



International
Federation
of Accountants®

2018 IFAC Global SMP Survey Results (Balkans / Eastern Europe)

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Chair,
IFAC SMP Committee

September 24, 2018

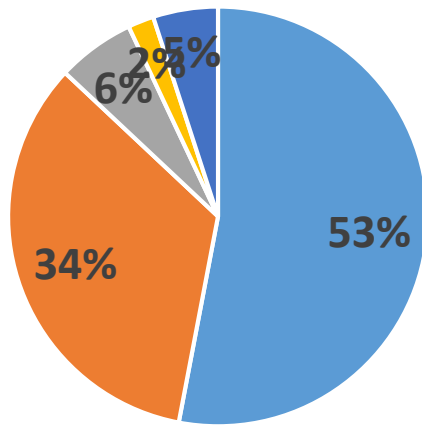
IFAC Global SMP Survey 2018

- 6,258 respondents from 150 countries
 - 24 languages
- March – May 2018
- Raise the visibility and voice of SMPs
- **Results embargoed until IFAC Summary published**



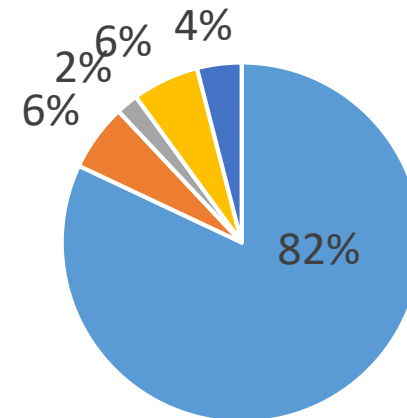
Demographics

Respondents by Practice Size



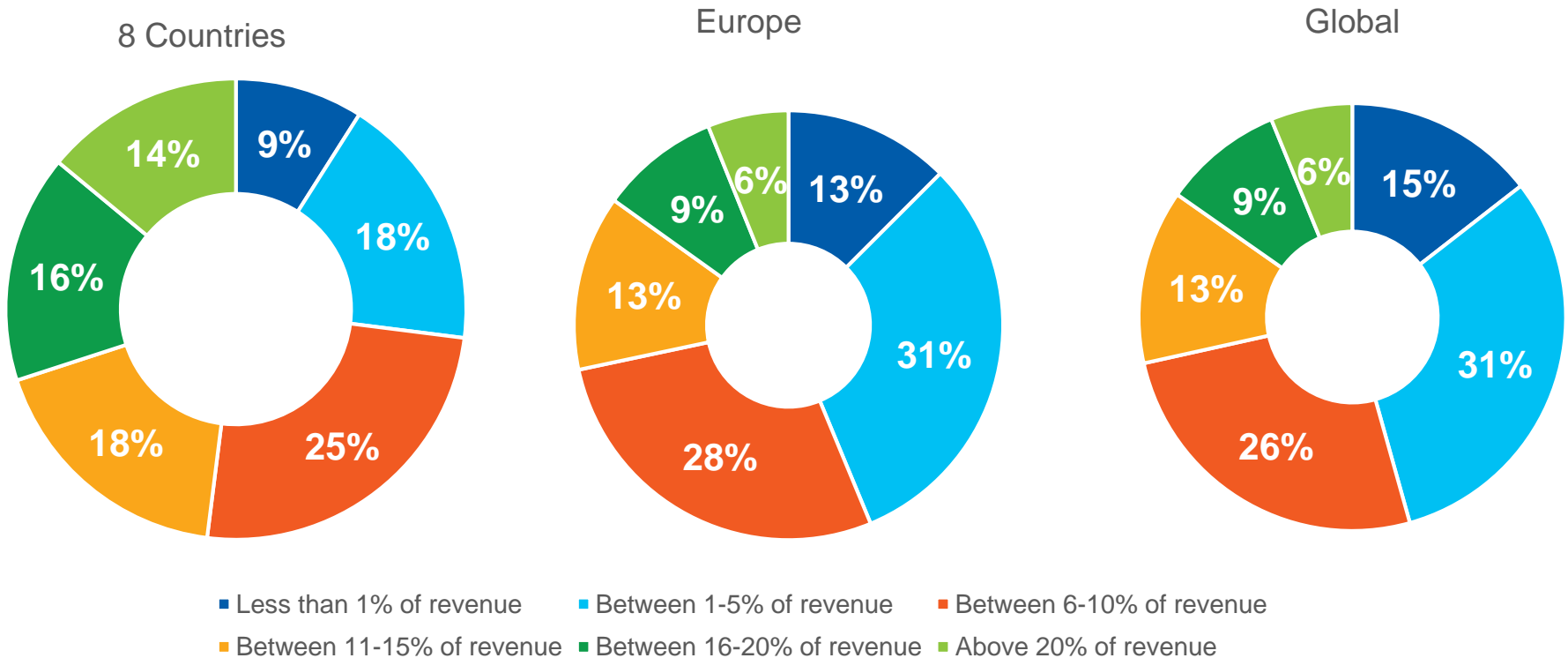
- Sole practitioner
- 2 - 5 partners & staff
- 6 - 10 partners & staff
- 11 - 20 partners & staff
- 21 or more partners & staff

