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CAREERS IN SMALL AND MEDIUM SIZED ACCOUNTANCY PRACTICES (SMPs)

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ACCA is the Association of Chartered Certified Accountants. We're a thriving global community of 227,000 members and 544,000 future members based in 176 countries that upholds the highest professional and ethical values.

We believe that accountancy is a cornerstone profession of society that supports both public and private sectors. That's why we're committed to the development of a strong global accountancy profession and the many benefits that this brings to society and individuals.

Since 1904 being a force for public good has been embedded in our purpose. And because we're a not-for-profit organisation, we build a sustainable global profession by re-investing our surplus to deliver member value and develop the profession for the next generation.

Through our world leading ACCA Qualification, we offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. And using our respected research, we lead the profession by answering today's questions and preparing us for tomorrow.

Find out more about us at www.accaglobal.com

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (Chartered Accountants ANZ) is a professional body comprised of over 120,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward looking approach to business which contributes to the prosperity of our nations. We focus on the education and lifelong learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets.

We are a member of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries. We also have a strategic alliance with the Association of Chartered Certified Accountants.



CAREERS IN SMALL AND MEDIUM SIZED ACCOUNTANCY PRACTICES (SMPs)

The opportunity for small and medium sized practices to grow in today's business environment is unprecedented. Digital transformation, in particular, is truly enabling smaller accountancy firms to reimagine the services they offer, but successful change is critically dependent on attracting, developing and retaining the right people.

This report shares key practical insights on talent transformation in the SMP sector and explores how this sector can offer brilliant careers to accountants in the future.



**CAREER PROGRESSION
IN SMPs IS AS MUCH
ABOUT PERSONAL
AND PROFESSIONAL
DEVELOPMENT AND
GROWTH AS IT IS
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AND PAY SCALES.**

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Executive summary

‘Accountancy’ transformed?

Ensuring the pipeline of talent to small and medium-sized accountancy practices (SMPs) is vital for the future success of the SMP sector, which could drive the progress and transformation of the accountancy industry as a whole. Adoption of digital accounting tools, changing client expectations and business models are deeply transforming all aspects of SMPs. This impacts on the skills and attitudes required to respond successfully to the changes and shape careers paths within SMPs. It also requires reviewing approaches to talent management. Lessons learnt from the leading practitioners, who shared their insights with ACCA and Chartered Accountants ANZ in developing this report, are key to understanding those changes.

Skills and attitudes fit for SMPs

SMP leaders are reconfirming the importance of attitudes and skills set out in ACCA’s seven professional quotients (ACCA 2016a) and Chartered Accountants ANZ Capability

model (Chartered Accountants ANZ 2020). The importance of adaptability and readiness to engage in continuous learning, openness to sharing and readiness to take responsibility during early career stages were recurrently underlined as key for a successful career in SMPs. Shared values are becoming increasingly important for both employers and employees working for small practices.

Building the recruitment brand

The recruitment brand is as important for SMPs as the client brand: key arguments for attracting talent to SMPs need to be clearly communicated. This is important for SMPs that do not have dedicated recruitment resources, where interviewing and screening candidates is a major drain on time. SMPs have a compelling story to attract talent, and practice leaders are actively using social media both to convey their message to potential candidates and to engage them in a dialogue. We suggest 10 clearly formulated key areas for talent attraction that can be used by practice leaders building their recruitment brand.

FIGURE ES1: 10 ways of rethinking the employee proposition



Attraction strategies

The recruitment techniques used by SMPs are evolving. Some SMPs use psychometric testing or profiling, particularly when looking at the balance of skills they want to bring into their teams; others ask their candidates to submit videos about themselves instead of writing covering letters and CVs. Those innovative practices have proved their value during the COVID-19 pandemic, when face-to-face interviews were impossible.

Talent development and retention

Staff retention can be a critical issue for smaller practices. Progression is often said to be key to retention, with the opportunity to learn and develop new skills. It is important to look at development and retention together. The majority of SMPs do not restrict their employees to in-house development programmes, but instead support their initiatives for self-curated training and provide financing for external training opportunities. The use of mentoring, inter-generational cooperation, working in pod systems, networking, and involvement of employees in community work are just some of the approaches used by SMPs to develop staff. Building a continuous learning culture that can engage and support the workforce to adapt and transform in line with business needs is of vital importance for SMPs.

The importance of purpose

It is more important than ever for SMPs to demonstrate their wider contribution to society, and employees increasingly look for careers that are purposeful and for jobs that have 'meaning'. Since the outbreak of the COVID-19 pandemic, this has become even more important. SMPs provide opportunities for employees to shape the success of businesses and have the satisfying experience of seeing the result of their efforts, in a similar way to those engaged in artisanal work, that often is a missing component in the corporate sector. Purpose, and not just pursuit of profit, is fundamental for all organisations and SMPs are no exception. Transparency is a prominent issue and it works both ways: both SMP employers and employees need to be open about their own plans and ambitions.

Careers reimagined

Career progression in SMPs is as much about personal and professional development and growth as it is about job titles and pay scales. Larger SMPs have more opportunities to offer a variety of career paths, potentially offering the ability to switch between departments and specialisms. But employees in smaller practices have a natural

progression too as the complexity and sophistication of their work grows. Career pathways are less anchored to traditional vertical models and pyramid-shaped organisations. This requires SMP leaders to reconsider how they support careers and design 'jobs' for their employees.

Lessons learnt from COVID-19


The COVID-19 crisis has shown that the majority of SMPs, particularly those with a strong digital core, are ready to adapt rapidly to the changing world and could drive the transformation of the sector as a whole, thanks to their agility. Their pre-existing remote working culture and adaptability have facilitated the transition of SMPs to the 100% virtual environment that has been essential for most during the lockdown. A number of SMPs have decided to keep working 100% remotely. This will require a review of their approach to talent management, including remote on-boarding and mentoring.

Top tips for SMP employers, employees and candidates

To assist the SMPs' talent management activities, this report offers a practical checklist for talent attraction, development and retention designed for SMP employers. This is followed by top tips for SMP employees and prospective candidates wanting to succeed in their careers in SMPs.

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Introduction

The small and medium-sized practice (SMP) sector is rapidly embracing digitalisation. This clearly has an impact on skills and career paths among the SMP community.

Careers in Small and Medium Sized Accountancy Practices brings together the thoughts of SMP practice leaders from around the world on how global trends in the accountancy and finance profession are shaping the skill sets most demanded of accountants and the approaches to talent attraction, development and retention within SMPs. This report continues the series of publications that was initiated by *The Passionate Practitioner* (ACCA 2019a), which explores different aspects of the digital transformation of SMPs. It is also an adjunct to a broader ACCA report on the future careers trends in accountancy: *Future Ready: Accountancy Careers in the 2020s* (ACCA 2020a).

The opportunity for small and medium sized practices to grow in today's business environment is unprecedented. Digital transformation, in particular, is truly enabling smaller accountancy firms to reimagine the services they offer, but successful change is critically dependent on attracting, developing and retaining the right people. This practical report is designed, firstly, for the leaders of SMP practices, to assist them in talent management and development. Secondly, it is for accountancy professionals or those with other profiles looking at SMPs as potentially their next professional destination.

The report is based on the findings of more than 60 interviews conducted with SMP experts from around the world and provides a breadth of practical insights on talent attraction, development and retention within SMPs. Concrete examples of these important aspects are integrated throughout all chapters of the report, illustrated by interview quotes and case studies.

WHY IS THIS REPORT DIFFERENT?

1. It focuses on practical aspects of careers specifically in SMPs – underlining both challenges and opportunities relevant for this field.
2. It is entirely based on real-life case studies and the testimonials of leading SMP experts.
3. It has global reach and covers case studies from 20 countries around the world.
4. It formulates a set of strong messages about how SMPs can attract talent and position themselves in the broader accountancy field.
5. It suggests top tips for both SMP employers and employees.

Case studies

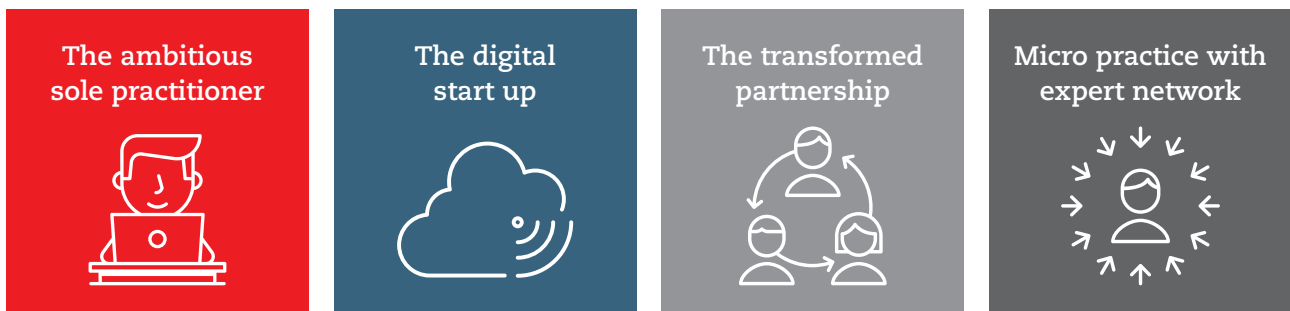
We conducted more than 60 interviews with SMP practice leaders and employees from 20 countries. SMPs whose teams we interviewed are diverse in their business models, of which some prominent ones are shown in Figure I1 below.

- **The ambitious sole practitioner:** highly networked and visible, serving clients and winning business proactively.
- **The digital start-up:** usually centred on one or two entrepreneurial pioneers, 'starting from scratch' and mainly focusing on servicing high-growth small businesses with a strong digital core.

- **The transformed partnership:** traditional firms taking a variety of approaches to transitioning their firms to digitalisation, from 'big bang' switchover to building a new practice alongside the old one.
- **Micro practice with a strong expert network:** a newly emerging model in which a highly networked sole practitioner is backed by a strong network of experts in diverse areas, often with international clients and a network base of experts.

Despite the diverse business models, we see more commonalities than variations in talent management traits across different practice types and regions.

FIGURE I1: Some of the business models adopted by SMPs





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1. SMPs: a world of opportunity

The novelist William Gibson once said that ‘The future is already here – it's just not very evenly distributed’ and the SMP, in many senses, is an illustration of this statement in the accountancy profession.

With the flexibility and creativity to match the velocity of change and adapt to the rapidly evolving demands of the client, SMPs have the potential to drive the progress and transformation of the industry as a whole.

The report *Future Ready: Accountancy Careers in the 2020s* (ACCA 2020a) draws on ACCA’s collective research over the previous three years, as well as new research, and examines the trends that will be shaping accountancy careers in the 2020s. These trends are presented in Figure 1.1 below.

FIGURE 1.1: 20 trends changing the world of work and transforming the nature of careers in accountancy

<p>#1 The meaning of work Purpose and meaning from work becomes important</p>	<p>#2 Connectivity Digital drives ‘never seen before’ new opportunities to collaborate</p>	<p>#3 The A word Automation frees up professionals to focus on higher-value work</p>	<p>#4 ‘Emtech’ Emerging technologies redistribute work between man and machine</p>	<p>#5 The rise of data Data possibilities become ever central to the roles of professional accountants</p>
<p>#6 Generation Z A new tech savvy generation enters the profession</p>	<p>#7 Longevity An older workforce and 5 generations in the profession enrich the talent base</p>	<p>#8 Beyond the lattice? Career paths become much less obvious and more variable</p>	<p>#9 Rent a CFO? The rise of the gig economy changes the composition of teams</p>	<p>#10 Command to collaboration Flatter structures, collaborative teams, virtual working</p>
<p>#11 CV R.I.P? Future CVs focus on skills attained not job titles acquired</p>	<p>#12 Skills transformation As careers adapt, ACCA’s professional quotients rise in relevance</p>	<p>#13 Continuous learning Professionals need to continuously reinvent themselves and re-learn</p>	<p>#14 Learning culture Learning culture at work evolves in the face of skills transformation</p>	<p>#15 Digital learning Technology drives an explosion in learning opportunities</p>
<p>#16 Inclusivity Accounting teams become more diverse because it makes good business sense</p>	<p>#17 Business models innovate Professional accountants have new opportunities as business models change</p>	<p>#18 Trust and ethics There is a growing need to trust, a refocus on ethical behaviour in the stakeholder society</p>	<p>#19 Multi-Polar world The rise of cities and shifting economic power provides new career opportunities</p>	<p>#20 Digital recruitment Technology is transforming recruitment models and networking opportunities</p>

(This figure was first published in *Future Ready: Accountancy Careers in the 2020s*, ACCA 2020a)

Those trends are very relevant for the changing careers paths within SMPs already today, as exemplified below.

#1 Meaning of work: Working in smaller, digitalised firms means having closer contact with clients and focusing not just on transactional relationships but also on helping them achieve business and personal goals, contributing to the development of local economies – with potentially global impact, and seeing concrete results of their work. SMPs have a close engagement with the purpose of their client businesses.

#2 Connectivity: Thanks to the use of cloud technologies and advancement in internet access and connectivity, the nature of engagement and collaboration within SMPs has significantly progressed. This drives ‘#16 Inclusivity’, and allows for flexibility and part-time working for working parents as well as other groups of professionals who cannot work full time for various reasons.

#4 Emtech (‘emerging technologies’) and #5 The rise of data: SMP firms have been at the forefront of adopting cloud-based accountancy and are continually pushing to implement and integrate new technologies such as artificial intelligence (AI) and machine learning. With access to robust data enabled by digitalisation, SMPs are in a unique position to be a catalyst of growth for small businesses.

#6 Generation Z: SMPs offer new entrants to the workforce the chance to deploy tech skills immediately, with flexible working practices and learning opportunities that will expose them to a breadth of businesses, enabling them to develop their skills beyond a single area. The purpose and meaning of work are of great importance for this generation, making an SMP an attractive working place for Generation Z.

#9 ‘Rent a CFO’: there are a growing number of organisations needing chief financial officer (CFO)-type strategic advice, which SMPs are able to provide.

#13 Continuous learning: staff are encouraged and supported to develop new skills, not just for their current roles but also for their future careers, as well as to teach and mentor others. This is the field where mentorship is actively being used to support continuous learning.¹

Furthermore, as a result of various imperatives – digital adoption, change of business models, culture, changing client expectations, and an emerging SMP community – the SMP sector is constantly transforming.

1.1 The role of digitalisation

Digitalisation has brought a tremendous change to the SMP sector: from pricing models to geographic reach, business structures and working practices.

ACCA’s report *The Passionate Practitioner* (ACCA 2019a) provides a detailed overview of how digitalisation not only affects a broad spectrum of business operations, but is also transforming the structure and purpose of the practice itself, and considers the implications. Those effects are suggested as comprising six areas, as shown in the Figure 1.2 below and may be consulted in *The Passionate Practitioner* report in detail.

All those effects have also stimulated a more profound shift in the perception of accountancy itself: from a rules-based profession delivering compliance, to a proactive and creative activity offering support for reaching business goals coupled with high standards of ethics and compliance. The very nature of the client relationship is changing and, as discussed in *The Passionate Practitioner* (ACCA 2019a), this has profound consequences for the

FIGURE 1.2: Impact of digitalisation



(This figure was first published in *The Passionate Practitioner*, ACCA 2019a)

1 Chartered Accountants ANZ supports early and mid-career mentoring through the Mentor Exchange program as well as enabling the benchmarking of capabilities for current and future roles using the Capability + diagnostic tool.

skills required by accountants. It is not simply a matter of buying and learning to use the software: it requires customer centricity, strong marketing and communications skills, and strategic thinking that enables capturing the opportunities that accompany automation.

