



EFAA Digital Working Group: Member Organisation Micro Survey Results

Executive Summary

EFAA's newly established [Digital Working Group \(Digital WG\)](#) conducted this member survey to help it develop its strategy and work plan. The survey yielded a high response rate with 14 of EFAA's [17 members](#) responding. The full set of results are shown overleaf¹. Key findings from the survey are as follows:

- Most respondent members strongly agreed that technology poses both a challenge and an opportunity for their small- and medium-sized practice (SMP) members (Q1);
- Most members welcome the idea of EFAA working with them to conduct a survey of their SMPs (Q2);
- The technologies that members believe most likely present an opportunity to the clients of their SMP members are eCommerce (including e-invoicing), cloud and eGovernment (Q3);
- Most respondents expect demand by SMEs for business advisory and client accounting services to increase while most foresee demand for audit and assurance to decrease (Q4);
- The technology-related activities that respondents are most likely undertaken for SMP members are holding events, having a group dedicated to digital issues, liaison with regulators, and the conduct of surveys / research (Q5);
- Respondents almost unanimously said the objectives of their technology related activities were to help SMP members prepare / be technology ready, understand the potential impact of technology on SMPs, raise awareness among SMP members, and understand the regulatory and legal framework (Q6);
- To resource / support their technology related activities almost all members have dedicated existing staff or hired specialised staff and have a volunteer group dedicated to technology (Q7);
- The most pressing challenges facing respondent members in relation to technology issues are helping SMP members prepare / be technology ready and the availability of financial resources (Q8);
- Almost all members welcome EFAA's help with the challenges of understanding the potential impact of technology on SMPs and raising awareness amongst SMP members (Q9); and
- Most members want EFAA to prioritise undertaking or coordinating surveys / research, providing information on relevant developments, and facilitating member collaboration and exchange of best practices (Q10).

¹ All additional comments with the relevant attribution are shown with the consent of respondents. Yellow highlight is used to flag those answer options that elicited the largest number of responses.

1. Please indicate the extent to which you agree with the following statements:

A. Technology poses a challenge to your small- and medium-sized practice (SMP) members.

[Strongly Disagree (0) / Disagree (1) / Neutral (0) / Agree (2) / **Strongly Agree (11)**]

B. Technology presents an opportunity to your SMP members.

[Strongly Disagree (0) / Disagree (0) / Neutral (1) / Agree (6) / **Strongly Agree (7)**]

Please insert any explanatory comments:

Technology enables SMPs to provide new business services (especially advisory services), boosts efficiencies in relation to existing services (e.g. faster and secure communication and data access, electronic documentation, data analysis) and helps overcome or at least mitigate some of today's challenges (such as staff shortage, fee pressure). Nevertheless, technology requires time and money to be understood, evaluated, integrated and applied in a business environment with steadily growing regulatory requirements. (WPK)

SMPs can react faster on new developments using their flat hierarchies. On the flip side they don't have specialised departments taking care of information gathering and taking care of implementation. Every new organisational step consumes work time – the percentage of work time consumed by the implementation of new digital infrastructure is much higher in SMPs than in bigger units. We therefore hope that the DWG will be able to provide guidance. (DStV)

On the one-hand we see the opportunity for a remarkable increase in productivity; on the other-hand the profession is challenged by finding (IT-qualified staff; increase in competition and may-be loss of field of business to non-professionals versus opening up new business opportunities for professionals. (KWT)

For the future of the profession, technology will be a hard challenge for the accountants that won't be able to change their way of work. However, for whom ready to evolve, technology can be a major market jumping bed. (OCC)

Technology can be a major opportunity for SMP's, though the biggest challenge starts by keeping up with the pace of the technology change, in other words, which tools/trends to be aware/investigate/adopt. In practice, we notice that SMPs mostly do not have the resources and time. Although we describe it as an opportunity, at some moment it will be more a necessity to stay competitive as new (fintech, banks etc.) or technology adapted players (The Big 5 technology companies such as Google, Facebook, Microsoft, Amazon, Apple, etc. could enter the market of the SME companies which are traditionally serviced by SMPs. Technology has an impact on all parts of the economy, from large to SME companies. These companies need to transform and adapt to technology changes so they can stay competitive. We believe that the accounting profession can and must play a leadership role into this adoption at the companies itself, but off course SMP's need to transform and adapt themselves first. (IEC-IAB)

At this moment our SMP members are facing a paradigm shift. Due to regulation they are transforming from paper based reporting to electronic reporting. This means new work processes and IT solutions. It will take a while to benefit from all the changes. (NBA)