Position Level of Respondents in Practice



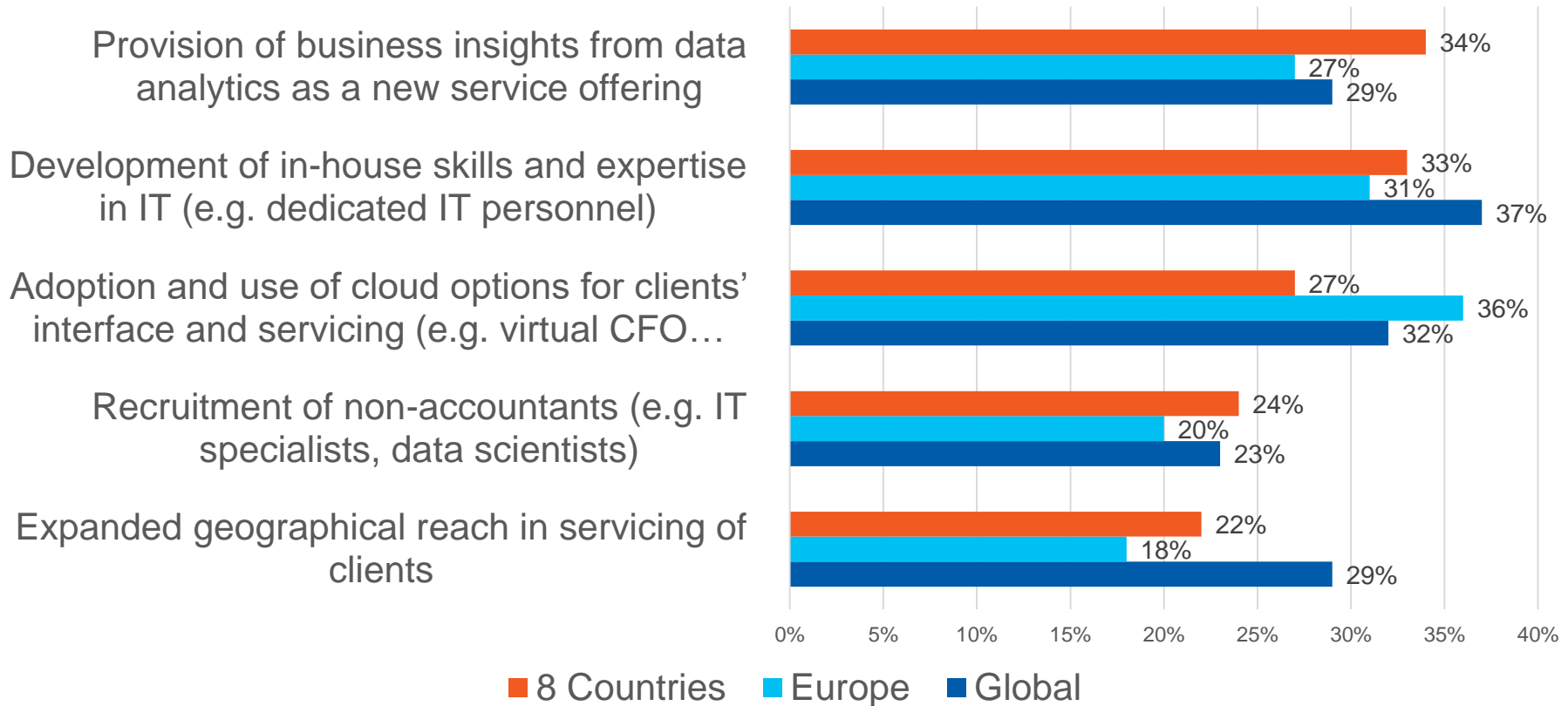
- Partner/Owner/Sole proprietor
- Director
- Senior Manager
- Manager
- Other, please specify

