

Integrated Thinking & <IR> For SMEs

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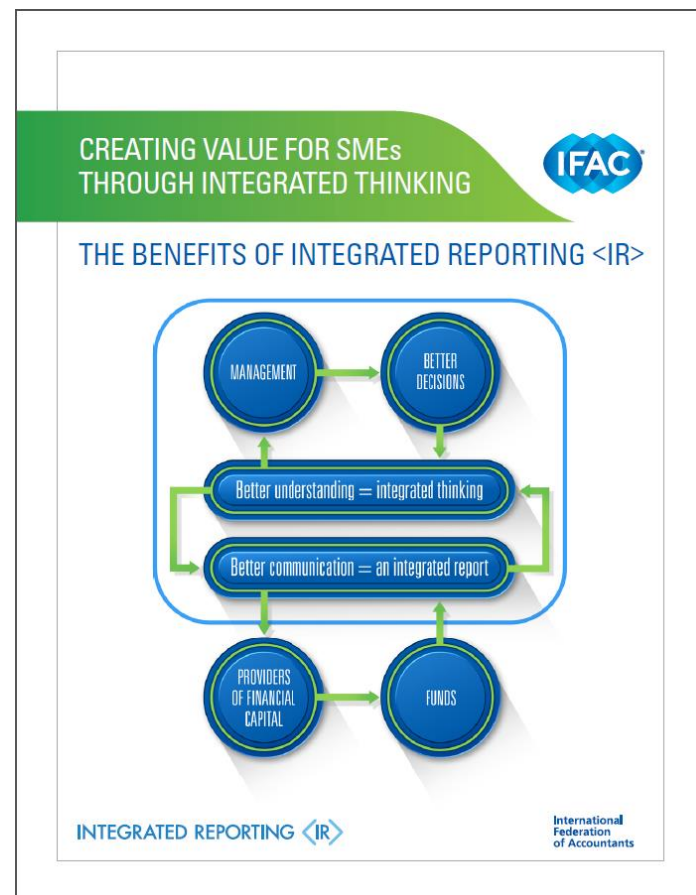
Vienna

March 7, 2018

Integrated Thinking & <IR> For SMEs

Creating Value for SMEs through Integrated Thinking: the Benefits of Integrated Reporting <IR>

- How do SMEs create value?
- Promoting Integrated Thinking
- The Multiple Capitals in an SME context
- IR Benefits – better understanding and communication



Many Benefits of Integrated Thinking for SMEs

- Improving ***internal management processes***; breaking down silos
- Enhances ***decision making & business planning***
- Creating ***greater trust and credibility*** with customers, suppliers, other stakeholders and society
- Maximizing the ***potential to transfer***, sell or hand over a business by providing a better basis for valuation



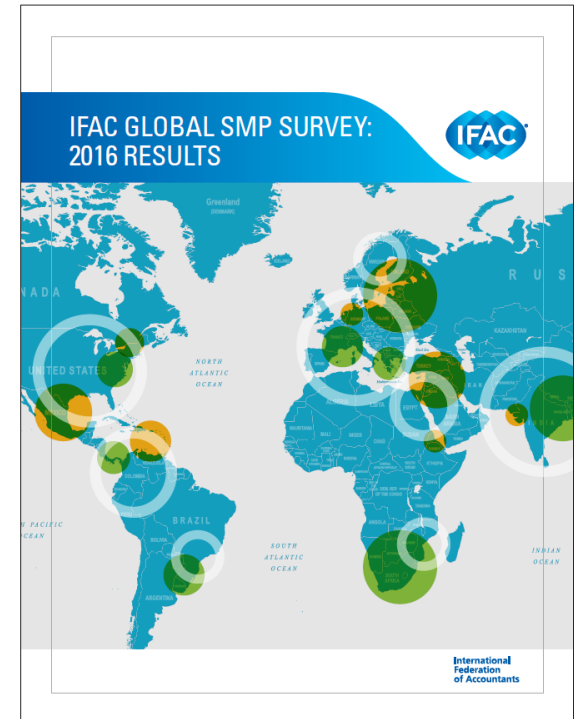
Potential for Integrated Thinking & <IR> I



83%

PROVIDE SOME FORM
OF CONSULTING SERVICE.