By automating routine and menial tasks, digitalisation frees time and resources: SMPs can improve margins by taking on more clients and offer a new level of value-added services. Digitalisation also allows better understanding of clients and offering more value-added insight and advice, which is in turn enhanced by 'always-on' access to shared financial data that is superior in quality, quantity and timeliness. It also enables SMPs to develop new specialisations that may also make them a more attractive professional space for wider talent groups.

“THE ACCOUNTING PROFESSION RATED ITS TOP FOUR VERY IMPORTANT SKILLS FOR THE FUTURE AS PROBLEM SOLVING (76%), COMMUNICATION SKILLS (68%), COLLABORATION (56%) AND THE ABILITY TO WORK WITH DATA AND THE LATEST TECHNOLOGY AND SYSTEMS (54%). THIS REFLECTS THE INCREASED USE OF TECHNOLOGY BY THE PROFESSION, WHICH HAS REMOVED MUCH OF THE LOWER-ORDER PROCESSING WORK. THIS HAS ENABLED ACCOUNTANTS TO INSTEAD FOCUS ON ADDING VALUE TO THEIR CLIENTS THROUGH STRATEGIC ADVICE, USING THEIR SKILLS FOR HIGHER ORDER PROBLEM SOLVING.”

The Future of Talent: opportunities unlimited, Chartered Accountants ANZ/PwC, 2017

1.2 Changing business models and client expectations

The business models of organisations are rapidly and constantly changing. As mentioned in *The Digital Accountant* (ACCA 2020b): ‘the traditional siloed approach of independent processes is no longer valid. Successful business models are increasingly integrated across the organisation. Finance professionals need to understand how technology enables these processes, how data flows across them and how business performance can be measured and modelled as a result’. Such dynamics generate a demand for a more holistic service offering from SMPs and ways of delivering those new services that require both new skills sets and hybrid specialists who can handle this complexity.

The SMP sector is a space for curious and entrepreneurial minds ready to react to changing business realities.

1.3 The culture

For those contemplating a career in accountancy, an often-overlooked aspect of innovation is that it both creates and speeds up cultural change. Accountancy practices are dynamic places in which to work: client relationships and working practices are changing. Trends such as flexible and mobile working, flatter hierarchies, and greater transparency are not simply benefits of digitalisation and a means of attracting various generations of professional: they are integral to the ability of the SMP practice to innovate and are shaping SMPs’ culture.

Work by New York University’s Stern School of Business shows that innovative thinking and work requires a high level of work autonomy and alternative approaches to controls (Lifshitz-Assaf et al. 2018). Firms that do not successfully address the autonomy/control challenge are bound to face difficulties in attracting and retaining the most creative workforce. In other words, SMPs are not only going through a transition at the digital and processes level: they are also facing a transformation of the entire enterprise culture.

The sense of purposefulness is a vital ingredient of SMP culture. It is important for employers to explain what types of behaviour reflect their purpose-driven culture.

In our interview with Marita Price, founder and director of Hello Performance, an organisational culture and leadership consultancy, she mentioned that in building the purpose-driven culture, small practices should ‘Set up the boundaries that will enable team members to operate freely within this clear framework. Employees need to understand how the purpose of the organisation translates into the expected behaviours.’

Transition to full or partial remote working environment may require revising the set of expected behaviours to reflect the changed working patterns.

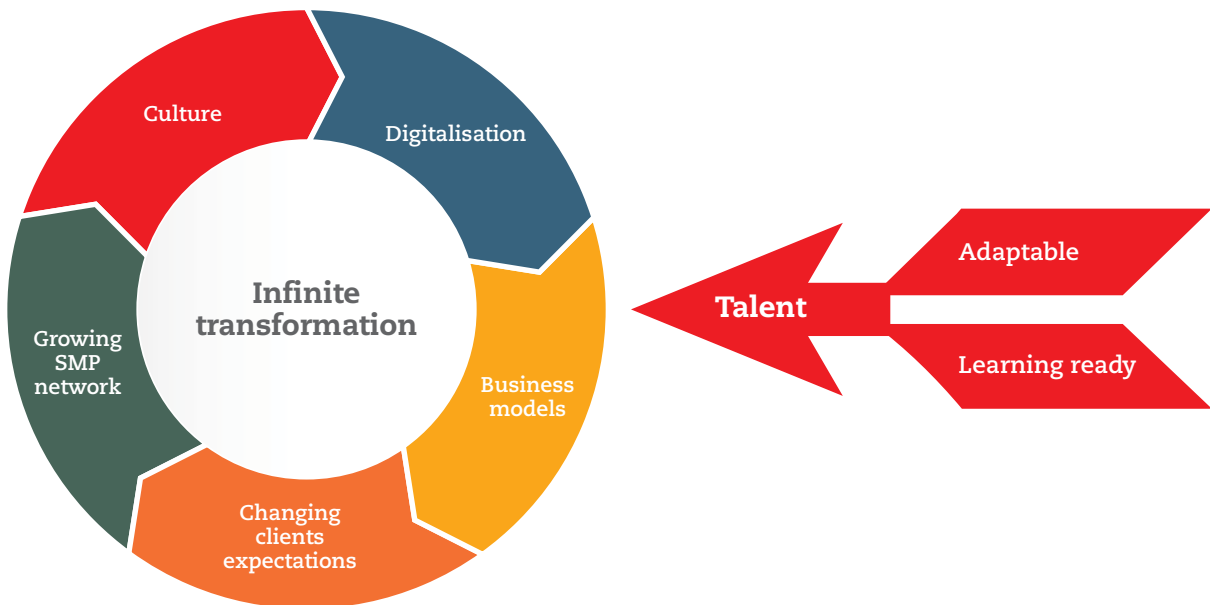
THE SMP SECTOR IS A SPACE FOR CURIOUS AND ENTREPRENEURIAL MINDS READY TO REACT TO CHANGING BUSINESS REALITIES.



∞ Infinite transformation requiring adaptable mindsets ready for continuous learning

While the transition to fully digitalised cloud accounting, and adjustment to changing business models may be accelerating transformation, it would be wrong to see this as just a transitional period which will be followed by a period of stability. Transformation is a continuous process and the talent supporting such a process should be ready for 'permanent learning'. So, the leaders of accountancy practices need to create a workforce which is not just different from what came before, but 'change-ready' and capable of adapting and growing in an uncertain and continually evolving landscape. ■

FIGURE 1.3: The cycle of constant transformation



**THE LEADERS OF ACCOUNTANCY PRACTICES
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CONTINUALLY EVOLVING LANDSCAPE.**





2. Skills and attitudes fit for the SMP

The rapid uptake of cloud-based digital accounting systems in combination with changing client expectations and business models is deeply transforming all aspects of accountancy, from client relationships to working practices, and the skills and attitudes required to respond successfully to the changes.

The generalist vs. specialist debate

The successful accountancy professional today is indeed a hybrid individual, but it is extremely hard if not impossible to find an 'all-in-one' person. Building a team with mutually reinforcing profiles who share the values of the organisation for which they are working is of the greatest importance.

Responding to the client demand for diverse services, a number of practices have introduced different work streams (eg applications development; data analytics; tax reliefs for R&D), which allow them to recruit talent from various backgrounds and sectors while strengthening the role of the practice as a trusted adviser in even broader areas of client businesses.

Other practices choose to specialise in particular service offerings, such as digital transformation, which accordingly influences the sets of skills, competences and profiles they seek.

During the interviews conducted, we **asked SMP leaders to identify the profiles and attitudes that they see as paramount for successful careers** in an SMP and as key for advancing the development their own practices.

The main findings of the interviews reconfirm the broadening skills set required for the accountants to respond to the changing business landscape as demonstrated by ACCA's seven defined professional quotients (ACCA 2016a) and Chartered Accountants ANZ Capability Model (2020).










ACCA Professional Quotients

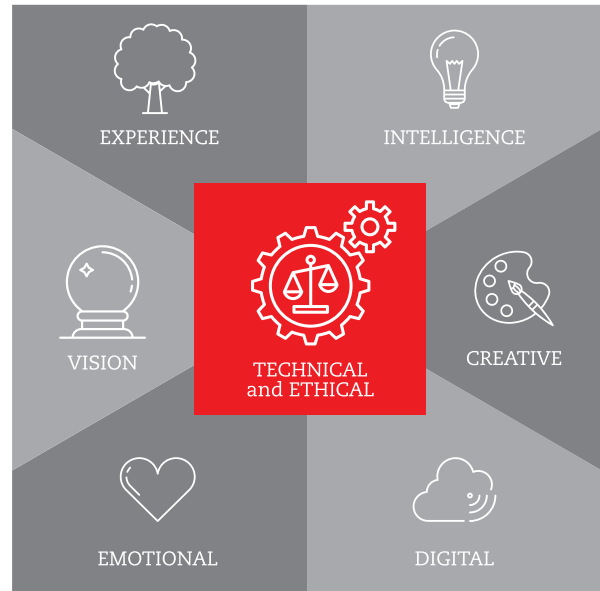
ACCA’s report *Professional accountants – the future: Drivers of change and future skills* (ACCA 2016a) introduced the concept of seven professional quotients that reflect the skills that an accountant needs to be effective in the workplace and build a successful long-term career.

The quotients represent the components of the ever-changing mix of capabilities needed by professional accountants as the profession, along with roles and career paths, continues to evolve. They are a mix of technical skills and ethics, intelligence, creativity, digital awareness, vision and ability to anticipate future trends, blended with experience and the ability to understand customer expectations and the very much in-demand emotional intelligence and empathy. It is the combination that makes the accountancy and finance professional the richly qualified, future-ready individual. ■

FIGURE 2.1: ACCA Professional quotients

- 
Technical skills and ethics (TEQ):
 The skills and abilities to perform activities consistently to a defined standard while maintaining the highest standards of integrity, independence and scepticism.
- 
Intelligence (IQ):
 The ability to acquire and use knowledge: thinking, reasoning and solving problems.
- 
Creative (CQ):
 The ability to use existing knowledge in a new situation, to make connections, explore potential outcomes, and generate new ideas.
- 
Digital (DQ):
 The awareness and application of existing and emerging digital technologies, capabilities, practices and strategies.
- 
Emotional intelligence (EQ):
 The ability to identify your own emotions and those of others, harness and apply them to tasks, and regulate and manage them.
- 
Vision (VQ):
 The ability to anticipate future trends accurately by extrapolating existing trends and facts, and filling the gaps by thinking innovatively.
- 
Experience (XQ):
 The ability and skills to understand customer expectations, meet desired outcomes and create value.

Source: ACCA 2016a



THE QUOTIENTS REPRESENT THE COMPONENTS OF THE EVER-CHANGING MIX OF CAPABILITIES NEEDED BY PROFESSIONAL ACCOUNTANTS AS THE PROFESSION, ALONG WITH ROLES AND CAREER PATHS, CONTINUES TO EVOLVE.



Chartered Accountants ANZ Capability model

Chartered Accountants ANZ has developed a Capability Model to help shape the future direction of the accounting profession. This model describes the technical and non-technical personal, business and leadership capabilities of a chartered accountant at different stages of their career.

Chartered Accountants ANZ Capability Model is aimed at helping professional accountants in the new service environment supporting early adopters and change leaders, as well as those who are struggling to keep up. It informs the creation of self-assessment tools and professional development courses.

The model is structured around four 'Domains' – Business (business context), Leadership (people and future), Personal (mind-set and intellect) and Technical (professional expertise) and allows accountants to assess their needs and understand contemporary accounting practice. The framework is designed to be flexible and adapt to different levels of expertise, stage in the career journey, and needs. ■

FIGURE 2.2: Chartered Accountants ANZ Capability Model



[^] These are the six non-technical capabilities considered essential for future employability of a professional accountant irrespective of their level of work, career stage, location or job role. The other non-technical capabilities while critical, will vary in importance according to the job role.

Source: Chartered Accountants ANZ 2020

2.1 Ethics and integrity

All the SMP leaders interviewed emphasised that ethics and integrity are vital qualities looked for in candidates for employment.

SMPs are traditionally seen as trusted advisers by SME clients and that trust imposes responsibilities. Ethics is becoming even more important with the growing use of digital and cloud applications.

'Integrity is very important for a professional accountancy firm, we adhere to codes of professional ethics', says Rosanna Choi, a co-founding partner of CW CPA, Hong Kong, and chair of the ACCA SME Global Forum. 'What we care about is sustainable development for all our clients, so when we hire people, we need to ensure that we select people who are honest'.

This relates to ACCA's **technical skills and ethics quotient (TEQ)** defined as 'the skills and abilities to perform activities consistently to a defined standard while maintaining the highest standards of integrity, independence and scepticism'.

ACCA's *Ethics and Trust in a Digital Age* report explores ethical questions that may arise in the digital age, categorising them in six 'digital' themes: 1. cybersecurity, 2. platform-based business models, 3. big data and analytics, 4. cryptocurrencies and distributed ledgers, 5. automation, AI and machine learning, and 6. procurement of technology (ACCA 2017a).

ACCA's *Audit and Technology* report provides an overview of some of the various technologies that currently affect or are likely to affect the audit profession in the near future and what this means for auditors as people (ACCA 2019b).

Ethics and Integrity Capability – Personal 'Domain' – Chartered Accountants ANZ Capability Model

Acts with integrity and consistently models and promotes ethical practices in conformance with IFAC Code of Ethics, professional standards behaviour and relevant compliance requirements.

A detailed description of this and all other relevant capabilities for different career stages can be found in the Appendix.

2.2 Critical and analytical thinking

The quantity of business data and the need for real-time insights gives accountancy and finance professionals a leading role in business. As accounting systems have become more comprehensive, so 'the numbers' have become a subset of a much wider world of data, both internal and external, structured and unstructured. And data is no longer historic and reported but live and shared. Clients want to receive forward-looking and critical insights that could help influence business decisions.

'PROFESSIONAL SERVICES PROVIDERS ARE REQUIRED TO BE ABLE TO LOOK BEYOND THE NUMBERS AND BE CRITICAL THINKERS SO THAT WE CAN PROVIDE VALUE-ADDED SERVICES TO OUR CLIENTS. [THEREFORE,] I WOULD WANT TO ATTRACT AND RETAIN CRITICAL THINKERS TO BE PART OF MY TEAM BECAUSE THIS IS THE VALUE THAT WE, AS PROFESSIONAL SERVICE PROVIDERS, WANT TO GIVE TO OUR CLIENTS'.

Magdalene Ang, R. Chan & Associates

Data analytics and interpretation are core to the ability of SMPs to create value for their clients. SMP specialists are expected to be strong at story telling. Their clients expect them to take a problem, understand the issue, see how data can assist in resolving it and present the solution.

Alastair Barlow of flinder says: 'Actually, understanding data, being able to work with data, getting the right data taxonomy, clean data and the governance around, that is hugely important, both financially and operationally. flinder has also built up its own data engineering competence, which employs data specialists rather than accountants – in fact, our first hire was a data engineer'.