Investments in Technology As Percentage of Revenue



Technology Development

Responses to Technology Development



Opportunities for SMPs—Technology

Technology Developments

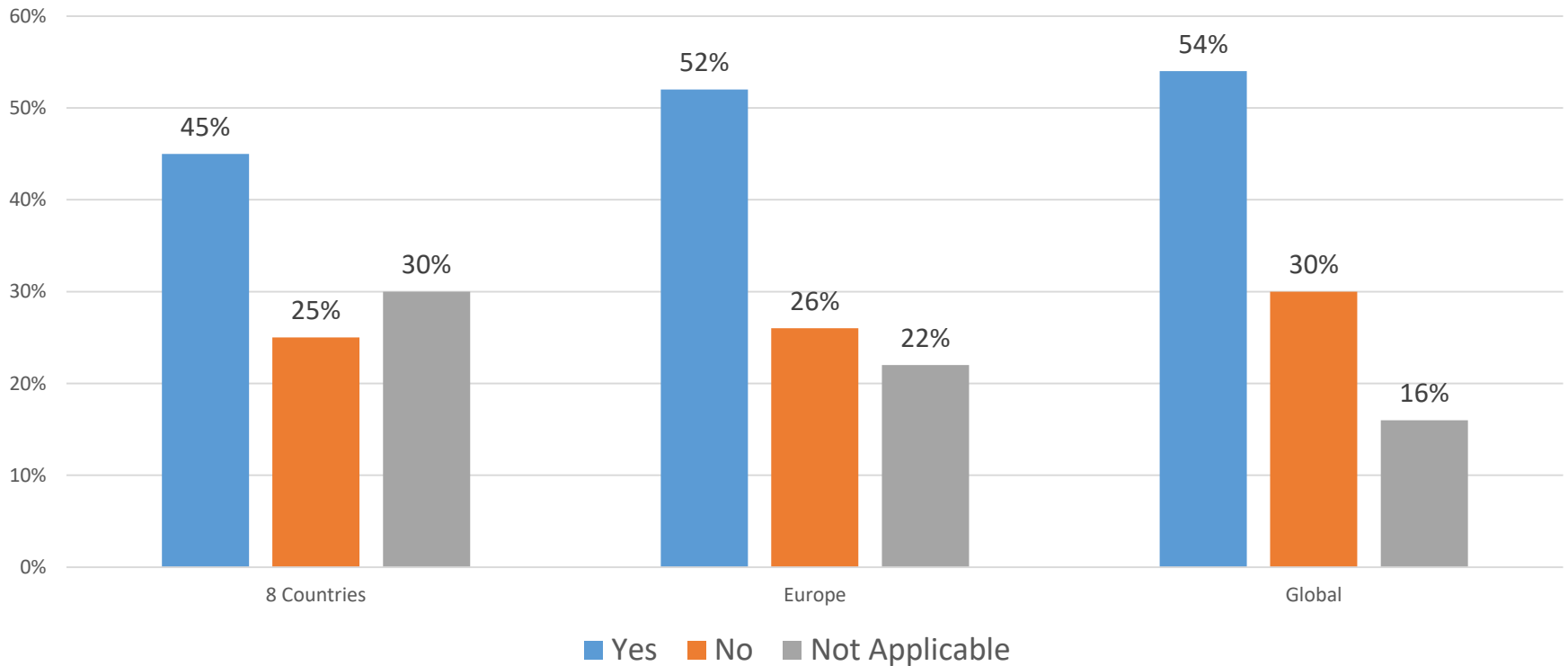
Opportunity, Threat and Challenge

- Technology is part of step change in accounting
- Technology = **opportunity** – the future of practice
 - Cloud computing can reduce costs and increase agility
- Technology = **threat** – commoditization, DIY
- **Challenge** is how to implement technological change
 - Concerns over cyber-security



Talent Management – Difficulty attracting next generation talent

% of Firms With Difficulty Attracting Next Generation Talent



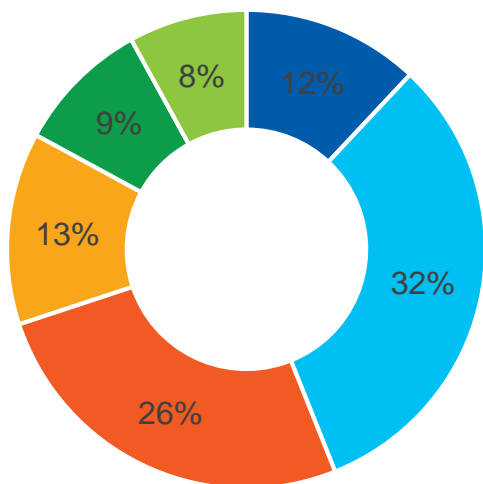
Talent Management – High and Very High Challenges

Impediments	8 Countries	Europe	Global
Lack of candidates with the right mix of skills	77%	74%	66%
Concern about work-life balance and flexibility	61%	50%	41%
Competition from larger practices	60%	51%	57%
Increased opportunities in other fields	53%	51%	44%
Concern about technology impacting jobs and opportunities	37%	25%	27%