- **SMPs = The Trusted Adviser**
- Deep understanding & knowledge of the business
- Strategic & future-focused advice



Potential for Integrated Thinking & <IR> II

- Identify potential clients – wide network of external & internal stakeholders
 - Companies and entities providing public services
 - Local utilities
 - Professional services firms
 - Freight companies
 - Not for profit organizations



Potential for Integrated Thinking & <IR> III

- SME Seeks Buyer, Finance, Contract
- Initial Steps
 1. Issue a statement of intent
 2. Conduct a stakeholder mapping exercise
 3. Think about value creation
 4. Consider the business model
 5. Determine what resources are needed
 6. Improve cross-organization communication



IFAC Global Knowledge Gateway

- Global Knowledge Gateway

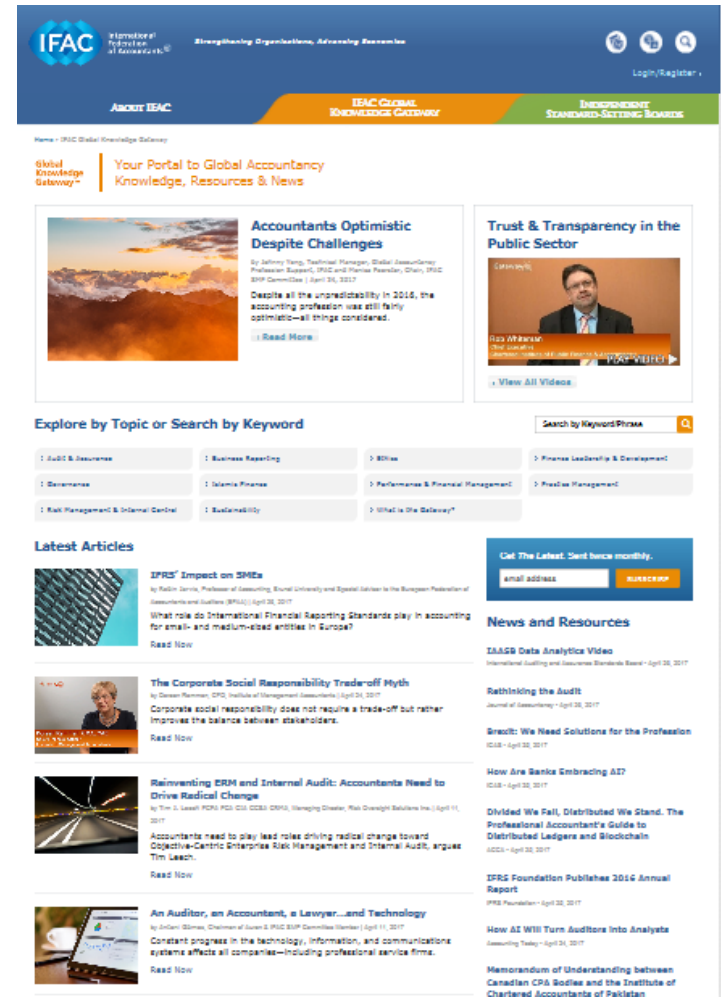
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- Original thought leadership, curated news & resources from around the world
- Topics include audit & assurance, practice management, ethics & more

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Various Resources for <IR> on Gateway

- Chen **“Insights into Integrated Reporting”** May 2017
- Gould **“A Call to Action: Walk the Talk on <IR>”** June 2017
- Olsson **“ Integrated Thinking: A Pillar for Integrated Reporting”** July 2017
- Attolini & Olsson **“Integrated Thinking & Reporting Requires Trusted Advisors: Guiding your SME Clients”** August 2017
- Thompson **“The Case for SMEs to Consider Integrated Thinking & Reporting”** October 2017
- Thompson **“How can SMEs Implement Integrated Reporting? A Starter Kit”** December 2017

IAASB Emerging Forms of External Reporting

- Supporting Credibility and Trust in Emerging Forms for External Reporting
 - Demand for EER assurance engagements likely to increase
- Project to develop non-authoritative guidance in applying ISAE 3000 (Revised)
- Project Advisory Panel to support project on EER assurance engagements

Feedback Statement
Prepared by the Staff of the IAASB
January 2018

Supporting Credibility and Trust
in Emerging Forms of External
Reporting: Ten Key Challenges
for Assurance Engagements

IAASB International Auditing
and Assurance
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IFAC Resources

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