This relates to ACCA's **intelligence quotient (IQ)**: the ability to acquire and use knowledge, thinking, reasoning, and solving problems, and the ability to understand and analyse situations that are complex and ambiguous (ACCA 2016a).

Critical Thinking and Judgement – 'Personal Domain' – Chartered Accountants ANZ Capability Model

Critically analyses, reflects and constructively challenges current thinking and practice.

2.3 Ready to take the responsibility from early career stages

Enabling employees to have conversations with clients at an early stage is a powerful way of spotting their potential, even of those at the most junior levels. The very nature of the business, where the practice is often considered to be a trusted adviser by small business owners, requires close interaction with SME management on a regular basis. It requires employees to have confidence and a willingness to take responsibility, which is not only very much valued by SMP leaders but is also a factor that is attracting talented individuals to work in SMPs.

'IF YOU WANT THE RESPONSIBILITY TO DEAL WITH SMALL BUSINESS OWNERS FROM DAY ONE, AND ARE LOOKING FOR THE OPPORTUNITY TO PROGRESS YOUR CAREER QUITE QUICKLY BY HAVING TOTAL RESPONSIBILITY FOR LOOKING AFTER THOSE CLIENTS, THEN WE MIGHT BE THE RIGHT PLACE FOR YOU'.

Peter Jarman, PJCO, UK

2.4 The entrepreneurial mindset

Transforming data into insights is important, but what customers are expecting are solutions to their problems based on such insights. SMPs, as trusted advisers to their clients, are expected to be able to advise them on the solutions that might improve their business operations, using the data that is available. Solutions-oriented individuals are therefore very much valued within SMPs, both for development of answers to clients' problems, a function aligned to their organisational purpose, and to drive innovation within the practice.

'IT IS NO LONGER ABOUT CRACKING NUMBERS: IT IS AROUND IDENTIFYING SOLUTIONS FROM THOSE NUMBERS AND ACTUALLY INTERPRETING THOSE NUMBERS IN A WAY THAT A BUSINESS OWNER ACTUALLY UNDERSTANDS WHAT THEY MEAN AND WHAT TO DO WITH THEM. THAT'S A BIG KEY DRIVER NOWADAYS FOR A LOT OF ACCOUNTANTS THAT WE'RE LOOKING FOR'.

Wyndi Tagi, WE Accounting, New Zealand

This shows the importance of developing the **experience quotient (XQ)**, defined by ACCA (2016a) as 'the ability and skills to understand customer expectations, meet desired outcomes and create value'.

Driving Results – Leadership 'Domain' – Chartered Accountants ANZ Capability Model

Drives superior results by guiding planning and monitoring, evaluating and reporting performance against strategic goals and objectives.

Future Focus – Leadership 'Domain' – Chartered Accountants ANZ Capability Model

Adopts a holistic and long-term perspective and is able to visualise future outcomes and opportunities.

Alastair Barlow of flinder comments: 'A key team value is to be entrepreneurial, to always think and challenge: "How can we do this smarter?", while MAP's Paul Barnes says: 'I want curious people who are just always asking "why?", not just going through the motions of plugging numbers in, but thinking of the bigger picture as well'.

This is closely related to ACCA's defined **vision quotient (VQ)**. Skills here include being able to anticipate how various pieces of information may change the business or industry as well as how emerging trends may help the business be at the forefront of change (ACCA 2016a).

Innovation – Leadership 'Domain' – Chartered Accountants ANZ Capability Model

Stimulates and promotes continuous innovation and improvement.

2.5 Comfort with technology

Although some firms have been slow to adopt emerging accounting technology, it is by now obvious that accountants who cannot adapt to the technology will have a limited working lifespan, and there is more to come. Practices that are already using the cloud have not stopped there but continue to look ahead.

It is assumed that young people have an innate advantage here, but this is only true to a limited extent: familiarity with social media and various applications is a long way from having an intuitive grasp of cloud accounting software. Even so, the young do have an advantage in that they have been able to learn about technology as part of their education.

This will also be relevant on the client side: the core accounting systems that sit at the heart of clients' business have the potential to become part of a much broader operational IT infrastructure. SMPs often play a key role as digital evangelists for their clients, whether creating 'app stacks' within a particular app ecosystem or integrating best of breed solutions.

Peter Jarman of PJCO says: 'We launched a separate work stream which focuses on digitisation and cloud apps; this is much more about getting clients to run their business processes and systems more effectively and make the best use of digital information'.

Some practices are adopting AI and robotic process automation (RPA)² in their operations: Alastair Barlow, founding partner of London-based practice, flinder, says his firm is continually investing in technology in order to free the team's time for providing customers with content-rich insights, which is also more attractive for his team.

'OUR FIRST QUESTION IS ALWAYS IS, CAN WE AUTOMATE THIS? AND IF WE CAN'T AUTOMATE IT, THE SECOND QUESTION IS, CAN WE PUSH IT TO A LOWER COST LOCATION? HOW CAN WE USE TECHNOLOGY TO MAKE THIS EVEN MORE ACCURATE, MORE EFFICIENT, WHATEVER IT MIGHT BE?'

Alastair Barlow, flinder, UK

Importantly, a number of interviewees also underlined that knowledge of technologies is only valuable in combination with the right processes and mindsets: 'It is the marriage of technology, people skills and results that is of value to a business owner', says Nikki Adams of Ad Valorem, echoing the main findings of *The Digital Accountant* (ACCA 2020b).

This relates to ACCA's **digital quotient (DQ)**: the ability to be aware and have knowledge of existing and emerging digital technologies, capabilities, practices, strategies and culture.

The *Digital Accountant* report (ACCA 2020b) is an in-depth analysis of implications of the DQ in the context of the digitalisation of organisations.

Digital Acumen – Business 'Domain' – Chartered Accountants ANZ Capability Model

Uses digital technology, platforms and devices to competently undertake workplace tasks and activities.

² Software that automates interactions with the user interface, often doing so by repeating a set of demonstration actions performed by a user. For more, see *Machine Learning: More Science than Fiction* (ACCA/Chartered Accountants ANZ/KPMG 2019).

2.6 Strong communications skills and empathy

Accountants at all levels need good communications skills, not just to be able to talk about the figures to business owners and managers but also to enable them to represent their practice and its values and express empathy with clients.

'IN ADDITION TO THE ABILITY OF AUTONOMOUS LEARNING, THE [ABILITIES] OF EMOTIONAL CONTROL, COMMUNICATION AND COORDINATION WITH CUSTOMERS ARE ALSO VERY IMPORTANT, ESPECIALLY FOR NEW BUSINESS, EFFICIENT COMMUNICATION WITH CUSTOMERS IS CRUCIAL FOR UNDERSTANDING CUSTOMER NEEDS'.

Liu Xueling , Qingyuan Jianxin United Certified Public Accountants, China.

Many of the practices we spoke to make a point of getting their employees speaking to clients from the very start of their careers, even if only with bookkeeping enquiries, in order to boost their confidence.

'We're looking for the few percent of people who are very client-centric, very relationship-centric, and teamwork based', says Paul Barnes of MAP. 'If they're just going to get their feet under the table and get their head down and they just want to bash a keyboard all day, then it's not going to work. Clients and prospects are coming in and out in and out of our office on a daily basis. We're very welcoming and those people expect all the team to be dynamic, relationship-based people'.

This relates to the ACCA's **emotional quotient (EQ)** – emotional intelligence and interpersonal skills play a big part in the success of a professional accountant within an SMP, in the form of broader soft skills such as communication, empathy and dedication.

ACCA's report, *Emotional Quotient in a Digital Age*, examines the role of emotional intelligence in developing the accountancy profession that is needed for a fast-evolving digital age (ACCA 2018a).

Communication – Business 'Domain' – Chartered Accountants ANZ Capability Model

Clearly and succinctly conveys information and ideas to individuals and groups in a variety of situations in a focused, empathetic, and compelling way that shapes others' thoughts and actions.

Regard for Others – Personal 'Domain' – Chartered Accountants ANZ Capability Model

Embraces the need to be a responsible member of an increasingly global business community by actively promoting safe and sustainable practices and working with others in an inclusive manner, respecting different skills, viewpoints, cultures and beliefs.

2.7 Openness to share and cooperate

The changing reality shaped by digital transformation, enhanced connectivity and the necessity of innovation is also transforming the culture of small practices. There is more expectation that SMP employees will be open and will share their ideas, knowledge acquired, and the values of their organisation. The culture of sharing is at the core of innovation. Employers are becoming open with their employees and transparent about their performance, and employees are expected to share their ideas and to help their company develop and innovate. Collaboration and cooperativeness are key and are increasingly taking place horizontally as well as vertically.

‘WHEN WE RECRUIT NEW PEOPLE, WE TRY TO LEARN ABOUT THEIR INTERESTS. IT IS IMPORTANT FOR US TO LEARN IF THEY ARE OPEN MINDED, READY TO SHARE. IT IS IMPORTANT FOR OUR WORK DYNAMICS. IT HELPS TO SOLVE TASKS AND [MAKES IT] EASIER [TO] INTEGRATE THEM IN THE COMPANY CULTURE AND LIFE’.

Svetlana Romanova, Nexia Pacioli

‘THE RIGHT CANDIDATE NEEDS ATTENTION TO DETAIL, THEY NEED BE TEAM PLAYERS, TO BE RESPONSIVE, PROACTIVE, TO UNDERSTAND SOFTWARE AND NOT BE AFRAID OF CHANGE, TO BE CONFIDENT BUT ALSO ETHICAL. IT’S A LOT TO ASK FOR BUT THE NEW GENERATION SEEM TO TICK ALL THE BOXES. THE THING THEY LACK IS WORK READINESS: YOU DO NEED A BALANCE BETWEEN THE TECHNICAL AND THE SOCIAL, AS THEY WILL BE INTERACTING WITH CLIENTS ALL THE TIME: IF YOU DON’T HAVE THE RIGHT CONVERSATIONS YOU WILL MISS OUT ON ALL THE ADDED VALUE’.

Alex Falcon-Huerta, Soaring Falcon

The openness to sharing and cooperation is also of vital importance for the emerging global SMP network, which enables micro SMPs to provide a broad scope of services backed by a pool of experts of various specialisations who also have specific knowledge about national legislation, norms and regulations.

ACCA has defined the **creative quotient (CQ)** as ‘the ability to use existing knowledge in a new situation, to make connections, explore potential outcomes and generate new ideas’ and sees it as one of the most important ‘soft’ quotients for staying on top of change and demonstrating a competitive edge (ACCA 2016a).

Collaboration and Relationships – Business ‘Domain’ – Chartered Accountants ANZ Capability Model

Initiates and maintains authentic, strategic relationships with stakeholders and potential partners to build information, expertise and capacity to achieve organisational goals.

EMPLOYERS ARE BECOMING OPEN WITH THEIR EMPLOYEES AND TRANSPARENT ABOUT THEIR PERFORMANCE, AND EMPLOYEES ARE EXPECTED TO SHARE THEIR IDEAS AND TO HELP THEIR COMPANY DEVELOP AND INNOVATE.



2.8 The importance of adaptability and readiness for continuous learning

Professional qualifications remain important; it is vital not to lose sight of the need for a sound grasp of the fundamentals of accountancy itself. Nonetheless, adaptability and readiness for continuous learning are other essentials for a successful career. Accountants today must be prepared to learn new skills more often, if they are to remain relevant. Lifelong adaptation is critical to survival (ACCA 2018b).

'THE EMPLOYEES WE RECRUIT SHOULD HAVE [A] FINANCIAL BACKGROUND AT FIRST, AND WE PAY MORE ATTENTION TO THEIR SELF-LEARNING ABILITY AND STRONG ADAPTABILITY'.

Chen Hongchun, Maoming De Cheng Certified Public Accountants General Partnership China

Previous experience of working in other sectors is often considered to be a benefit for SMP candidates, as it broadens the range of vision and shows readiness to adapt to change.

'YOU NEED PEOPLE WHO LEARN EASILY AND ARE PREPARED TO ADAPT BECAUSE THINGS CHANGE ALL THE TIME AND WE ALL NEED TO ADAPT FASTER THAN EVER'.

Matias Tejero, Hugo Tejero y Asociados, Argentina

Constantly changing client expectations require accountants to have adaptable mindsets. As the role of accountancy practices is evolving, professionals wishing to be successful within SMPs are expected to adapt rapidly in order to respond to growing expectations.

'The general trend is that the clients prefer more complex solutions' says Petr Neškrábal, managing director of Czech Republic-based accountancy practice, Accace. 'Before you had one project for finance, one project [for] tax, one for legal, and now it's much more combined together: the client comes to get from point A to point B, and wants to find a solution that is best for him. So it is more about finding more complex solutions rather than just providing one specialised service for the buyer – adapting to the changing expectations'.



Accounting and education: can the curriculum cope with a transforming sector



Many of our interviewees mentioned a challenge for young graduates when transitioning from university to employment.

'The stack of cards that is accounting is crumbling', says Peter Ellington, who combines lecturing in accounting and taxation at the University of East Anglia with running his own practice, Triple Bottom Line Accounting.

'One of the big issues in the industry is that a lot of the universities are still teaching it from that old concept... that accountancy is around tax and compliance. But this is not what the small and medium sector needs'.

'What the accountants report on is going to be changing as the world wakes up to the climate crisis and the social crisis and accountants take hold of their responsibility

to stakeholders. In five years [time] that will be our big growth area – the only issue is that we are very slow to change', says Ellington.

Modern accountancy degrees will be expected to reflect more precisely the changing reality of the professional world in order to stay relevant.

He adds, **'Within SMPs, trainees get their professional qualification and on-the-job training – they are learning decision-making skills, communication skills and, as the paradigm changes, they are going to be able to use those skills in the broad spectrum of activities in the future. By the time they are qualified they can do whatever they want'.** ■

 **Rosanna Choi, CW CPA, Hong Kong**



Integrity, developing staff and a strong corporate social responsibility (CSR) culture

CW CPA is a Hong Kong-based accountancy firm with a strong focus on supporting international clients' operations in mainland China, and Chinese companies' international operations, with Hong Kong as the gateway. Of CW CPA's 100+ staff, one-half are based in Hong Kong and the rest are in its three Mainland China offices. 'It's quite challenging to recruit experienced staff so we try to find different ways of resolving our manpower issues', says CW CPA founding partner, Rosanna Choi.

'We think about how we can recruit fresh graduates, and consider part-timers. We also think about outsourcing and are now experimenting with RPA to cope with the challenge'.

When talking to graduates, Rosanna has found that emphasising particular aspects, such as the firm's international client base and multilingual operations has made it very appealing. The firm is also trying to attract more IT specialists: candidates with strong technology skills.

Regulatory requirements for audit in Hong Kong mean that there is still a lot of compliance work, but the move is nevertheless more towards advisory work and this also reflects the desires of new entrants.

'Many of the youngsters are talking about quality of life, and they want to do something that is meaningful to them', says Choi. 'Professional development is also important: the firm is keen on using its membership of the Allinial Global Network to help staff learn from other member firms who are using technology such as AI and blockchain, possibly through secondments'.

The firm now has a much flatter structure than in the past, with more multidisciplinary projects and cross-team communication and knowledge sharing.

The management of the company is keen to understand employees' individual characters and create development and work opportunities that are right for them. The firm invites speakers to talk about leadership and empathy, and sees it as an important way of showing employees that their overall development, and not just on-the-job productivity, matters.