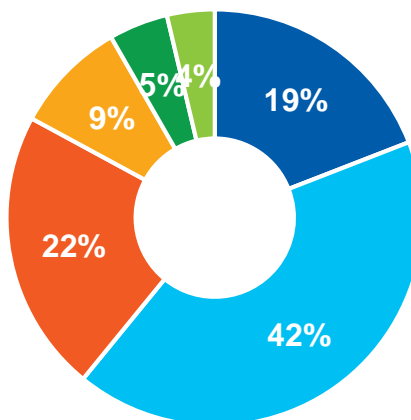


Investments in Training (Technical & Soft-skill) As Percentage of Revenue

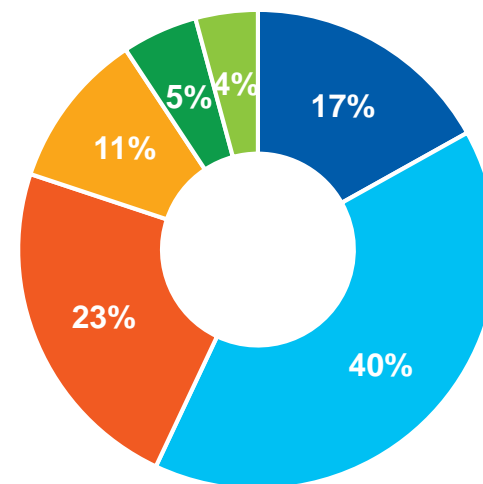
8 Countries



Europe



Global



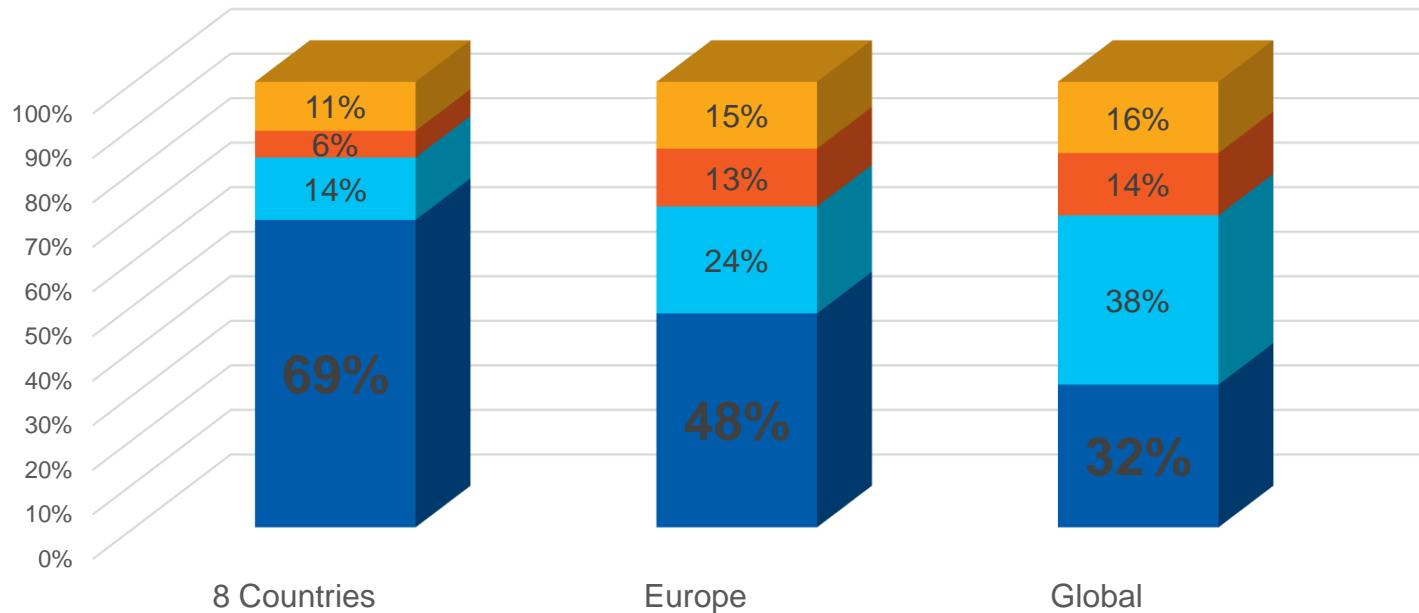
- Less than 1% of revenue
- Between 1-5% of revenue
- Between 6-10% of revenue
- Between 11-15% of revenue
- Between 16-20% of revenue
- Above 20% of revenue

Talent Management Initiatives (Next 12 Months)

Management Initiatives	8 Countries	Europe	Global
Flexible working hours or work days	54%	48%	47%
Enhanced work environment (provision of new technology tools, ergonomic furniture and fittings etc.)	42%	36%	39%
Technical training programs (e.g. on international standards, local regulations etc.)	38%	34%	46%
Mentoring and career coaching programs	36%	25%	38%
Direct incentive and reward programs (e.g. bonus or commissions)	36%	29%	43%