Digital society – both under technological and societal aspects in a new age and era and cannot be ignored, avoided or considered only as a "problem". It is a new DNA of the younger generation and all the thinking. All our lives and what we consider as possible or impossible to be done in a certain time and distance has changed in few years. Our practices and way of providing professional services are strongly influenced. SMPS or SME in particular need to manage by themselves many of the adjustments and adaptations as they cannot rely on a special department to manage all these issues on their behalf. (CNDCEC)

The opportunity is greater but SMPs need to invest time and effort to understand its potential. (CGE)

Technology will continue to be both a challenge and opportunity. The opportunity is greater but SMPs need to invest time and effort to understand its potential. (IEKA)

2. Should EFAA work with your organisation to conduct a survey of your SMP members?

[Agree (12) / Disagree (2)]

This depends on the kind of survey; experience tells us that long surveys are rarely answered in full by members as they are an extra workload on their busy schedule. (IEC-IAB)

Please consider that different organisations are addressing this issue and need to avoid duplications. (CNDCEC)

3. Which of the following technologies does your organisation think present an opportunity to the clients of your SMP members?

- a. **eCommerce (including e-invoicing)** **[Yes (13) / No (1)]**
- b. **Big data including PSD2 (Payment Services Directive)** **[Yes (9) / No (5)]**
- c. **Internet of Things & cyber-physical systems** **[Yes (7) / No (7)]**
- d. **Cloud** **[Yes (13) / No (1)]**
- e. **Robotics and autonomous systems** **[Yes (5) / No (9)]**
- f. **Artificial intelligence and machine learning** **[Yes (9) / No (5)]**
- g. **3D printing** **[Yes (4) / No (10)]**
- h. **eGovernment** **[Yes (12) / No (2)]**
- i. **Other – please specify**

Knowledge management platforms and services; E-Justice and E- judicial procedures. (CNDCEC)

Please insert any explanatory comments:

OCC believe that Big data, robotics and 3D printing are opportunities for bigger enterprises, therefore, we are not sure if it presents opportunities to the clients of SMP members. (OCC)

A lot of these technologies are already in place in the Netherlands. (NBA)

For e-government: Especially filing of corporate acts, and other formal communications filed, presented, archived with digital platforms and support or archive. (CNDCEC)

Data analytics, eCommerce and the Cloud are already presenting opportunities to SME clients and we expect AI to do likewise in the near future though we are unsure exactly how. (IEKA)

Clearly depends on which sector their clients are found (ACCA)

4. How do you expect small- and medium-sized entities (SMEs) demand for the following services provided by SMPs to change in the future?

- a. **Business advisory (data analysis etc.)** [Increase (13) / Unchanged (1) / Decrease (0)]
- b. **Client accounting services (business process outsourcing / accounting / virtual CFO)**
[Increase (9) / Unchanged (4) / Decrease (1)]
- c. **Tax (including planning and advice)** [Increase (6) / Unchanged (6) / Decrease (2)]
- d. **Audit and assurance** [Increase (4) / Unchanged (3) / Decrease (7)]
- e. **Other – please specify** [Increase (5) / Unchanged (0) / Decrease (0)]

Advice on regulatory (legal) compliance (WPK)

Management Accounting (SCAAK)

Technology transformation/adoption at companies, assisting in business strategy, App development (IEC-IAB)

Insolvency procedures and corporate consulting (CNDCEC)

Other RSC (CGE)

Please insert any explanatory comments:

We see much potential in CAS and advisory services. Besides business advise in a traditional sense, advisory services with a focus on digitalisation and regulatory compliance will increase. We also fear that audit and assurance services will be seen as bureaucratic burdens with limited benefit for clients. Accordingly, the importance of audit and assurance services for SMEs and SMPs will decline. (WPK)

OCC believes that business advisory is the future for accountants. Regarding audit and assurance, we answered [Decrease], however, due to our member nature (only accountants), are answered might not have the necessary background. (OCC)

While tax advice and planning will probably slightly increase, other tax activities will disappear due to automatisisation (IEC-IAB)

Client accounting services is highly being automated, automated bookings (from scanned documents, e-invoicing exchanging...), direct connections to banks, compliance work being automated etc. SMP's are evolving to a wider range of rendered services that have the main goal to relieve their clients from as many tasks as possible so their clients can focus on their core business. (IEC-IAB)

The Dutch Tax Office is busy with automating the tax filing for small entities. This could have a great impact on the tax services. (NBA)

We see much growth in CAS and advisory, audit and assurance to continue to diminish as thresholds increase and value fails to be understood. (IEKA)