'It's not just for them to work in the firm, it's actually for their own development', says Choi. 'We ensure that our training programmes are not just about technical skills to ensure compliance, but also about their own employability'.

Managing expectations is also important: sometimes younger employees need to be reminded that work is not always exciting, and that effort put in early stages of their career will repay in their quality of life later.

Integrity and honesty are fundamental values for the company and are expected from employees.

The firm's **CSR programme is also of great importance for talent attraction and retention**, 'We are not just about earning money, we are contributing back to the community', says Choi. 'We provide some pro bono services to NGOs [non-governmental organisations], and we also participate in a project to help underprivileged children in local schools. The younger generation want to give back to the community, so it's a shared value'. ■

3. Attracting talent to SMPs

Accountancy is no longer a numbers game, and this is as true of recruitment as the work itself. Attracting talent for many practices is becoming as important as attracting clients, and requires building the recruitment brand by clearly formulating arguments for talent attraction.

Sharing the same values is becoming increasingly important for both employers and employees.

Supporting local businesses, standing for a healthy work-life balance, jointly supporting social causes and local communities, are just a few examples of what matters to both employers and future employees.

SMP firms often recruit graduates, sometimes with business or accounting qualifications but also from non-finance backgrounds. While non-finance graduates have fewer exemptions from accountancy exams this balances against a broader educational background and life experience.

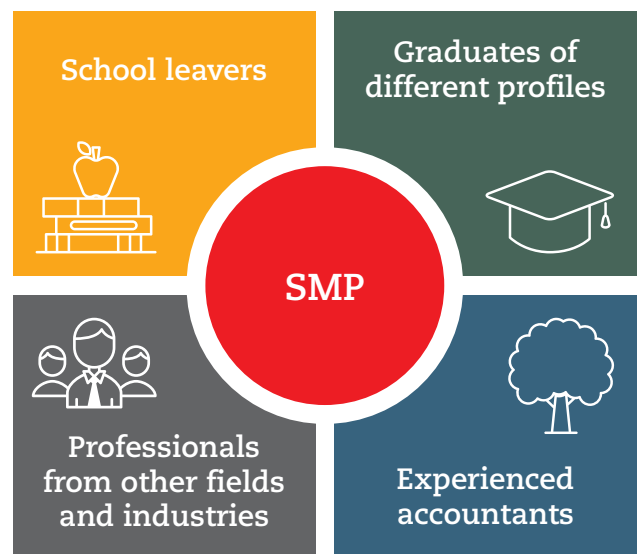
A majority of the SMP founders consulted admit that recruitment and finding the right talent can be time consuming, in particular for newly established businesses. In order to rapidly progress in the future they are ready to make sacrifices and spend more time finding the right people as it will save business founders time on managing people in the future.

3.1 Diversified talent pools

Both entry-level and experienced talent is in demand by SMPs. There is no universal pattern among accountancy practices and a lot depends on the business model and strategy of a particular practice.

A majority of the practices whose leaders we consulted have a marked preference for the 'grow your own' approach to staffing. This allows them to recruit staff with no preconceived ideas or ingrained habits and mould them to their own vision and culture.

FIGURE 3.1: SMPs – the opportunity for various talent groups



SMPs face a lot of competition for graduates. Top graduates and universities are extensively targeted by the Big Four and other sectors that have the resources to put their message out to universities. **Graduates are highly attracted to emerging industries and entrepreneurialism, and SMP accountancy needs to be positioned in that light.** SMPs also have a clear purpose of helping small businesses achieve their objectives and growth targets and provide recruits with the opportunity to see concrete results of their work: aspects that should also be underlined in the positioning of SMPs as potential employers.

Many SMPs prefer to recruit those with a year or two of post-qualification experience: customer-facing experience is very much valued.

The flexible working patterns enabled by technology also mean that SMP firms can tap into underemployed talent pools and help them return to the workforce.

Furthermore, given the growing diversity of services provided by SMPs and demand for multidisciplinary, talent from other industries may be both attracted to careers in SMPs and bring value added to those practices – eg IT, sustainability, data science.

Rapidly growing practices may find it necessary to bring in senior staff for managerial and business development roles.

'WE BUILT THE TEAM BY BRINGING IN SENIOR PEOPLE FIRST, AND THEN BUILDING THE REST OF THE TEAM BENEATH THEM, SO THE PODS (WORKING GROUPS) CONTAIN A MIXTURE OF QUALIFIED AND QUALIFYING ACCOUNTANTS'.

Paul Barnes, MAP

A number of SMP practice leaders find it **more challenging to attract more senior staff.**

'WE'RE NOT JUST LOOKING FOR SOMEONE WHO HAS THE SKILL SET, WE'RE LOOKING FOR SOMEONE WHO ALSO FITS OUR ORGANISATIONAL VALUES AND OUR CULTURAL VALUES. IT IS PARTICULARLY HARD TO ATTRACT MORE SENIOR TALENT'.

Wyndi Tagi, WE Accounting, New Zealand

Employing school leavers

Many UK-based practices are reporting success with taking on school leavers, who are often employed under the UK government apprenticeship scheme. The ability to bypass a degree and the associated debt and enter the workforce on a recognised route to a qualification is attractive to many.

3.2 Building a recruitment brand

Smaller accountancy firms are now coming to the realisation that that the brand they present for recruitment is as important as the brand they present to clients.

Smaller firms cannot afford to recruit the wrong people, who might damage client and team relationships. The 'wrong people' would include those who cannot adapt to change and technology, are not ready to deliver value-added services or simply require too much management and direction.

Branding fulfils a dual function: on the one hand, it is a way of attracting talent by promoting and differentiating the practice. On the other hand, it acts as a filter so that unsuitable candidates sift themselves out. This is important for smaller firms that do not have dedicated recruitment resources, where interviewing and screening candidates is a major drain on the principal's time.

FIGURE 3.2: The dual purpose of the recruitment brand




Alastair Barlow, flinder, UK


Disrupting the accountancy profession on the edge of emtech and rich data management, building a recruitment brand and showcasing modern SMP life unfold in social media.

flinder is a London-based SMP founded by two business partners, Alastair Barlow and Luke Streeter. In three years, flinder has grown to 20+ staff and has become a multi-award-winning company.

Mainly focusing on fast-growth, equity-backed technology businesses, the firm actively uses various emtech applications and positions itself as a revolutionary finance function, providing a broad spectrum of services, from accounting services to providing senior staff to take on a 'pseudo CFO' role in board and investor discussions. The firm works only with clients to which it believes it can add real value. These clients get the equivalent of 'an in-house finance team on steroids', says Alastair Barlow.

Staff profiles in flinder are **highly diverse**, to reflect the different roles the firm takes on for its clients and allowing it to offer them **access to a broader range of skill sets** than they could create in-house. The firm generally hires from other practices to access candidates who have already experienced a broad range of clients and can immediately run multi-client portfolios.

'When building a team, we brought in people of **different levels** and with different skill sets. We brought in apprentices, people who are more skilled in relationships, data scientists. We've brought people in that are more attuned to processes and controls; we have technology, data and RPA specialists. You're looking at very **diverse skill sets** that would be very hard to get in one person if you want to replicate this in-house'.

Rapid development has created organic opportunities for growth and the firm also encourages staff to move between its three main disciplines of accounting, consulting and data analytics to develop new skill sets. Team members are also encouraged to become 'champions' of particular processes, propositions and applications.

'Recruitment was a challenge until the **firm started marketing itself directly to candidates**, exposing its working culture **via various social media channels**: LinkedIn, Twitter, YouTube', says Alastair Barlow.

flinder social media posts show what it means to work with the firm from both an employee and client perspective, demonstrating the social life of the firm, including the flinder ski trips, which have become famous in the UK accountancy community, and music playlists.

'Most firms work on marketing for the purpose of bringing in clients', says Barlow. 'But at early stages we realised that **the biggest challenge isn't winning the clients, the biggest challenge we had was bringing in the right people**. So we essentially said our key target is potential team members.

Those publications are also of great importance for the overall transformation of the image of the accountancy profession, which is crucial for being able to attract talent to the profession in the future, and flinder has the ambition of being instrumental in that: 'We want to disrupt and transform the profession', says Barlow.

'When we set up flinder we put heavy emphasis on **technology and data** in order to provide much better insight to our clients, really leveraging technology and data to shrink human involvement, so that our team could add value to insight delivery, having time for more interesting work and richer conversations with our clients'.

'Tech savviness', critical and analytical thinking are of fundamental importance. Furthermore, flinder expects staff to be entrepreneurial and ready to challenge.

Along with soft and technical skills, authenticity – 'being yourself' – is a quality that flinder very much nurture in their team. ■

SMPs have a strong message for attracting talent and SMP leaders are actively using social media both to convey their message to potential candidates and to engage them in a dialogue. LinkedIn posts with short videos showing what it means to work within an SMP and SMP trainee YouTube blogs are just two examples of how the message can be conveyed. There is a growing offer of training courses and programmes, for SMP leaders, on creating a digital brand to attract talent.

It is essential for the SMP leaders to ensure that the purpose and values communicated by the recruitment brand stay true in the practice and are embedded in the culture, and that employees have a clear understanding of how those values translate into concrete behaviours.

3.3 Attraction: 10 ways of rethinking the employee proposition

There is no doubt that our interviewees see working in an SMP as an exciting career move which offers a broad spectrum of opportunities and far more than just job security and good remuneration. Below, we suggest 10 clearly formulated key areas for talent attraction that can be used by SMP leaders building their recruitment brand while also acting as advocates of a career in SMPs at a broader scale.

‘TO BUILD THEIR PROFESSIONAL STANDING, ALL OF OUR TRAINEES ARE ENCOURAGED TO RECORD WORK EXPERIENCE AND KNOWLEDGE IN SOCIAL CHANNELS SUCH AS YOUTUBE, WHERE THEY SPEAK ABOUT THEIR WORK EXPERIENCE AS WELL AS SHOWCASE THEIR SPECIALIST KNOWLEDGE WITH A VIEW TO ENGAGING INTO A DIALOGUE WITH OTHERS’.

Peter Jarman, PJCO, UK

FIGURE 3.3: 10 ways of rethinking the employee proposition



1. SMPs help businesses and wider society

- Accountants offer vital support to business owners to achieve their goals: SMPs are purpose-driven organisations.
- Accountancy has an expanding social role in addition to its traditional assurance function. Non-financial reporting supports the sustainability agenda, and SMP accountants are now providing a much-needed boost to prosperity, growth and employment through their work with SMEs.

'WHEN YOU'RE TALKING TO THE BUSINESS, YOU'RE TALKING TO THE OWNER, YOU'RE TALKING TO THE DECISION MAKER. WHEN YOU'RE GIVING THEM ADVICE, IT'S HAVING A DIRECT IMPACT ON THEIR PERSONAL LIFE ULTIMATELY, SO THERE'S MORE FULFILMENT AND PURPOSE WORKING WITH THAT KIND OF CLIENT BASE'.

Darren Dettling, Bendall and Cant, New Zealand



2. SMPs offer personal growth, development and a 'long-term' career

- SMP practices focus closely on learning and are keen to develop their employees in a number of ways. They recognise the need to offer opportunities to develop skills that are relevant to an entire career, not just the job in hand. This can be formal and informal: training for professional qualifications, training in technologies and data management, or needs-based training, which is often employee led.
- Accountancy may change but it will never go away and offers a lifetime of opportunity and remunerative work for those individuals willing to embrace it.

'A LOT OF MY FRIENDS HAVE GOT CHILDREN WORKING IN APPRENTICESHIP ROLES, AND ONE OF THEM SAID, 'YOU KNOW, I AM NOT A BIG FAN OF AUDITING, BUT I LOVE TAX'. AND THAT'S THE BEAUTY OF IT, THERE ARE MANY DIFFERENT AVENUES YOU CAN GO DOWN – YOU COULD GO AND WORK AS A MANAGEMENT ACCOUNTANT, OR A BUSINESS ANALYST. IT'S NOT A CASE OF DOING PROFIT AND LOSS ACCOUNTS AND BALANCE SHEETS ALL DAY, EVERY DAY UNTIL THE DAY YOU RETIRE'.

Steve Collings, Leavitt Walmsley Associates, UK

'WE CREATED FRIDAY MORNING CLASSES: THEY COULD BE GUIDED BY A PROFESSOR, A TECH EXPERT, A MARKET EXPERT, HE [SIC] COULD BE AN INDUSTRY EXPERT. WE ARE NOT CONFINED TO A PARTICULAR SUBJECT, WE ARE TRYING TO CREATE GENERAL AWARENESS OF BUSINESS ISSUES'.

Sunil Arora, ASA & Associates LLP, India



3. SMPs have a spread of ages from 17 to 70+ and are already learning how to manage the multi-generational workforce

- The combination of various age groups and profiles within SMPs provides numerous opportunities for inter-generational cooperation, mentoring and talent development.

'MIXING UP AGE GROUPS, YOU GET PEOPLE BUILDING FRIENDSHIPS, YOU GET PEOPLE CALLED WORK MUMS, OR WORK DADS, YOU KNOW, IT'S THAT FAMILY ATMOSPHERE'.

Nikki Adams, Ad Valorem, UK



4. SMPs offer variety and are a springboard to career mobility

- The focus of work has shifted from repetitive reporting cycles to forecasting, analysis and projects.
- The thorough business and financial grounding offered by an SMP can lead to a move to industry, larger practices or entrepreneurship, in either accountancy or other fields.
- A small practice may offer the chance to work with a variety of business owners and is not limited to serving local clients. It offers engagement with experts across the business including mentorship from the leaders.

'WHENEVER THEY GO ELSEWHERE, THEY LITERALLY SHINE BECAUSE THEY'VE GOT SUCH A VARIED SKILL SET... OTHER PLACES, THEY WON'T GIVE YOU THAT OPPORTUNITY TO GROW AND TO LEARN EVERYTHING'.

Eriona Bajrakutaj, Major Accounts, UK



5. SMPs are creative and work at the cutting edge

- Accountants are expected to be proactive, to spot problems and come up with solutions. Practices are organised in non-hierarchical structures that encourage innovation and allow all employees to contribute ideas.
- Smaller firms are both at the forefront of the adoption of digital accounting technology, which is developing rapidly, and are linking up with other major fields such as big data, block chain, and cybersecurity. They are also working with some of the most exciting clients: rapidly growing start-ups that are often digital pioneers themselves, or helping established businesses to digitise. Many of these firms have started from scratch and have no legacy systems or practices at all.

'WE HAVE BUILT OUR OWN BRIDGING SOFTWARE; WE HAVE ALSO BUILT OUR OWN APP THAT WORKS WITH XERO FOR AGGREGATING AMAZON TRANSACTIONS, AND WE HAVE ALREADY BUILT OUR OWN PORTAL, SO WE DO QUITE A LOT OF IT AND TECH DEVELOPMENT'.

Nathan Keeley, MHA Carpenter Box, UK



6. SMPs offer work-life balance

- Practitioners are exploiting digitalisation to offer benefits such as flexible and remote working, not just for employees' sake but also for the multiple benefits they bring to the workplace. They want their offices to be informal and fun workplaces, where people want to come to work.

'WE'RE VERY AUTHENTIC, WE'RE JUST OURSELVES AT WORK, WE DON'T PUT A SUIT ON AND PUT THIS FACADE ON AND COME IN TO BE A DIFFERENT PERSON'.