Practice Fee Composition

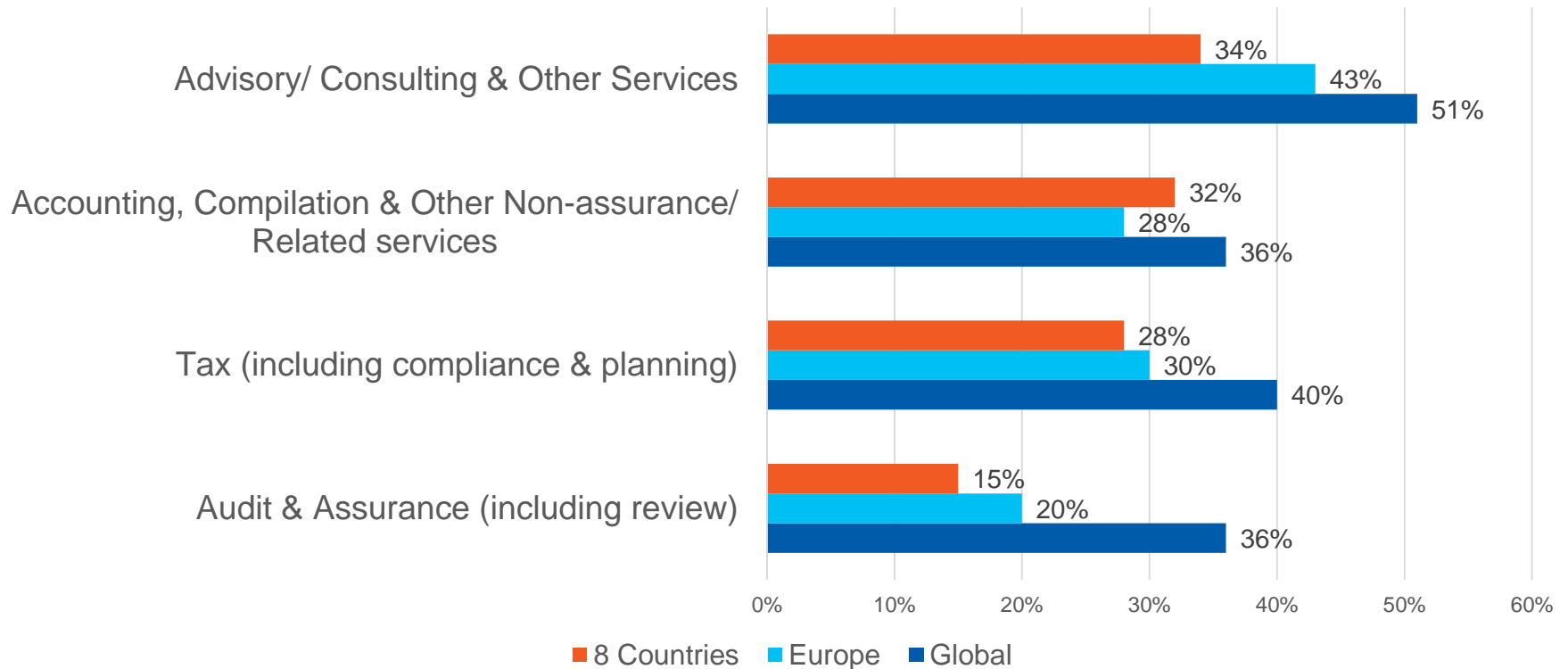
Sources of Practice Fees Revenue



- Advisory/ Consulting and Other
- Tax (including tax planning)
- Audit and Assurance
- Accounting, Compilation and Other Non-assurance/ Related services

Practice Fee Revenue – Outlook Over The Next 12 Months

Increase moderately and substantially (per service line)



Business Advisory and Consulting Services

Category	8 Countries	Europe	Global
Human resources policies and procedures	61%	37%	27%
Management accounting	42%	39%	50%
Forensic accounting/ Fraud investigation	29%	19%	21%
Corporate advisory	29%	51%	53%

- **86%** globally provide some advisory or consulting service



Opportunities for SMPs I

New Services/ Specialization

- Develop capability to offer and market new services (its about reliance not compliance)
- Choose fields where firm has high degree of industry and/or technical understanding
- Choose fields big enough to justify spending on marketing and gaining specialist knowledge
- Consider offering your firm as an adviser to second-tier firms, whose clients want top-tier specialist expertise



