

IFAC GLOBAL SURVEY REFLECTS GROWING ACCOUNTANCY TALENT AND TECHNOLOGY CHALLENGES

(New York, New York, March 16, 2017) – Accountants working in small- and medium-sized practices (SMPs) around the world are facing heightened staffing challenges, according to the latest [IFAC Global SMP Survey results](#). While attracting new clients, keeping up with new regulations/standards, and pressure to lower fees remained key challenges faced by SMPs, attracting new/retaining existing staff made the top four challenges for the first time since the survey was conducted in 2011.

Additionally, the anticipated impact of technology developments over the next five years increased substantially in 2016 over 2015. Staying current with new hardware and software, as well as moving to the cloud, topped the list of technology challenges.

Despite these challenges, SMPs' future performance expectations increased slightly from a year ago in three of the four service areas, with the exception of tax. Growth is expected to be driven by advisory/consulting services, along with accounting, compilation, and other non-assurance/related services, with 45% and 44%, respectively, predicting fee revenue increases in these areas in 2017.

“The ever-increasing pace of technological change represents both a challenge and opportunity for SMPs,” said IFAC CEO Fayez Choudhury. “As trusted business advisors to small- and medium-sized entities or SMEs, a sector critical to global economic stability and growth, SMPs need to consider how they can best leverage technological advances to reduce costs and offer value-added services to meet clients' changing demands and expectations. In addition, SMPs that keep pace with developments in technology are likely to do better in attracting, retaining, and nurturing talent.”

Additional key findings from the survey include:

SMPs recognize the value of offering business advisory and consultancy services.

- A significant majority of respondents provide some form of advisory services, with corporate advisory (48%), management accounting (46%), and human resource/employment regulations (30%) being the most common.

SMEs continued to be challenged by economic uncertainty and rising costs.

- Consistent with 2015, the top challenges facing SME clients were economic uncertainty and rising costs (with 61% and 59%, respectively, rating these as a high or very high challenge).

SMP performance in 2016 improved slightly over 2015.

- In 2016, 30% or more of SMPs reported moderate or substantial increases in fee revenue across services areas, compared to 27% or more in 2015.

Some regions, countries, and larger SMPs were not well represented in the survey results; caution should be exercised when attempting to generalize survey results to specific countries or regions, or SMPs of all

sizes. See the full results, including breakdowns by region and size of practice, and subscribe to receive SMP updates, on the IFAC website: www.ifac.org/SMP.

About the Survey

The 2016 IFAC Global SMP Survey received 5,060 respondents, representing 164 countries. It was conducted October–November 2016 in 23 languages. The survey design and reporting were undertaken in collaboration with Sarah Webber and Donna L. Street, lead researchers from the University of Dayton (US). The survey's translation and distribution were only possible with the support of IFAC member organizations and partners. The next IFAC Global SMP Survey is expected to open in 2018.

Designed to be completed by senior SMP professionals, whose clients are predominately SMEs, the survey takes a snapshot of key issues, and tracks important trends and developments, facing this critical sector. The survey results help IFAC and its members gain an understanding of the specific challenges and opportunities faced by SMPs and SMEs globally, and as a result, better serve them. To this end, IFAC develops and facilitates the sharing of tools and resources to help build SMPs' capacity, including publications to support practice management and international standards implementation. These and over 400 original articles and 10,000 links to related resources can be accessed in the [IFAC Global Knowledge Gateway](#).

About the SMP Committee

The [SMP Committee](#) of the International Federation of Accountants® (IFAC®) represents the interests of professional accountants operating in small- and medium-sized practices (SMPs). The committee develops guidance and tools and works to ensure the needs of the SMPs are considered by standard setters, regulators, and policy makers. The committee also speaks out on behalf of SMPs to raise awareness of their role and value, especially in supporting SMEs, and the importance of the small business sector overall.

About IFAC

[IFAC](#) is the global organization for the accountancy profession, dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. It is comprised of more than 175 members and associates in more than 130 countries and jurisdictions, representing almost 3 million accountants in public practice, education, government service, industry, and commerce.

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