Alastair Barlow, flinder, UK



7. SMPs are ethical

- SMPs are assurance providers for small businesses.
- Accountants are expected to challenge and hold to account and are supported by a strong ethical code in both defining what is right and doing the right thing.

'ACCOUNTANTS HAVE A DUTY TO SOCIETY AS OPPOSED TO JUST A ROLE AND A JOB...BEING AN ETHICALLY UPSTANDING ORGANISATION WILL HELP US MOVE FORWARD. YOUNGSTERS WILL BUY INTO IT AND WILL SEE VALUE IN THEIR CAREER, BECAUSE IT'S GOING TO BE A HUGE PART OF WHAT WE DO GOING FORWARD'.

Miranda Smith, Mazars, UK



8. SMPs provide opportunities for participating in the success of the business

- A number of SMPs have ownership structures that provide opportunities for their employees to participate in the success of the business, via different types of reward structures, including a share of company equity.

‘FOR EMPLOYEES WITH HIGH WORK ACHIEVEMENTS, WE PROVIDE A CORRESPONDING POSITION, AND THE SALARY WILL BE HIGHER THAN THAT OF THE FINANCIAL MANAGER OF A GENERAL ENTERPRISE’.

Lin Yanling, Zhongshan Xiangshan Certified Public Accountants Co., Ltd, China.

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9. SMPs provide the opportunity to see the concrete results of one’s work

- SMPs offer employees the possibility of seeing the results of their work because of the size of teams and their close interaction with businesses. This is a component very much missing in many fields; for example, in big corporations there is a high degree of disconnection between an individual’s work and achieved results at the corporate level. SMPs provide opportunities for employees to shape the success of concrete businesses and have the satisfying experience of seeing the result of their efforts, in a similar way to those engaged in artisanal work.

10. SMPs are a people’s business

- The work involves regular contact with a variety of clients and will suit and further develop outgoing, confident communicators.

‘WHAT WE’RE LOOKING FOR ARE NEW RECRUITS WHO CAN TALK TO OUR CLIENTS, ENGAGE AND SHOW REAL INTEREST IN OUR CLIENTS BUSINESS BECAUSE WE ARE A PEOPLE BUSINESS’.

Peter Jarman, PJCO

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The need for broader SMP leadership action to raise the profile of careers within SMPs

While careers within SMPs provide a diversity of opportunities and a working environment that could appeal to a broad range of talent, this message may not always be getting through. This means that both **employers and potential employees may be missing out on valuable opportunities.**

SMP employers, therefore, need to consider not only how they will supply their own needs, but how they can support the wider profession and SMP sector as a special niche. As it moves into a digital mismatch, accountancy may not suffer from a skills gap so much as an attitude mismatch.

Some SMP leaders are already working on this, for example using social media, running blogs, and engaging in a dialogue with educational institutions at local and national levels. But there is need for broader collective action to ensure the sustainable future of SMPs.



Heather Smith, ANISE Consulting, Australia



A micro SMP with macro thought leadership and a mission to educate, backed by an international network of SMP experts

Heather Smith, a Fellow of ACCA (FCCA) and member of Chartered Accountants ANZ, based in Brisbane, Australia, is the owner of a 100% digital practice and is also an international thought leader and influencer in digital accounting and an ambassador for innovation in the accountancy profession. Heather is an ‘accounting activator’, championing the advocacy of the wider profession and its attractiveness within SMPs by sharing true stories of some SMPs, their role for businesses and their working culture. Heather also has a strong voice on the issues that need addressing to improve people’s experience within the profession, such as gender balance and well-being in the work place.

‘My accounting practice fits in my handbag; I can be anywhere and so can my clients’, says Heather.

Heather positions herself as a micro business, but the micro business has truly macro exposure.

‘ANISE consulting is a micro business, but I’m connected to many people across the globe. And so when I need a particular expert to do something, I can either pull them in to help me or push my client to [do so]: ‘Okay, this is the actual person you need to help you get you through that’. And I have absolute confidence, and I will sit in the background and support anything that needs to happen. So while everything I do is kind of a micro level, I have literally hundreds of people helping me, or who I could tap in on to pull in and help me or my clients do something’.

This is a new emerging model and is getting developed as the global SMP network is becoming more connected.

The model is particularly useful for the SMP with international exposure.

‘Feeling at home’ crystallises Smith’s attitude to modern accountancy, with its continuous tech innovation, professional reinvention and global interconnectivity. This also requires the right mindset and adaptability.

Heather has clients all over the world and technology allows her to provide a personal service.

Heather considers that qualification is very important and so is ‘tech-savviness’ for today’s accountancy professionals: ‘I think that having a professional qualification is extremely useful and provides a lot of substance to problem solving, analytics and the ability to learn how to help people. It also gives credibility. But I do think that if I was young, I would say to people, go and study and learn and understand some of these technology solutions out there too’.

Heather takes a very active position on that – enlightening others on the ever-expanding ecosystem of online accounting platforms and applications, and innovation in accountancy in general. She has had more than 1.4m views on her YouTube channel and more than 10,000 followers on Twitter, she has written nine books and has her own podcast: Cloud Stories.

‘For the last decade, I’ve been encouraging the accounting industry to get excited about accounting apps. I believe they can have a massive impact on small businesses, and through entertaining education I hope to bring other accountants along on this journey.’ ■

3.4 New approaches to recruitment: beyond the traditional CV

While employers are always interested in experience, qualifications and skills, candidates are also encouraged to go beyond providing the traditional CV and covering letter in applications. Several firms have reported that they ask candidates to present and submit a video about themselves – a daunting prospect for Generation X but second nature for a generation steeped in Instagram and TikTok.

'OUR CANDIDATES' SELECTION PROCESS STARTS WITH EVALUATION OF THEIR VIDEO THAT THEY SUBMIT INSTEAD OF A CV'.

Alex Falcon-Huerta, Soaring Falcon

This is not merely trend chasing: in a digital practice, client communication will be via all available channels: phone, email, Skype, Zoom with even board-level reports delivered as video narratives.

Those innovative practices have proved their importance in the COVID-19 pandemic, when face-to-face interviews have been impossible.

Some firms use psychometric testing or profiling, particularly when looking at the balance of skills they are putting into their teams. This also helps make a better assessment of candidates' behaviour in particular situations.

'We use profiling for our employees that enables [us] to have a pretty even mix of introverts and extroverts in our organisation', says Nikki Adams, Ad Valorem. 'The way we look at individuals is to say, are they a service provider, or solution provider? Sometimes they are both, but more often they are one or the other, [...] it's enabling us to scale at [the] same time and help people feel comfortable and confident about what they do'.



Becoming an approved/training employer

ACCA and Chartered Accountants ANZ's research has demonstrated that younger professionals working for SMPs are attracted to those employers who offer good opportunities to learn and develop new skills, and that employee development is a key factor in maintaining competitiveness. A commitment to professional development is a key part of attracting new talent. One way of demonstrating this commitment is to become an Approved Employer.

ACCA Approved Employer Programme

The ACCA Approved Employer Programme recognises employers' high standards of staff training and development and support of the ACCA Qualification, whether for trainees, professional development or obtaining a certificate of practice practising certificate, or all three. Approved employers also gain a number of recruitment and development benefits, such as promotional rates for advertising on the ACCA Careers job board, access to virtual career fairs and improved recruiter directory listings: 81% of Approved Employers say their status helps them attract and retain good-quality graduates and finance employees.⁴

Chartered Accountants ANZ Approved Training Employer

An ATE is an organisation that meets Chartered Accountants ANZ standards for offering the type of work experience that fulfils our practical experience requirements. An organisation must obtain Approved Training Employer (ATE) status before a candidate can commence practical experience. A Recognised Training Employer (RTE) is one with an in-house performance appraisal system that has been approved by Chartered Accountants ANZ. ■

4 ACCA Approved Employer Programme <<https://www.accaglobal.com/lk/en/employer/approved-employer-programme.html>>

England's Apprenticeships Scheme

ACCA has partnered with government, other professional bodies and training providers to develop and deliver the Accounting Technician and Professional Accountant Apprenticeship standards.

ACCA apprenticeships are distinct from other accountancy apprenticeships because they allow apprentices to progress onwards the full ACCA Qualification, the equivalent of a Master's degree. ACCA apprenticeships are mapped to the ACCA Qualification and follow the same syllabus. This means that ACCA apprentices are trained with the same skills and technical knowledge as someone studying for the qualification in the traditional way.

Apprenticeships allow young people to develop professional skills and experience early and launch a career in accountancy and finance without the significant cost of a degree. Apprenticeships also provide a platform for career-changers. There's no upper age limit for apprenticeships and anyone over 16 can apply.

One of the main benefits of apprenticeships is that the cost of training is covered by the government. Large companies with an annual pay bill in excess of £3m automatically pay into the apprenticeship levy. That levy pot can be used by all businesses to fund apprenticeship programmes.

The government also covers at least 95% of training costs for small businesses that want to use apprenticeships to recruit new and upskill existing employees. And SMEs can also receive funds for apprenticeships by way of a 25% transfer from levy-paying employers.



Talent crisis?



The ease of attracting new talent varies around the world: in Central Europe, SMPs compete for entry-level talent with big financial corporations that have established their shared service offices and attract most of the young graduates going into finance with good salaries and well-known brands. Attracting and retaining staff in the region is difficult for practices, even though they have much to offer in variety of work experience, career development and working conditions. To enhance their attractiveness and competitive edge, SMPs are developing their social events and cultural activities programmes and showing extra flexibility to accommodate the growing expectations of millennials.

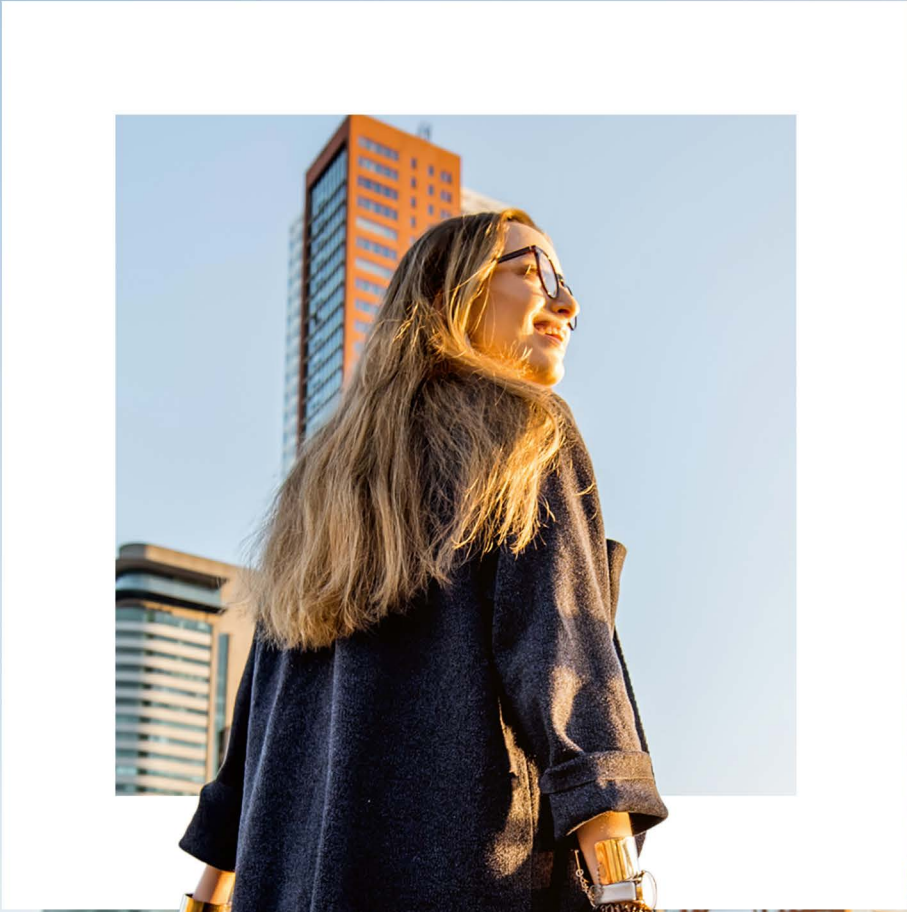
Hiring experienced talent in Hong Kong is next to impossible for SMPs: firms need to focus on recruiting and developing entry-level staff, but such people often leave after gaining their qualification. This has led to a generation gap between younger staff and the older

generation, who are themselves having to learn new skills to work alongside younger staff.

Other markets, such as Barbados, have a surplus of accountancy and other graduates. But even in markets where applicants are plentiful, many of the more progressive employers say they have to filter extensively to find candidates with the right attitude.

Small practices recognise that they do not have the resources to target universities and recruitment fairs in the way that big firms do, but many are building personal relationships with schools and colleges.

Is there a need for the SMP sector to act collectively and build the 'SMP brand' as an attractive place to work, highlighting their advantages over the big financial corporations, or even over the emerging digital industries? ■



4. Developing and retaining talent

Staff retention can be a critical issue for smaller practices, particularly those that recruit and train pre-qualified staff. Progression is often called the key to retention, with the opportunity for staff to learn and develop new skills, therefore it is important to look at development and retention in conjunction.

Training is a considerable investment for a smaller practice, and SMPs do not wish to become simply 'finishing schools' for the Big Four or industry.

'IN THE SHORT TERM, THE MAJORITY ARE KEEN TO TAKE ADVANTAGE OF THE LEARNING AND DEVELOPMENT OPPORTUNITIES AVAILABLE IN SMPs – LONGER-TERM EMPLOYEES SEE IT AS A SPRINGBOARD INTO OTHER SECTORS'.

Guo Weijian, China, KOCA Investment Consulting Co., Ltd., China

Nonetheless, **SMPs also recognise that staff need to develop their careers** and some of these employers are rethinking their talent-management strategies, and creating transparent, structured career paths, even where those paths eventually lead beyond the organisation, considering that **having an alumni network among clients and potential clients is not a bad thing**.

The **value lies in acquiring employees who can grow with the firm**, sharing its success and its values. Perhaps more than in other areas of the profession, SMPs are having not only to question what exactly people want from them, but also to have open and honest discussions about this with employees all through their careers.

4.1 Learning and development approaches

In the context of rapid change, a majority of the SMP leaders consulted do not restrict their employees to in-house development programmes, but rather support their initiatives in self-curated training, provide financing for external training opportunities and encourage mentoring.

A learning culture with mentoring and multi-generational cooperation embedded

Building an effective learning culture that can engage and support the workforce to adapt and transform in line with business needs is of vital importance for any organisation including small practices.⁵

With Western economies moving towards the 'five generation' workplace, while at the same time in the emerging economies the workforce is increasingly youthful, mentoring is one of the important components of a robust learning culture and is seen as one way of bridging the gap between the expectations and style of more experienced employees and those of newer joiners. SMPs provide opportunities for different generations to share their experiences and can leverage the strengths of each of these groups if the right processes are in place. This supports the open culture of the enterprise that is at core of today's SMPs.

⁵ The report *Learning for the Future* (ACCA 2018b) provides a holistic overview of the development of learning culture within the organisation, and the creation of an environment that supports and rewards learning.

Senior staff are instrumental in the training and development of younger staff members – sharing their technical expertise and client relationship management experience.

Younger professionals often enter the workplace equipped with a suite of valuable skills and insights from which employers can benefit, from a greater awareness of the latest technologies to a familiarity with using social media channels. There may therefore be opportunities for sharing young professionals' pre-existing knowledge through internal training activities such as mentoring schemes.