5. What kind of activities has your organisation carried out on technology for its SMP members?

- a. Continuing professional development (CPD) / training (e.g., big data course) [Yes (9) / No (5)]
- b. Developed products and services (e.g., audit software) [Yes (5) / No (9)]
- c. Events (e.g., seminars, roundtables, conferences) [Yes (13) / No (1)]
- d. Liaison with regulators (e.g., promote professions' role & activities) [Yes (10) / No (4)]
- e. Establish a dedicated group [Yes (10) / No (4)]
- f. Conduct survey / research [Yes (10) / No (4)]
- g. Guidance / information papers (that is, thought leadership) [Yes (9) / No (5)]
- h. Consulting services on technology matters [Yes (3) / No (11)]
- i. Other – please specify

Case studies with SMPs for digitalisation of workflow in SMP practices; online-information platform on digitalisation for members (KWT)

PAO has been engaged on providing members selection of Audit Software by introducing direct link for trial (SCAAK).

Knowledge sharing platform for all professional practices and professional bodies at local level. (CNDCEC)

Articles and other material in magazine and other information to members. (ACCA)

Please insert any explanatory comments:

Thus far we have run an event designed to raise awareness and provide insights and information and participated in several similar events and communicated to our members. Currently we have posted a new full-time vacancy for an IT expert in our organisation. This person shall be responsible to foster the digital support of our members. (WPK)

We're working closely with the financial administration to get workable solutions on e-government. We also offer a monthly newsletter on IT topics (DStV).

OCC is aware of the technology issues for accountants and to help its members, had been developing an accounting software. OCC also believes that more endeavors must be taken to help accountants facing the present/upcoming reality (OCC).

We see it as one of our main tasks to inform our members about the new IT technologies. (NBA)

Thus far we have only participated speakers on our CPD trainings and events to raise awareness and provide insights and information. (IEKA)

6. What are the objectives of your organisation's technology related activities?

- a. Helping SMP members prepare / be technology ready [Yes (14) / No (0)]
- b. Understanding the potential impact of technology on SMPs [Yes (14) / No (0)]
- c. Raising awareness among SMP members [Yes (14) / No (0)]
- d. Understanding the regulatory and legal framework (e.g., privacy issues) [Yes (13) / No (1)]
- e. Other – please specify

Having governmental solutions workable for practitioners. (DStV)

Stakeholder engagement with software providers; coordinated and common approach of SMPs to the market vis-à-vis software providers. (KWT)

Please insert any explanatory comments:

We are formulating a strategy but expect all the above to be relevant with emphasis on sharing knowledge amongst members. (WPK)

According to its mission and objectives, OCC believes that can play a major role on supporting its members. Building awareness and create opportunities is two major buzz words for OCC during the digital era. (OCC)

See previous comment. (NBA)

b) and c) are very similar. (CNDCEC)

We are formulating a strategy but expect all the above to be relevant with emphasis on sharing knowledge amongst members. (IEKA)

7. How has your organisation resourced / supported its technology related activities?

- a. **Dedicating existing staff or hiring specialised staff** [Yes (14) / No (0)]
- b. **Acquiring consulting services** [Yes (3) / No (11)]
- c. **Partnered with a specialised technology firm / consultant etc.** [Yes (5) / No (9)]
- d. **Volunteer group dedicated to technology** [Yes (10) / No (4)]
- e. **Other – please specify**

Activities of umbrella organisation Chamber of Commerce and Industry of Slovenia (GZS)

Dialogue with software providers (KWT)

Please insert any explanatory comments:

Please see answer to question 5 (WPK)

Working closely with DATEV (DStV)

OCC had staff dedicated exclusively to the accounting software, providing information and support to the members during all day. (OCC)

We would like to be independent. (NBA)

We have a staff person responsible for looking after the issues for members (for 20% of their time). We have just established a Digital Working Group consisting volunteers from our members and some correspondents with expertise in EU and Asia. (IEKA)

On 7c we have done some partnering with firms over accounting software. On 7d I have said no because our volunteer groups have not been solely dedicated to the impacts of technology, but technology and its impacts have been considered by our existing volunteer groups focused on audit, professional practice, financial services etc. (ACCA)

8. What are your organisation's biggest challenges when dealing with technology issues (grade 1-3 where 1 = high challenge, 2 = challenge and 3 = not a challenge)?