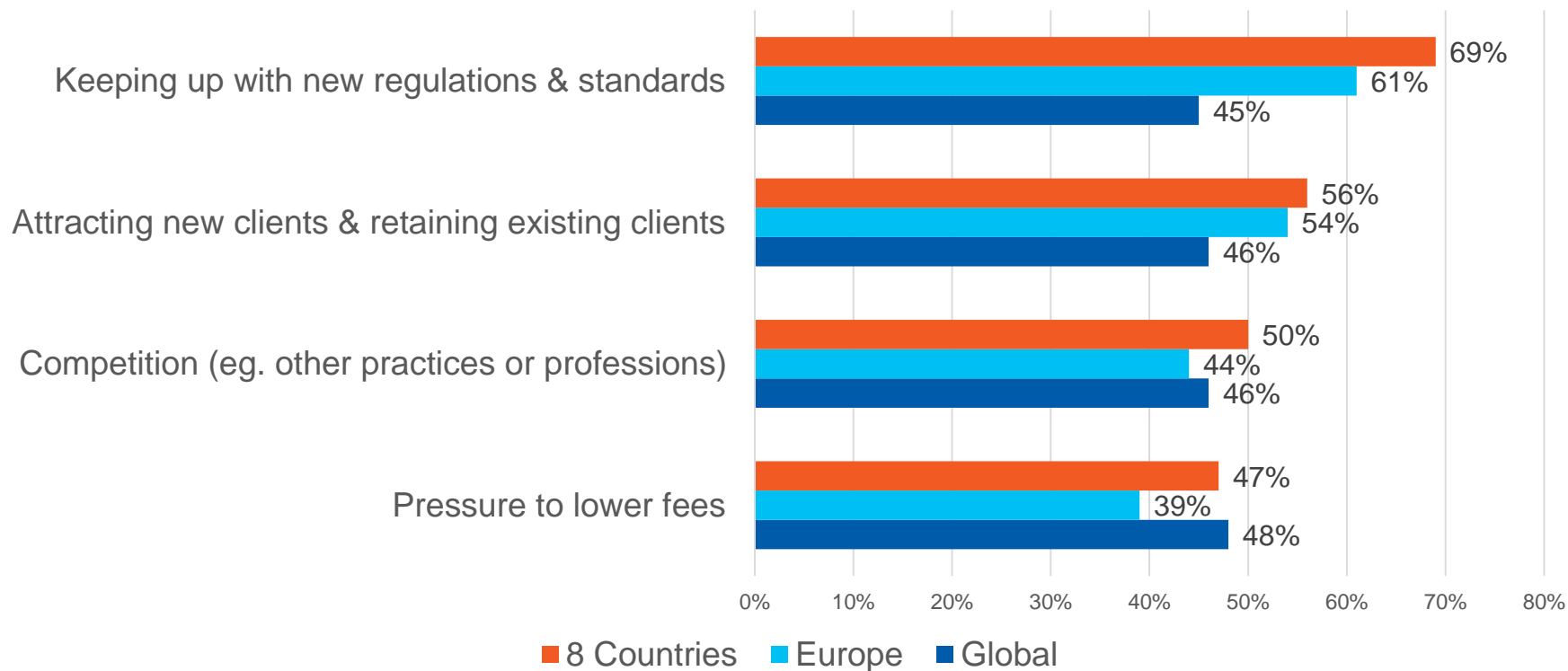
Opportunities for SMPs II

Trusted Business Advisor—What it Means

- **Understanding** and listening to clients' needs
- Using our **broad experience/expertise** to help clients accomplish their goals
- Creating an ongoing **relationship** with clients
- Providing **more** than core accounting services

Top 4 Practice Challenges

Top 4 High & Very High Challenges



IFAC Resources (and Communities)

- IFAC SMP Committee: www.ifac.org/SMP
- Follow us on [Twitter](#): IFAC_SMP
- IFAC Global SMP Survey www.ifac.org/smp
- Join us on [LinkedIn](#): IFAC SMP Community
- Global Knowledge Gateway www.ifac.org/Gateway

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