Knowledge held within the SMP might provide an excellent platform for improving business practices and introducing new learning interventions. More senior SMP

staff members are open to sharing their professional and life experience, as well as their experience in managing human situations, and coaching their more junior colleagues. This is not only about what the latter can do for the business today, it is also about who the more junior staff members can be helped to become.

For younger professionals, being given the opportunity to support senior staff can enhance their own sense of value to the firm.

Given the dynamics and agile nature of SMPs, 'unlearning' is another important process supporting the development and progress of SMPs.



Peter Jarman, PJCO, UK

Creating clear careers path, developing the finance leaders of tomorrow, focusing on personality and attitude, employing school leavers

PJCO is an award-winning SMP based in Brighton, UK, providing general accountancy, cloud apps advisory, business development and specialist tax services to the small owner-manager business community. The firm was founded by Peter Jarman, FCCA. PJCO puts a strong focus on training and development of ACCA-qualified accountants and its vision is to 'systematise and grow'. PJCO recruits between two and four graduates a year. Graduate recruits have so far had 100% success in exams.

PJCO sets clear expectations of future attainment and recruits with a **strong focus on attitude and personality**. The recruitment process at PJCO is **informal and conversation-based**, which helps assess soft skills, and previous customer-facing experience is a welcome bonus.

'If you want the responsibility to deal with small business owners from day one, and are looking for the opportunity to progress your career quite quickly by having total responsibility for looking after those clients, then we might be the right place for you', says Peter.

The firm now employs a school leaver who started at 16 and is also considering looking at A-level students who don't want to go to university.

'Because we could recruit from such a rich pool of graduates, we hadn't looked at school leavers before, but we realised that could change if [fewer] graduates [sic] go to university', Jarman says. 'Some 16-year-olds might already know their career path and have an absolute desire to get into the work environment; that's a plus'.

Within a year, PJCO recruits are training and mentoring the next intake of trainees, and after two and a half years, they should be running their own portfolio of small business clients or, alternatively, choosing to focus on a particular specialism.

The firm has launched a separate work stream that focuses on digitisation and cloud applications and that concentrates on getting clients to run their business processes and systems more effectively, making the best use of digital information. But an understanding of the fundamentals of finance is still vital, because that is what business owners are looking for: numeracy is no longer the key aptitude for accountants; rather, it is being financially literate and supplementing that with technical skills.

'Trainees are encouraged to document their experiences on YouTube to help other graduates with their career choices'.

There is a **clear career path and opportunity** for staff not only to develop with the business but to have their efforts in expanding the business recognised. So far, one portfolio manager has gone on to become a partner.

While the vast majority of recruits have stayed on, others have sought different experiences and gone to larger accountancy practices or into industry.

'Our career commitment to our staff is that they will leave us in a better position than when they joined us'. ■

Working in a pod system

In their interviews, a number of SMPs mentioned that they organise work in their teams in a pod system and see this as an efficient way not only of managing business projects, but also of developing talent through enhanced cooperation, which helps to strengthen an ownership culture at workplace.

The pod system involves combining staff members with different kinds of expertise, specialisations and backgrounds, giving complete ownership and freedom, and expecting the best-quality output, relying on the pod's combination of diverse strengths. Pods are usually designed to be self-sufficient and self-organising and require minimum supervision, which is expected to create a greater sense of ownership and maturity.

'OUR TEAMS ARE ORGANISED INTO 'PODS' OF FIVE ACCOUNTANTS, AT DIFFERENT LEVELS FROM FINANCE DIRECTOR DOWN TO BOOKKEEPER, ACTING AS A VIRTUAL FINANCE FUNCTION FOR CLIENTS'.

Paul Barnes, managing director, MAP

Productivity within the pod groups depends on not only the right combination of technical expertise and knowledge, but also the right attitudes and behaviour, so personality profiling can be used to enhance productivity and improve the working environment within these groups.




Nikki and Nigel Adams, Ad Valorem, UK
Transitioning from traditional to digital practice, personality profiling, working in a pod system, multi-generational cooperation, and staying true to family business values

Ad Valorem is UK-based firm of chartered certified accountants founded in 2001. The practice has over 50 team members and provides a wide range of practical advice on all accounting and financial matters, human resources (HR), business growth and mentoring, and research and development, to small and medium-sized businesses and start-ups. Ad Valorem, led by Nigel and Nikki Adams, is a **family business** and that is reflected in the way staff work internally and interact with their clients. Complementing each other's expertise, Nigel, the managing director, focuses on client work and technical aspects of Ad Valorem operations while Nikki, the CEO, leads all the HR, internal processes and acquisitions.

Ad Valorem has built a reputation as a progressive accountancy firm which is at the forefront of digitisation in accountancy and, as a result, says Nikki Adams, has a 'waiting list of people' who want to work for them. Often these applicants come from traditional firms that are not moving with the times and they worry that they may get stranded as they are not getting exposure to new technology or being allowed enough client contact.

Ad Valorem **uses a pod system** where experienced accountants work alongside younger staff, for whom bookkeeping offers an early and easy route into dealing with clients.

Although one-third of the staff are under 30, **the practice is also multi-generational**, with an age range of 21 to 65, yet an employee survey on what they wanted from a workplace revealed very similar demands: a quiet work area, outside access and healthy food on site.

Age diversity also supports **inter-generational learning**.

'In a pod system, the more experienced people need the younger element for help with the technology',

Nikki says. 'And the younger element need help with how to handle human situations and how to deal with more complex work. I think it works as a marriage, it works really well'.

The firm uses **personality profiling** to build balance in the pods, creating a mix of introverts and extroverts. 'Team members can play to their strengths, whether that be a service provider, or solution provider, or sometimes both: staff can now develop in multiple directions, and it is already recognised that they will probably need to reskill again in future', says Nikki Adams.

The structure within Ad Valorem is very flat: trainees, then client managers and senior managers. The firm has recently developed a career map for staff, realising that it will be better to promote staff who have 'come up through the ranks and are steeped in the firm's culture than bring in senior hires', says Nikki.

Because digitalisation has also increased the number of clients relative to staff, the firm now takes on more younger people and moves them on faster, exposing them to a wider range of businesses and responsibilities but also **encouraging them to specialise**.

'It's about individuals taking responsibility', says Adams. 'Obviously, we have our structured learning in terms of ACCA and tax, but on top of that we've had people starting off in accounting and then ending up going down the project management path, or more business analysis kind of training, doing R&D. The way we've evolved has come from **taking raw talent and working with them to develop certain strengths that they have**'.

Nikki Adams emphasised that **listening to staff** and responding to their career ambitions is a **vital staff retention tool**. ■

Encouraging intrapreneurship

Professional Accountants – the Future: Generation Next (ACCA 2016b) discusses the concept of ‘intrapreneurship’, in which employees use their entrepreneurial skills while benefiting from the resources, capabilities and security of the current organisation, and learning from possible failures without the personal risks that entrepreneurship entails.

This is both an exceptional development opportunity for SMP employees and could also contribute to innovation across the firm. Tapping into a diverse pool of ideas and skills might help create cost efficiencies and identify new growth opportunities for firms.



Desmond Yiong, Avic Dkky Pte Ltd. Singapore



Open collaborative culture, the SMP as an incubator for future business ideas, maintaining an alumni network, employing part-timers as a social mission

Singapore-based Avic Dkky Pte Ltd Corporate Advisory is a professional services firm, providing a comprehensive range of business services, including accountancy and bookkeeping, tax and corporate recovery.

The practice has a highly **open collaborative culture**, and maintains strong links with alumni.

‘We welcome the entrepreneurial spirit – if their aspiration is to set up their own firm, we can help pass them work’, says Desmond Yiong. ‘Staff are encouraged to discuss their ambitions openly during appraisals, and even to **use the firm’s infrastructure as a sort of incubator**. Other staff have also left to take up CFO roles in Taiwan and become valuable client contacts’, Desmond says.

Though Yiong says he is still ‘formally the boss’, the partners do not try to micromanage younger colleagues:

‘We empower them to make decisions, we work together with them’, he says. ‘A long as a given task is completed in a given time, they are free to do other stuff’.

Open discussion and collaborative working have **become sources of fresh ideas**, and **satisfy millennials’ need** to understand the purpose and meaning of their work.

Facing a tight employment market, Yiong has also started **employing part-timers**, and combining this with a social mission:

‘My focus is caregivers, people who need part-time work and who can take a few hours off and come and do something for us to help with household costs’.

The firm has no set formula for reskilling staff. They are encouraged to take charge of their own learning and development and to maximise their use of information resources available freely on the internet, but the firm will invest where necessary:

‘We try to be forward looking and practical and prepare for the future’. ■

Case-study-based training

A number of SMP interviewees have regular case-study group-analysis meetings to discuss the challenges encountered and find innovative ways of addressing them. This approach is claimed to be efficient for both training and team building.

'WE QUITE OFTEN GET TOGETHER WITH MY STAFF TO DISCUSS SOME OF THE CASES WE ARE WORKING ON AND THE WAYS OF ADDRESSING SOME CHALLENGING SITUATIONS. IT IS A VERY EFFICIENT LEARNING EXERCISE AS EVERYONE IS OPEN TO EXPRESS[ING] THEIR OPINION. IT IS ALSO A GREAT OPPORTUNITY FOR YOUNGER STAFF TO LEARN ABOUT THE BEST PRACTICES'.

Rosanna Choi, CW CPA, Hong Kong

In some of the countries, SMPs employ specialists from neighbouring countries that have recently lived through similarly challenging economic situations, in order to learn from their examples of best practice for handling such problems. An SMP based in Argentina, Matias Tejero, provided a perfect illustration for that.

'We have been dealing for a lot of years with recession and high inflation rates', he says. 'To provide advisory services [to] our clients you need people that have really gone through those kind of cycles and understand inflation and recession and [what] the combination of both factors can do to your business. That's not something they teach you in school, but people with more seniority have gone through these perfect storms'. That experience can come from other countries – the company now employs several Venezuelan professionals: 'If we are used to inflation, they have a Master's degree [in it]!' Tejero says.

Networking

Networking is cited as another powerful tool for SMP talent development as it facilitates sharing experiences and ideas, and provides an excellent opportunity to learn from other businesses and professionals. That both improves in-house knowledge, but also contributes to staff professional development.

During the COVID-19 pandemic, the majority of face-to-face networking events were cancelled and replaced by virtual roundtable discussions and conferences. These provided a different degree of interaction but still proved to be efficient for learning and development of SMP staff. Chartered Accountants ANZ is now supporting virtual relationships through its Mentor Exchange program.

This provides networking opportunities for cohorts of both mentors and mentees.

Developing talent through community work

Some SMPs encourage their staff to get involved in external activities and see this as a driver for developing soft skills. This also strengthens companies' brand and helps expand the client base. This practical experience gained outside the organisation works very efficiently because, apart from acquiring new skills, employees can see the positive results of their work at the community level. This also helps to build the meaning of work, which appears to be much broader than business operations only.

'Some of the things that we do with our staff here is make them join committees. Like being the treasurer of the local business association or, you know, the local sporting outfit or something like that. So (1), it's a way to give back but (2) it's a way for them to just learn some skills [at] a lower level, where they know that they're only a junior accountant or whatever else have you, and with the support of the team around them to be able to sort of work through that', says Wyndi Tagi of WE Accounting 'So there's lots of different avenues [through which] people could have learned different skill sets and [it] doesn't necessarily just have to be in business...or [working on] an account'.

Developing talent through international networks and communities

The possibility of learning from the best-practice experience of peer organisations is one of the major advantages emphasised by some of the interviewees participating in international networks. This is also a development opportunity, allowing staff to share knowledge and network with their global peers, or even work abroad on secondment.

Robert Holland, managing partner at James Cowper Kreston, says: 'We provide our staff [with] overseas secondment opportunities that are definitely very attractive for our young team members. It is possible because our firm is part of a global network of independent accountants. The possibility to arrange this type of secondment has a very positive impact [on] skills development of our staff as they return with fresh knowledge, positive energy and are even more motivated to do more'.

Other SMPs are organising very targeted overseas secondments for their members of staff, usually aimed at improving particular areas of business through acquisition of in-depth knowledge of the overseas peer's best practice, eg for digitalisation.


Svetlana Romanova, Nexia Pacioli, Russia

Cooperating with state universities, excellence scholarships, in-house ‘university’, being part of an international network.

Established in 1995, Moscow-based Nexia Pacioli has grown to employ about 200 people covering audit, International Financial Reporting Standards (IFRS), valuation, consulting, legal services, tariff expertise, financial outsourcing, and training. It has over 500 clients in various sectors, primarily large state-owned corporations, but also international clients from the membership of the Nexia International network.

The company was founded by a group of alumni of Moscow State University and keeps close ties with the alma mater. Nexia Pacioli **established a scholarship of excellence named after Luca Pacioli⁶** for Moscow State University students, which attracts a large number of applicants every year, encourages excellence among students and ‘creates a pool of young professionals for the local market’, says Svetlana Romanova, CEO and managing partner of Nexia Pacioli.

Furthermore, the company is a founder of the ‘Pacioli University’, a two-week in-house intensive professional training programme open to final-year university students who are willing to pursue practical knowledge about accountancy and the audit profession. The programme is currently mainly attracting finance and economics students, but the ambition is to involve more IT students in the future. During the programme, participants get hands-on training led by the top experts of Nexia Pacioli, work on concrete case studies and have a chance of getting ‘the flavour of real work’.

‘At the end of the training programme, the students are asked to complete a test and a number of successful candidates are offered employment in the company’, says Romanova. ‘We’re trying to find candidates with potential, experience is not of ultimate importance for us’.

Nexia Pacioli has a strong focus on sustainability reporting, as pending legislation in Russia will oblige many companies to prepare for non-financial reporting. To support the development of value-added services, the company is now investing in software and automation to reduce the technical workload and free employees’ time for analysis and advisory work. **Both sustainability accounting** and the possibility of working on **advisory tasks** are seen as very attractive by Nexia Pacioli employees.

‘As a medium-sized firm, Pacioli can offer a greater breadth of on-the-job experience than a big company usually does; we are ready to adjust to client needs, which helps our staff to develop skills in multiple disciplines and makes them highly employable.

‘Furthermore, our international network creates professional ties and learning opportunities with staff from other countries’, says Svetlana Romanova.

Romanova emphasises that, apart from the professional development opportunities, the positive working environment and broader social mission of the company matter a lot for her employees and have a growing importance for both attracting and retaining staff. It is equally important for employees to work in a team of like-minded, motivated and driven professionals.

The firm is supporting various charity causes, providing regular pro bono consultancy services and financial support to a number of charity organisations based in Russia. In addition to that, Nexia Pacioli is an advocate of the protection of cultural heritage, and a strong supporter of the Tretyakov Gallery in Moscow. ■

6 An Italian mathematician, collaborator with Leonardo da Vinci, and an early contributor to the field now known as accounting.



The growing international SMP network



One of the features of the emerging world of SMP accountancy is that it is highly networked. Accountants have always formed themselves into formal and informal networks.

ACCA and Chartered Accountants ANZ are supporting the development of such networks by organising specialised events, forums and groups, which have proved to form a powerful social glue, leading to deeper levels of collaboration.

