



SMEs & SMPs AS THE ENGINE FOR GROWTH IN THE MEDITERRANEAN REGION

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April 2016



SMEs Critical to Economies

- SMEs typically account for majority of private sector GDP, employment, and growth, and are engines of innovation
- SMEs are a heterogeneous group – different size, age, sector, location, and growth profiles
- SMEs typically look to accountants, especially SMPs, for range of professional services (assurance to advice)

IFAC Global SMP Survey 2015

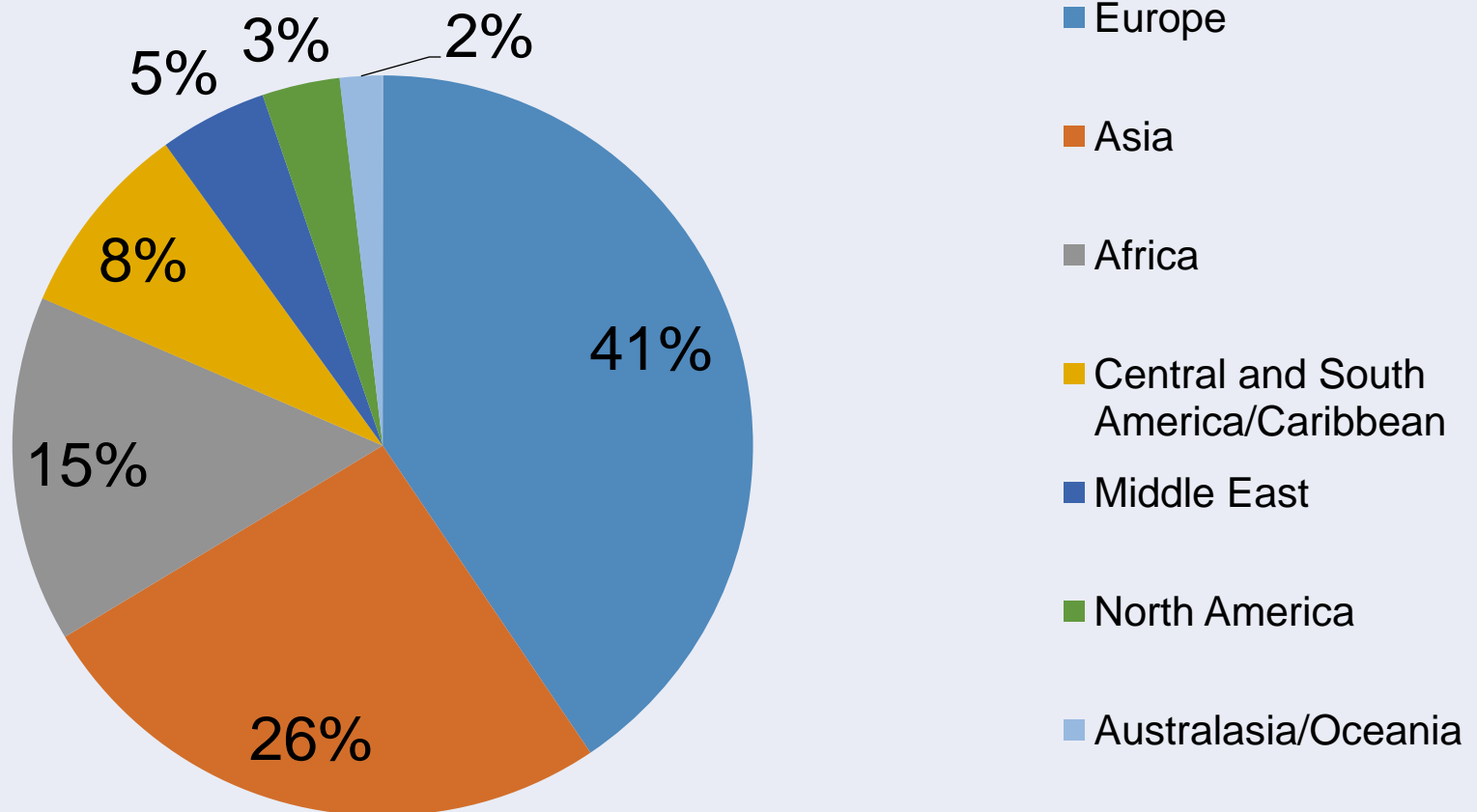
- 6,725 responses from 169 countries
- Available in 22 languages (Oct 1 – Nov 30)
- Report and Summary published at www.ifac.org/smp



