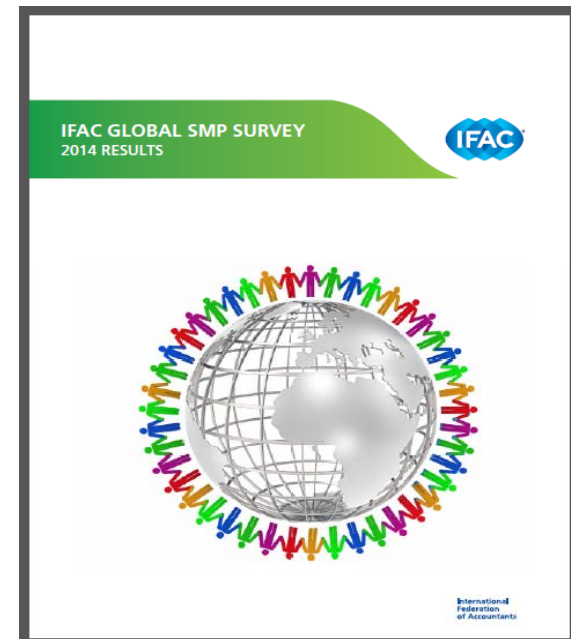
- Change: accelerated, disruptive, hyper
- Marketplace: innovation-driven, complex, always on, hyper-competitive, mobile, globally-connected
- Enterprise: strategic agility, future ready, monetizing connectivity, predictive, innovation culture, data as currency
- SMPs need to be ‘future ready’ and prepare clients

IFAC Strategy 2016-2018: CEs Forum – Top 5 Macro Trends Impacting Profession

1. Information Communications Technology (ICT)
2. Reputation / credibility
3. Relevance and attractiveness
4. Regulation
5. Transparency / accountability

IFAC Global SMP Survey 2014 – About I

- 5,083 respondents from 135 countries
- Available in 21 languages
- Report published www.ifac.org/smp





International
Federation
of Accountants®



IFAC Global SMP Survey – Highlights I

Top 4 challenges SMPs (C & S America / Caribbean):

- Keeping up with regulation (68% high / very high)
- Attracting new clients (66%)
- Keeping up with new technology (65%)
- Differentiating from the competition (65%)

IFAC Global SMP Survey – Highlights II

Next 5 Years - factors most impact (C & S America / Caribbean):

- Regulatory environment (58% high / very high)
- Competition (57%)
- Technology developments (55%)

IFAC Global SMP Survey – Highlights III

Next 5 years - technologies with most impact (C & S America / Caribbean):

- Business intelligence / data analysis software & tools (56% high / very high)
- CRM / document management software & tools (48%)
- Cloud computing (46%)

IFAC Global SMP Survey – Highlights IV

Practice Fee Revenue (C & S America / Caribbean):

- Majority SMP revenues for in 2014 increased moderately (47%) or stayed same (25%)
- Majority believe revenues in 2015 in all areas expected to grow – most in tax (66%) and advisory / consulting (64%)

IFAC Global SMP Survey – Highlights V

Membership in Network, Association, or Alliance (C & S America / Caribbean):

- 26% of SMPs belong to a network (12%), association (11%), or alliance (3%)
- 35% are considering joining one

IFAC Global SMP Survey – Highlights VI

Top SME Challenges (C & S America/ Caribbean):

- Rising costs (65% high / very high)
- Competition (53%)
- Economic uncertainty (53%)

IFAC's SMP-SME Related Activities

- SMP Committee to represent interests of SMPs
 - Comprised of 18 members from 18 countries
- Regular input to policy, regulation, and international standards
- Develops tools, guidance, standard support
- Promotes the visibility and recognition of SMPs

Future Ready SMPs – Relevant Services

- Non-audit services – compilations, review, agreed-upon procedures
- Advisory - corporate, tax, IT, HR, business development etc.
- Data – presentation, analysis and implications
- Internationalization, sustainability, access to finance etc.

Future Ready SMPs – Practice Management

- Leverage IT - cloud, connectivity, remote
- Forge alliances / collaborate – M&A, join network / alliance / association and virtual connections
- Talent management – age / gender / etc., technical / non-technical, flexible working
- Pricing – value over time-based

Resources - Global Knowledge Gateway

- News, views, resources, thought leadership
- www.ifac.org/Gateway
- Ten topic areas



The screenshot shows the IFAC Global Knowledge Gateway website. At the top, there is a navigation bar with the IFAC logo and the tagline "Strengthening Organizations, Advancing Economies". Below this, there are sections for "ABOUT IFAC", "IFAC GLOBAL KNOWLEDGE GATEWAY", and "INDEPENDENT STANDARD-SETTING BOARDS".

The main content area features a featured article titled "Interconnected Global Risks: No Man, or Business, Is an Island" by Horvath King, Chairman, International Integrated Reporting Council | April 16, 2014. The article discusses the challenges of designing an economic model capable of identifying and then responding to systemic and interconnected risks.

Below the featured article, there are several topic areas listed in a grid:

- Business Reporting**: Improving the usefulness of reported information for internal and external stakeholders.
- Ethics**: Reinforcing ethical practices and encourage an ethical workplace.
- Finance Leadership & Development**: Responding to changing expectations of society and organizations, and preparing for leadership roles.
- Governance**: Improving the systems and structure by which entities make decisions, oversee them, and monitor the results.
- Performance & Financial Management**: Improving organizational performance through better support for strategic and operational decision making.
- Risk Management & Internal Control**: Addressing uncertainty in acting and pursuing the organization's objectives.
- Sustainability**: Integrating sustainability into management, reporting, and assurance practices.
- Audit & Assurance**: Facilitating the adoption, implementation and development of international standards.
- Practice Management**: Supporting practitioners in managing and growing their practices.

At the bottom right of the screenshot, there is a "Keep Updated" section with a "Subscribe" button and the text "Get the latest updates delivered straight to your inbox."



Resources - Other

- Follow us on [Twitter](#): IFAC_SMP
- Join us on [LinkedIn](#): IFAC SMP Community
- Subscribe at www.ifac.org/subscriptions
- [‘Is Your Accounting Firm Ready?’](#)