ACCA's goal is to act as a super-connector between and across members and key stakeholders globally. SMP-support campaign launched by ACCA is aimed at building a virtual international SMP community to help its members in managing their practices, building their skills, embracing technology and innovation, encouraging and facilitating networking, and building partnerships with external stakeholders, both in the private sector and in governments. Information about the campaign can be found at the [ACCA website](#) and in the quarterly newsletter, *Practice of the Future*.

Oxana Losevskaya, Partner at strategy consulting firm SL Partners Llc Russia and co-founder at Picloudtech, comments: 'Being part of the ACCA International Assembly, I have built a strong international network of peers around the globe whom I can always get in touch with, in order to get expert opinion about legislation or particularities in their countries. For example, I have a very good contact in China or Singapore, or if I need to find out something about the UK, I can always contact my ACCA peers there'.

ACCA's UK Practitioner Network Panel supports a community of over 24,000 practitioners around the UK by providing technical information and networking opportunities and issuing a monthly e-magazine, *In Practice*, to provide its members with the most up-to-date information about key issues in technology and innovation affecting those in public practice, in the form of top tips from industry leaders, and webinars and podcasts containing practical aspects of major importance for SMPs.

CA Catalyst is a Chartered Accountants ANZ strategic initiative designed to empower chartered accountants to adopt and leverage practical solutions that will enable them to build value for themselves, their clients and their communities. It focuses on skills, tools and connections that would help members and their businesses become more efficient, effective and competitive while unlocking opportunities for members to build value-enhancing business models to expand into new markets and sectors.

The programme is run in collaboration with start-up communities, technology providers, subject matter experts and progressive accountants, enabling members to access workshops, residency programmes in innovation hubs, webinars, podcasts and toolkits. These support members in embracing the opportunities technology brings, while finding a clear path through the challenges.

Furthermore, there is also an increase in the number of communities that have formed around digital software providers and others voluntarily formed by SMP leaders around specific topics or areas of specialisation.

The above examples of existing and emerging communities create an even greater potential for the application of global best practices, for the benefit of local businesses and communities. The recent situation, with the outbreak of the COVID-19 pandemic, showed an unprecedented mobilisation of the SMP community, at both national and international levels. Small practices were holding numerous virtual discussions and roundtables to share the knowledge and lessons learnt, ensuring that they provide the utmost support to small businesses being hardest hit by the pandemic. ■

4.2 What matters for talent retention, in addition to development?

Being a purpose-driven organisation: defining the broader meaning of work

It is more important than ever for SMPs to demonstrate their wider contribution to society, and employees increasingly look for careers that are purposeful and for jobs that have 'meaning'. This creates the bond that is so important for both employees and employers. Sharing the same values and supporting a jointly selected social cause has emerged as very important for staff retention.

After the outbreak of the COVID-19 pandemic, such shared values have been reconfirmed as being of even greater importance. Purpose, and not just pursuit of profit, is fundamental for organisations at any time and SMPs are no exception to that.

Flexibility accommodating various employee life situations

Thanks to the availability of cloud-based technologies, SMPs are offering more flexibility and employment opportunities to those who would not otherwise be able to have a full-time or office job. Below are few examples of that.

i. Supporting working parents

Heather Smith, ANISE Consulting, Australia found that digitalising her practice transformed her ability to serve clients: 'I was a mother with two children at school and I recognise that between drop off and pick up, I had five hours to work. If I could do that work at a client's place, I had three hours, if I could do that online, I had five hours. So it meant a significant difference in availability of time that I could dedicate to earning money. The next realisation was understanding that the more value there was in the service that I offered, the higher the rate I could charge'.



Eli and Wyndi Tagi, WE Accounting, New Zealand

'Passion for helping people', being a purpose-driven organisation, and developing in-house talent by encouraging community work

Eli and Wyndi Tagi founded WE Accounting & Business Services nearly nine years ago to support small and medium-sized businesses in New Zealand. They are also members of Chartered Accountants ANZ. They swiftly discovered a 'passion for helping people' and while continuing to provide accountancy services have shifted the focus of the business from tax and compliance to advisory.

Currently, WE Accounting employs 18 staff in its offices in Auckland and Samoa. The firm has a **strong community focus**, and the founders are **keen to create role models** for their own five children and the wider community.

The majority of the staff are Māori and Pacifica, as are a large proportion of the client base, so it is important that they understand that culture.

'We're not necessarily looking for just accountants, we're looking for people who have a better understanding of business, who can read financial statements and help businesses to grow', says Wyndi.

The firm **prefers to recruit graduates** who can adopt the firm's mindset without having to unlearn more traditional approaches. Broader life experiences, such as work with community or sports organisations, are

also very important in the search for well-rounded individuals who can understand clients well and build good relationships.

Staff are **also encouraged to carry on with community activities**, which both **contribute to the local community and build soft skills**.

'That makes them a whole person', says Wyndi. 'You want them to have a basic understanding of accounting principles, but it's much more about the attitude and the character and...the wider abilities of the person, the relationships that they can build'.

Empathy plays a strong role in the firm's ethos: as small business founders themselves, the principals have a strong understanding of their clients' issues and both staff and clients are committed to the firm's underlying purpose, which has helped them get through difficult times.

'We have pretty much from day one been a **purpose-driven organisation**, which is probably why we don't struggle to retain staff', says Wyndi. 'Even when we've gone through tough times our team have dug in because they believe in what we're trying to achieve. But it's also helped us with growing our client base'. ■

SMPs are finding that the opportunities offered by technology gives them access to talent pools that other employers cannot use.

Paul Barnes of MAP Accounting explains: 'People are looking for more flexibility, different hours, flexible hours, flexible locations. They're looking for more flexibility because they've had children, or a change in circumstances, and many employers won't give them the chance anymore. But people that have got experience in business, whether that's accountancy or not, who understand the importance of quality working and excellent communication, can be a really good complement to our business. So we've definitely had people coming back and looking for flexible work and we just snap them up'.

ii. Supporting part-time working

Thomas Lee in Hong Kong finds that offering part-time employment is often a better way of attracting staff.

'We post a job advertisement which requires full-time employment, and there's minimal response, and then we post another one, which is [on] a contract or part-time basis, and the response is quite good', he says. 'People [want] to work a few days in a week they get more flexibility, and they can be engaged in other areas. They can secure a basic steady part-time income, and on the other hand, they could actually do something which they fancy'.

iii. Supporting particular social situations of employees

In some of the regions, SMPs are involving employees on a part-time basis to accommodate their particular life situations.

Desmond Young, DKKY, Singapore, has reacted to the tight employment market in Singapore by employing part-timers, and combining this with a social mission. In Singapore, many people are forced to abandon work to care for elderly family members.

Thomas Lee, Lee, Au & Co., Hong Kong.

Freelance culture, enhanced mobility, work and life balance, blending different generations, growing to retain talent.

Founded in 1978, TLP is an SMP based in Hong Kong and specialising in audit and assurance, accounting and business advisory, tax and company secretarial services in the Greater China region.

Lee explains that Hong Kong is facing a **growing freelance culture**: many qualified people choose to work part time to secure a basic income so they can pursue other projects of personal interest and SMPs have to accommodate the trend and offer more part-time and flexible working opportunities.

The firm is now looking at **digitisation, along with staff mobility**: a key benefit in congested Hong Kong. Lee also believes that this will help meet the expectations of new recruits: 'The younger generation are more talented in digital ways of working. We don't want to fall behind. If we are still stuck in a lot of manual operations, the new entrants will be disappointed by this kind of working environment'.

The average young graduate's employment cycle within the company is three years.

'The first three to six months will be our investment period where we put a lot of time and effort to nurture them', says Lee. 'And then by the end of the first year or the beginning of the second year, they are working nicely as a team. By the third year, they're starting to

plan their career move. So I think two or three years is a reasonable payback period'.

The recruitment challenges are creating an **age gap** between the younger staff and the senior management team, which Lee is trying to **bridge** by circulating articles and information to seniors to help them learn how to work with millennials and understand them.

'We're trying to **blend the advantages of these two generations** into one', says Lee, adding that the firm is also working to groom some of its intermediate staff into management roles, while encouraging younger staff to take on more responsibility'.

To **improve retention**, the firm works hard on work-life balance, and tries to keep overtime to a minimum to keep energy levels up.

'What I'm trying to do is make the workplace more fun, empowering my colleagues to take more responsibilities in terms of being a mentor and experience a bit more entrepreneurship. We integrate staff in the decision-making process in the firm'.

The firm is planning a big push to win new clients, as it believes this will have a good effect on staff engagement and morale: 'Staff want to be in a firm that really has prospects, and not just staying in the same place year after year', says Lee. ■

Being transparent about business results and career progression

Transparency is a two-way street: employers and employees both need to be open about their own plans and ambitions.

This starts at the initial interview stage, with expectations exposed on both sides, and continues throughout the employee's career, with performance assessments being more of a two-way discussion than a school report. One employee may be able to offer only a two- or three-year stint; another may not want management responsibilities. There is no longer a one-size-fits-all path and it is important to listen to what people want.

This transparency extends to the business itself: the firm will be open with employees about its commercial situation and future plans, often sharing detailed financial data so that everyone is clear about how the business is performing and what their own financial impact is.

'Being clear about where you are and where you are moving, so that your people are willing to support you in that is of ultimate importance', says Nikki Adams of Ad Valorem.

SMP leaders consulted said that being open about the existing challenges and going through them together with the teams is important for building stronger teams.

'We have grown our business from scratch. We have gone through the hard yards, we're still going through challenges. And so we can talk about that with our team, because we've been with them through that. And I think what's cool about our team [is] they have seen our team go through different situations. So they even have an understanding of what it's like to be a business owner, even though they do not know exactly all of the stresses. They still have a sense. And it also gives them this experience' (Wyndi Tagi, WE Accounting, New Zealand).

Petr Neškrábal, Accace, Czech Republic

Flexibility, a bottom-up approach, an open-book system, improving productivity

Accace is a medium-sized practice that provides outsourcing and advisory services for a broad spectrum of issues: accounting, reporting, HR, tax, IT systems. In 15 years the company has grown from 30 to more than 500 employees with a client base of 2000 firms.

According to Petr Neškrábal, Accace MD and partner, there is a growing client demand for more complex multidisciplinary approaches, therefore a combination of the right soft and digital skills will be the key to the future success of the SMP sector. The key skills the firm is looking for in its people are **flexibility and ability to learn**.

'Newcomers can start to provide some value almost immediately', he says. 'They are led by seniors but they can apply their common sense and knowledge on projects'.

'We are trying to see what people are good at and give them space to flourish in this area'.

Neškrábal says the firm also responds to younger people's demands for flexibility and style of work.

'They don't want to have working hours, they want be results-oriented', he says. 'Everybody knows that the project must be done by the team, and each member has some tasks and it's up to the member to complete the task. It's not about controlling how the person is doing the task and when, it's about having results'.

The firm encourages staff to contribute to how the company runs. Employee teams influence areas such as HR, marketing, business development and education, acquiring business skills alongside accountancy qualifications. The firm also believes in '**open book management**', so that staff understand the drivers of the business.

'It's very important that the company openly shares the figures with people, and that people, learn **what is their financial impact on the company**', says Neškrábal. 'If you know your financial impact, then you know what you should do in order to increase your financial impact and then your remuneration too'.

The company has established a system of regular financial performance discussions within the team to enhance transparency and improve productivity. The staff are divided into smaller teams where they retrospectively discuss the performance results, what the drivers for improvement might be and what each of the smaller team members could do in order to improve the results.

'Team bonuses are provided based on the results that everyone is aware of, that helps to manage expectations and keep the environment positive; this also helps [us] to conduct the appraisals constructively', says Petr. ■

4.3 Career development paths vary

Career progression is as much about personal and professional development and growth as it is about job titles and pay scales. Employees need to be assured that their options, whether inside or outside the practice, are growing: whether that means that they are employable in industry, can set up in practice for themselves or move into other tiers of the profession.

Larger SMPs obviously have more opportunities to offer a variety of career paths, potentially giving staff the ability to switch between departments and specialisms. And such movements within larger SMPs are very common. Furthermore, a number of SMPs are developing ‘champions’ in specific areas, and they evolve into technical experts.

While **smaller practitioners** report a natural progression as the complexity and sophistication of the work grows, and that development comes from being exposed to a variety of client work, this is still not the same as gaining seniority and more impressive job titles.

Career progression needs to be multidimensional: not everyone can become a partner or shareholder and not everyone wants to. The ‘up-or-out’ ladder from trainee to partner is still an option, but no longer the only one. While many firms do see growth as a way of creating more managerial roles, other paths open up at the same time: people can develop technical specialisms or take on operational roles such as business development.

We can observe the change from career ladder to career lattice (ACCA 2020a) and even beyond. Career pathways are less anchored in traditional vertical models and pyramid-shaped organisations.

SMP leaders need to reconsider how they support careers and design ‘jobs’ for their employees in the face of evolving work strategies. We can see that teams are becoming less anchored to traditional organisational function structures in a world where business models are also rapidly evolving (ACCA 2017a). For individuals, this transformed world of work demands a different mindset, augmenting their skills with emerging technology as they move through their working lives and adapting more quickly to fast-moving and different career paths. (ACCA 2020a).

4.4 Succession planning

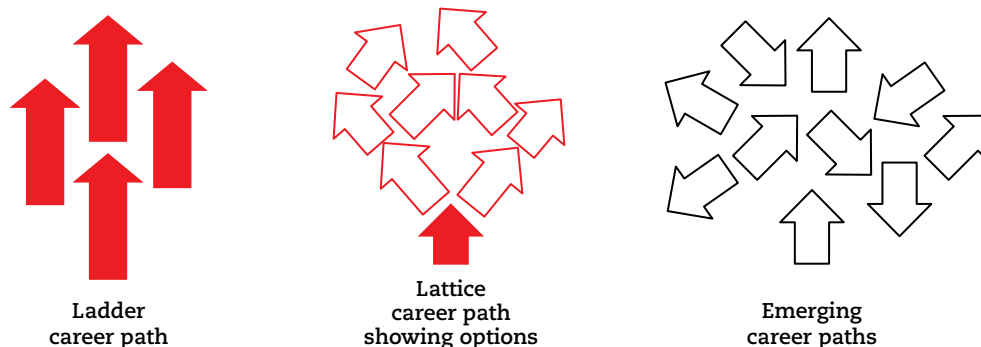
For many digital firms that have only just started, it is a little early to think about succession planning. Even so, many heads of practices recognise that a firm centred on their own personal brand is already vulnerable and are ensuring that others share responsibility for client relationships and business development. They are looking at possibly reflecting this in equity (most of the firms we spoke to are limited companies rather than partnerships). Some firms are explicitly geared to an exit plan that involves a trade sale.

A second, perhaps less pressing, question concerns long-term succession planning. A lot of smaller practices we have spoken to are organised around a dynamic founder who owns not only the business but also the client relationships.

Larger firms that offer an outsourced finance function still have a natural progression, from accounting technicians doing bookkeeping to qualified accountants fulfilling virtual CFO roles, who may be satisfied with that level of responsibility or be ready to step up to partner status.

Smaller firms have a double challenge: to create sufficient development opportunities for all staff while identifying those individuals who will represent the future of the firm.