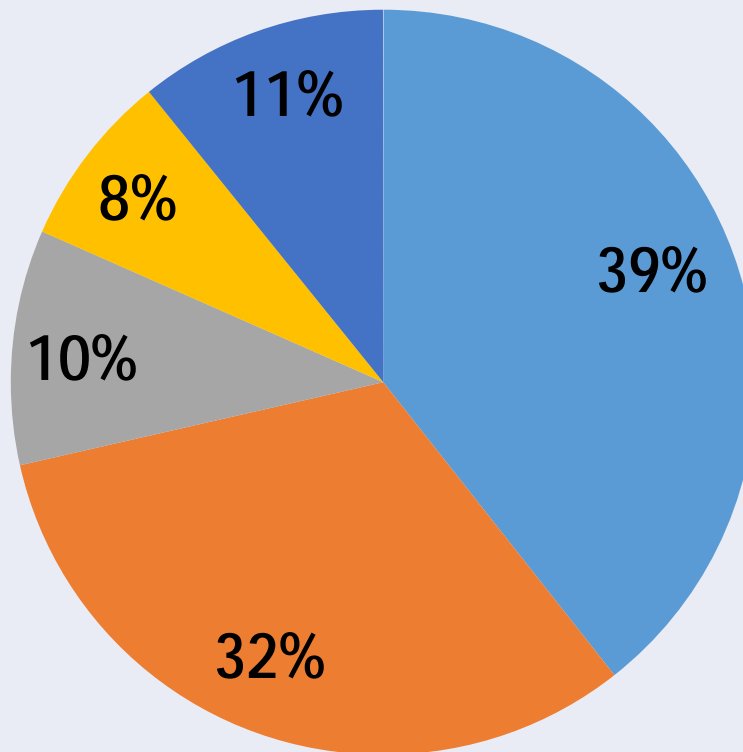


FCM 14th Annual Conference & XXXI CILEA International Conference, Porto, Portugal

Respondents By Region



Size of Practice

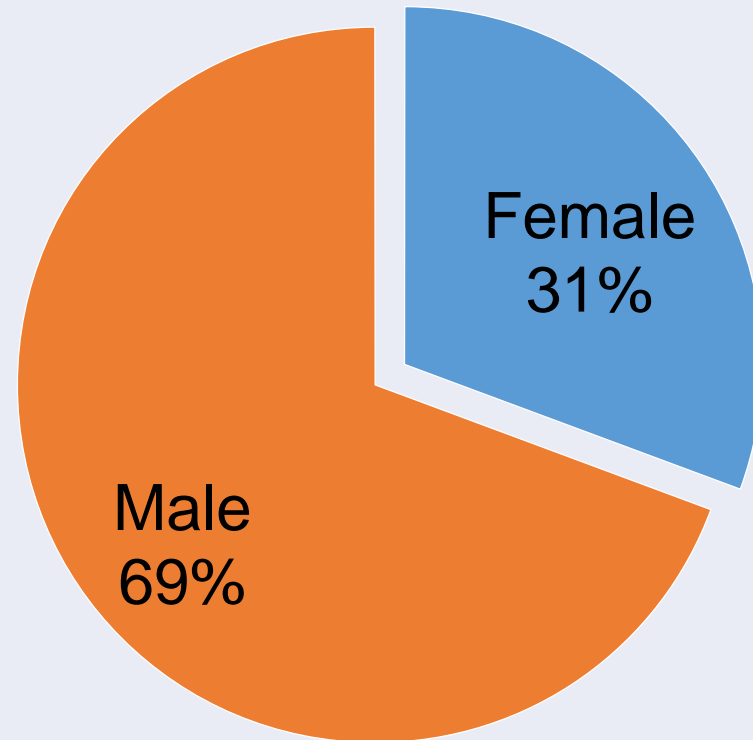


- Sole practitioner
- 2-5 partners & staff
- 6-10 partners & staff
- 11-20 partners & staff
- 21 or more partners & staff

Age

Under 25	1%
25 – 35	14%
36 – 45	27%
46 – 55	31%
56 – 65	20%
Over 65	6%

Gender of Respondents





Top 3 Challenges Facing SMPs (high & v. high)

- Attracting New Clients (47%)
- Keeping up with New Standards and Regulations (44%)
- Differentiating from Competition (43%)

Next 5 Years (high & v. high)

- Regulatory Environment (52%)
- Competition (46%)
- Technology Developments (43%)



SMP Performance 2015

- **33% - 38%** revenues stayed the same
- **23% - 27%** revenues increased moderately
- **13% - 17%** revenues decreased moderately

Forecasted Fee increases 2016

- Advisory and Consulting (**44%**)
- Accounting, Compilation and NAS/Related Services (**41%**)
- Tax (**39%**)
- Audit and Assurance (**35%**)



Business Advisory & Consulting Services

- Tax Planning (52%)
- Corporate Advisory (45%)
- Management Accounting (41%)
- Human Resources/Employment Regulations (29%)
- Business Development (27%)
- Succession Planning/ Business Transfers (20%)



SME Challenges (high & v. high) SME Client Profits

- Economic Uncertainty (61%)
 - Rising Costs (58%)
 - Competition (54%)
 - Difficulties Accessing Finance (51%)
- 41% Decreased
 - 31% Increased
 - 22% No Change



International Activities of SME Clients

- Engaged in Import or Export of Goods or Services **(74%)**
- Have Foreign Owners or Investors **(33%)**
- Deal in Foreign Currencies **(29%)**
- Have Joint Ventures or Partnerships with Companies Based Abroad **(24%)**
- Have Part of the Business Infrastructure or Operations in One or More Foreign Countries **(24%)**
- Own International Assets **(15%)**



Policy Implications

- Supporting businesses in crucial phases of their lifecycle
 - Access to professional accountancy advice
 - Focus on SMEs internal controls
- New business opportunities in the digital age
 - Impact of technology
 - Internationalization
 - Build knowledge base of major trends
- Create an environment where entrepreneurs can grow and prosper



IFAC Resources

- 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

THE LATEST

Global Knowledge, Resources, and News from the Gateway



Key IFAC Publications

- *Guide to Using International Standards on Auditing in the Audits of Small-and Medium Sized Entities*, Third Edition
- *Guide to Quality Control for Small and Medium Sized Practices*, Third Edition
- *Guide to Review Engagements*
- *Guide to Compilation Engagements*
- *Guide to Practice Management for Small and Medium Sized Practices*, Third Edition