- a. Helping SMP members prepare / be technology ready [1 (12) / 2 (1) / 3 (1)]
- b. Understanding the potential impact of technology on SMPs [1 (2) / 2 (10) / 3 (2)]
- c. Raising awareness among SMP members [1 (7) / 2 (5) / 3 (2)]
- d. Understanding the regulatory and legal framework (e.g., privacy issues)
[1 (7) / 2 (3) / 3 (4)]
- e. Availability of financial resources [1 (8) / 2 (4) / 3 (2)]
- f. Other – please specify [1 (2) / 2 (0) / 3 (0)]

Transformation of IT knowledge into member support. (WPK)

Heterogeneity of the profession (SMPs in Austria). (KWT)

Please insert any explanatory comments:

Gathering IT knowledge (esp. overview on existing and relevant IT solutions) and understanding IT needs of our members is a big obstacle in order to formulate a strategy to provide member support. (WPK)

We don't give 'hands on' support. We try to prepare our SMP members with excellent information on paper and meetings. (NBA)

Dialogue with governmental agencies and ministry to offset the impact of digital administrative burdens (filling/communications) that result in a real cost and efforts for the SMP and that cannot be recharged on the client as often it is not sustainable. The mandatory administrative bureaucracy is a very heavy, requires special software's and it means a financial and organisational impact on the professionals and especially SMPs cannot sustain it. (CNDCEC)

We are struggling to determine how best to help members help their SMPs be tech. ready and understand the framework they are operating in. Like any member organisation resources are scarce and never enough to meet expectations. (IEKA)

In raising awareness one key aspect has been trying to get our SMP members to look further ahead than they normally do to give them the time to prepare. (ACCA)

9. Which of these challenges would your organisation like EFAA's help with?

- a. Helping SMP members prepare / be technology ready [Yes (5) / No (8)]
- b. Understanding the potential impact of technology on SMPs [Yes (11) / No (2)]
- c. Raising awareness among SMP members [Yes (11) / No (3)]
- d. Understanding the regulatory and legal framework (e.g., privacy issues)
[Yes (3) / No (10)]
- e. Other – please specify

Please insert any explanatory comments:

Given EFAA has members across many countries we see its greatest strength is share information and insights to help us with b. and c. (WPK)

Any help is welcome and activities are appreciated to the limitation that information is required in German and qualifies for applicable Austrian legislation. (KWT)

We would propose EFAA to facilitate in the identification of Audit Software provider for our region, which will also have an impact on the cost burden for our SMPs. (most of the SMPs in our region are 1-2 partners and 1-2 staff) (SCAAK)

At this moment, all IT changes with the most impact are caused by changes in the Dutch regulations. This is too specific for a common European approach. (NBA)

Ref d. if relevant at EU level; b) and c) are very similar (CNDCEC)

Given EFAA has members across many countries we see its greatest strength is share information and insights to help us with b. and c. (IEKA)

We would see EFAA helping in defining good practice and ensuring that if there are issues arising elsewhere in Europe then we are considering them where we have SMPs (mostly UK and Ireland). We would expect that the legal and regulatory issues are largely at the national level, but as part of the issues arising above, perspectives from other countries are helpful. (ACCA)

10. What priority should EFAA give the following technology related activities (grade 1-3 where 1 = high priority, 2 = priority and 3 = no priority)?

- | | |
|---|--------------------------|
| a. Undertake or coordinate surveys / research | [1 (7) / 2 (4) / 3 (3)] |
| b. Hold events (e.g., conferences, seminars etc.) | [1 (4) / 2 (10) / 3 (0)] |
| c. Liaison with regulators (e.g., promote professions' role & activities) | [1 (3) / 2 (11) / 3 (0)] |
| d. Provide information on relevant developments | [1 (11) / 2 (3) / 3 (0)] |
| e. Define best practices | [1 (5) / 2 (3) / 3 (6)] |
| f. Facilitate member collaboration and exchange of best practices | [1 (7) / 2 (6) / 3 (1)] |
| g. Other – please specify | |

Please insert any explanatory comments:

EFAA should monitor developments on European level and only liaise with regulators there. (DStV)

We would certainly like to exchange our best practices. (NBA)

We encourage EFAA to help us learn through conducting a pan-EU survey of SMPs, provide information on relevant development via Latest from Brussels and help share information and insights across members. (IEKA)

If liaison with regulators is required at a European level than EFAA would have an important role. (ACCA)

ABOUT EFAA

The European Federation of Accountants and Auditors for SMEs (“EFAA”) represents accountants and auditors providing professional services primarily to small and medium-sized entities (“SMEs”) both within the European Union and Europe as a whole. Constituents are mainly small practitioners (“SMPs”), including a significant number of sole practitioners. EFAA’s members, therefore, are SMEs themselves, and provide a range of professional services (e.g. audit, accounting, bookkeeping, tax and business advice) to SMEs.

CONTACT ADDRESS

EFAA – European Federation of Accountants and Auditors for SMEs

4, Rue Jacques de Lalaingstraat B-1040 Brussels, Belgium

T +32 2 736 88 86 | F +32 2 736 29 64 | info@efaa.com

www.efaa.com | Twitter @EFAAforSMEs