FIGURE 4.1: Alternative career paths



Source: ACCA 2020a



5. Key lessons from COVID-19 for the SMP talent agenda

From the beginning of 2020, the COVID-19 pandemic swept around the world, causing thousands of deaths and overwhelming health systems. Containment and quarantine measures introduced by governments internationally have forced businesses to significantly change the way they operate, with many of them being forced to switch to remote working or to shut down their operations.

Results of numerous studies, including the ACCA report *COVID-19: The Road to Recovery?* show that small businesses are being heavily hit by the pandemic (ACCA 2020c). SMPs have become the 'emergency service' for small business: helping their clients respond to its commercial impacts and navigate the often-complex support systems offered by government (ACCA 2020c).

1. A pre-existing culture of flexible working and a solutions-oriented approach supported the resilience of digitalised SMPs in challenging times

The pre-existing culture of flexible working that was present in many SMPs enabled many smaller practices to adapt to the disruption caused by the global pandemic and rapidly mobilise to help their SME clients. The digitalised SMPs have stated that, despite all the challenges of the lockdown this has been one of the most exciting times for their practices.

'The accountancy industry has never been so attractive for accountants in practice as it is at the moment', believes Eriona Bajrakutaj, managing director, Major Accounts, UK.

The lockdowns forced the majority of accountancy practices to move to 100% remote working. Some of the SMPs experienced a speeded up digital transformation.

'We were planning to start flexible/remote working in August 2020 and were worried how everyone was going to take to the new ways of working. COVID-19 meant that we had no option but to fast-forward these plans. The whole team took to working remotely really well and this will now

be the new norm for us. The team will have the option to work either/and/or from the office and their homes. We are loving the new ways of working', Eriona Bajrakutaj, managing director, Major Accounts, UK.

The crisis has reconfirmed that the majority of SMPs, in particular the ones with a strong digital core, are ready to adapt rapidly to the changing situation and have the potential to drive the transformation of the sector as a whole, thanks to the agility that they have shown.

'THOSE CHALLENGING TIMES SUCH AS THE CURRENT COVID-19 HAS BROUGHT OUR TEAMS EVEN CLOSER TOGETHER, HELPED US BECOMING MORE INNOVATIVE AND FLEXIBLE, MORE TECH SAVVY AND DEFINITELY MORE RESILIENT.'

Rosanna Choi, CW CPA, Hong Kong

Responding to the challenging times, entrepreneurial and solutions-oriented SMPs started introducing new work streams corresponding to a post-COVID-19 world.

'THE BANKRUPTCY AND LIQUIDATION BUSINESS HAS BECOME THE NEW SERVICE LINE FOR OUR PRACTICE. WE ARE EVEN RECRUITING NEW STAFF MEMBERS WITH PRE-EXISTING EXPERIENCE IN ENTERPRISE LIQUIDATION.'

Zhou Min, Zhongshan Promise Certified Public Accountants Co., Ltd. China

Traditional accountancy practices, on the contrary, were heavily hit by the COVID-19 outbreak; those that were not equipped for remote working started to face even deeper challenges.

2. Growing recognition of the importance of the accountants, making SMPs attractive employers for various talent groups

In this crisis, businesses have recognised the role and the importance of accountants and SMPs in supporting small businesses and the situation has also led many SMPs to start proactively providing business advice to their clients. Practices have the opportunity to use the momentum and strengthen their positioning as **attractive employers for various talent groups**. For those looking for purpose-driven organisations, it has never been a more exciting moment to join a digitalised SMP. All the 10 key areas attracting talent to SMPs described in detail in section 3.3 above have become even more topical during the crisis.

3. ACCA's seven professional quotients and Chartered Accountants ANZ Capability Model: importance reconfirmed

This challenging period has reconfirmed the importance of **the skill sets fit for SMPs** mentioned earlier in the report (Section 2). In conjunction with ACCA's seven defined quotients and Chartered Accountants ANZ Capability model, these skills help to make accountants crisis proof by ensuring that practice operations can continue to provide clients with an adequate level of support.

4. Mobilisation of the SMP community during the crisis: a powerful way of developing talent

The SMP community showed a high degree of collaboration in managing during the pandemic, mobilising into virtual communities of mutual support, reconfirming the importance of openness to sharing and cooperation. There was even broader recognition of the role of SMPs as trusted advisers to small businesses, reinforcing the importance of ethics and integrity.

This moment of active cooperation and sharing has also served as a powerful learning opportunity for SMPs' talent, and has helped to create new business ideas and discover new approaches to management that will continue, post-crisis.

5. Remote recruitment, on-boarding and staff management approaches will need to be refined

In the lockdown, candidate video profiles accompanying traditional CVs and video interviews have become a usual component of SMPs' recruitment processes. A number of practices were using this approach pre-lockdown and benefited from their pre-existing experience.

On-boarding new staff can be a challenge for the practices that keep their operations fully or partially virtual. Some of the on-boarding activities are more difficult to perform in a remote setting and require the leaders of the practices to adjust to engaging remotely. Clive Webb, in his article 'How to Get Remote Onboarding Right' (ACCA 2020d), suggests the following actions to assist the new joiner in a remote environment.

- Set team rather than individual goals for new joiners as they work towards establishing themselves in the organisation.
- Set out clear milestones and expected outcomes in tasks, especially in the early stages.
- Encourage social collaboration and relationship building among peers and immediate team members (using networking tools as well as informal gatherings).
- Deliver on-boarding content on a phased basis to allow the new team member to focus on their role and establish what is expected of them.
- Develop experiences in which the new joiner can participate that promote an understanding of the culture and strategic purpose of the organisation – including work shadowing with senior leaders.

A number of SMP leaders mentioned the challenges of managing and developing staff remotely. The remote management process requires trust, clear expectations and effective learning and development processes to be in place (ACCA 2020e).

Here are the main points for SMP leaders based on the ACCA's article 'Secrets of Good Remote Management' (ACCA 2020e).

- Openness and trust between all parties is essential.
- Expectations need to be managed in a clear manner; milestones need to be more granular.
- Organisational culture needs to support success and learning from experiences.
- Experiences take longer to form remotely.
- Peer group learning, such as in professional examinations classes, plays an important role in reinforcement.

Migration of SMPs to a virtual environment (whether entirely or partially) will require new skills for managing and leading teams. Continuous learning is important in the fast-changing situation where new skills need to be developed all the time. The managers of SMPs need to be prepared to challenge traditional approaches and innovate for success, both to satisfy clients' demands and to develop and retain talent within the practices.

⁷ For further detail on remote onboarding, see ACCA 2020d.

A man with short dark hair and a beard, wearing glasses, a white dress shirt, and a patterned tie, is looking down at a tablet computer he is holding. The background is a blurred office setting with windows and modern architecture.

**CONTINUOUS LEARNING
IS IMPORTANT IN THE
FAST-CHANGING SITUATION
WHERE NEW SKILLS NEED TO
BE DEVELOPED ALL THE TIME.**

”

6. Careers in SMPs: top tips for employers and employees

6.1 Top tips for employers

Attracting, recruiting, developing, retaining talent: a checklist

From the interview findings, we compiled a practical checklist to assist SMPs in talent attraction, development and retention. This is presented below.



Attracting talent

✓ Create and communicate meaning and purpose

Employees increasingly look for careers that are purposeful and for jobs that have ‘meaning’. Clearly framing and articulating the broader purpose of your organisation will help you become more attractive to potential employees and is a powerful employee retention tool.

Explain to your teams how the purpose of work translates into concrete behaviours. Lead by example.

✓ Become a member of an international network/ community

Participation in international networks is allowing staff to share knowledge and network with their global peers, or even work abroad on secondment, which is attractive to talent. A growing number of virtual SMP networks and communities can offer similar opportunities and therefore favourably position the SMP recruitment brand.

✓ Cooperate with local educational institutions, promote the SMP message and brand

Identify local educational institutions and establish working relationships with their careers department/ specialists. Participate in career fairs and professional orientation events. Become the ambassador of your company and SMP as an attractive future careers offer, as it will help to attract a broader talent pool in the future. Use the SMP message:

1. SMPs help businesses and wider society
2. SMPs offer personal growth, development and a ‘long-term’ career
3. SMPs have a spread of ages from 17 to 70+ and are already learning how to manage the multi-generational workforce.
4. SMPs offer variety and are a springboard to career mobility
5. SMPs are creative and work at the cutting edge
6. SMPs offer work/life balance
7. SMPs are ethical
8. SMPs provide opportunities for participating in the success of the business
9. SMPs provide the opportunity to see the concrete results of one’s work
10. SMPs are people’s businesses.

✓ Build a recruitment brand

Your customer brand needs to be complemented by a recruitment brand, whether this is communicated by social media, websites or careers fairs. This will clearly help articulate the proposition to employees, including rewards and benefits, career opportunities, workplace culture, work–life balance – and the nature of the work itself.

✓ Become an Approved practice/ Approved Employer

By recognising and rewarding employers’ training and development, the Approved Employer Scheme gives a clear signal to potential employees of your commitment to developing their careers.



Recruiting talent

✓ Use personality profiling?

Personality profiling helps to measure an individual's personality to aid predicting how they will behave in particular situations, as their behaviour is important for their future success. A number of tools, including online tools, are available for that purpose, many free of charge. Appointing a company 'personality profiling champion' who is trained in the techniques and be able to apply them for recruitment, appraisals, personal coaching and teams development might be a valuable investment for the development of your practice.

✓ Do not underestimate soft skills

As SMPs deepen and broaden the value-added services they provide, the need to understand and communicate with clients becomes more and more important. Emotional intelligence and empathy are at the core of this. Do not underestimate their importance in relation to the technical skills required.

✓ Ask candidates to submit video profiles in addition to traditional CVs

This will help you to assess candidates' creativity and their ability to communicate with clients in the future.



Developing talent

✓ Learn to learn

In an unpredictable world adaptability is key: employees entering the workforce now may need to reskill several times during their careers. Exposing employees to a variety of experience will help them make career choices and adapt to change. A culture of continuous learning recognises that the process is never complete and, as an SMP leader, you should lead by example.

✓ Use mentoring

Classroom/ remote training is important but so is on-the-job training and mentoring that can be provided by more experienced employees. Mixing up the generations in the workplace allows for reverse mentoring, enabling staff to learn from each other and enrich the knowledge base within the practice.

✓ Empower employees to take charge of their own learning

Within reason, staff should be allowed to make the case for, and pursue, the learning and development opportunities that they see as most valuable. Many SMPs also encourage employees to research different topics, sometimes not directly related to work, and present that knowledge to the practice.

✓ See learning and development as retention and recruitment tools

Focus on the broader and long-term opportunities and show a willingness to invest in training that upskills and develops the whole person, not just their role.

Clearly all employees need to gain the skills and qualifications required to carry out their duties but as an employer you must recognise the need to offer employees development opportunities that relate as much to their future career as to the present – even if that future is with another organisation.

✓ Organise work in pod system

Organising work in pod groups allows you to combine different kinds of expertise and various specialisations, lets the team members learn from each other, helps them develop ownership and creates a motivated working environment.

✓ Encourage in-house case-study sharing

Regular case-study group-analysis meetings where individuals encounter challenges and innovative ways of addressing them are discussed can be efficient for both training and team building.

✓ Encourage networking

Networking facilitates sharing experiences and ideas, and provides an excellent opportunity to learn from other businesses and professionals. That both improves the in-house knowledge base and contributes to staff professional development.

✓ Encourage 'intrapreneurship'

'Intrapreneurship' is the use of employees' entrepreneurial skills within a company. It is an exceptional development opportunity for SMP employees that could also contribute to innovation across the firm. Tapping into a diverse pool of ideas and skills might help create cost efficiencies and identify new growth opportunities for firms.

✓ Create different work streams

Structuring the work of your teams into different work streams (eg Applications Development, Data Analytics, Research and Development) allows you to recruit talent from various backgrounds and sectors while strengthening the role of your SMP as a trusted adviser in even broader areas of client businesses.

✓ Rethink your approach to team management in remote environments

If your practice has recently switched to full or partial virtual working, it is the right time to rethink your team management and development approach.



Retaining talent

✓ **Rethink on-boarding in virtual environments**
On-boarding new staff can be a challenge for the practices that keep their operations fully or partially virtual. The following actions can be taken to assist the new joiner in a remote environment:

- Set team rather than individual goals for new joiners as they work towards establishing themselves in the organisation.
- Set out clear milestones and expected outcomes for tasks, especially in the early stages.
- Encourage social collaboration and relationship building among peers and immediate team members (using networking tools as well as informal gatherings).
- Deliver on-boarding content on a phased basis to allow the new team member to focus on their role and establish what is expected of them.
- Develop experiences in which the new joiner can participate that promote an understanding of the culture and strategic purpose of the organisation – including work shadowing with senior leaders (see ACCA 2020d).

✓ **Keep nurturing the purpose-driven culture**

✓ **Create variety and choice**
Career paths are no longer linear and SMPs need not only to create a variety of options for employees but also to allow them to follow their own course, do the work that inspires them and change direction if need be.

✓ **Develop multiple ways of rewarding development and attainment**
Continuous promotion may not be feasible or desired. So look at multiple ways of recognising employees: allowing them to become champions for particular applications, or a specific technical field, or to lead a client relationship.

✓ **Workplace culture, flexible working and work-life balance**
Staff want to focus on results, not processes, and tend to look for flexible, open workplaces that allow them to deliver those results in the way that best suits them. Flexibility over office hours and location are gaining greater importance by allowing employees to manage their own work-life balance.

✓ **Listen and talk to your staff**
Regular discussion and exchange of opinions is not only important for business purposes, it is also a vital tool for showing respect to employees, and allowing any doubts they may have to be identified, so that you can take action to retain talent.

✓ **Enhance transparency**
Employees need to understand why they are doing, something not just what they need to do – transparency about the business, its goals and performance will build loyalty and resilience.

6.2 Top tips for employees



i. Why an SMP?

✓ Be at the forefront of change and progress

Accountancy is a changed and changing profession and SMPs are at the forefront of those changes. Accountancy is no longer a rules-based exercise in compliance: it offers great scope for creativity and problem solving.

✓ Champion technology and sustainability

SMP accountants have led the move to digitalisation and are continually looking for ways of improving and using the latest **technology**. Accountants are also **championing sustainability** in the small business sector and joining an SMP brings a chance to be part of that important process. But accountancy is also a people business: SMP accountancy may be right for you if you want a career that involves a lot of customer contact, helping clients achieve their goals and being exposed to a **wide range of industries** and business situations. It offers the opportunity for professional growth and a career as a practitioner; it also opens the door to other careers in finance and business.

✓ See the results of your work

Very importantly, **you will be able to see the results of your efforts** – a component very much missing in many fields of work and often lacking in big corporations where there can be a high degree of remoteness from the end result. In an SMP you will be able to see how your work is shaping the success of concrete businesses, you will have a very noticeable role to play.

✓ Become the driver of social responsibility and ethics

Accountancy also has a **wider social responsibility** and the training will equip you with a **strong professional and ethical framework**.

✓ The potential is enormous

The potential is enormous: accountants go on to become CFOs and CEOs, partners and owner/managers of their own practices or find success in many other contexts.



ii. Pick your entry point

✓ You may wish to enter the workforce as soon as possible, in which case apprenticeship will be attractive.

✓ Or you may choose to take a degree – not necessarily in accountancy or business – and enter after graduation.

✓ Experienced specialists are also very much in demand within SMPs, where they often act as virtual CFOs for several small businesses.



iii. Position yourself for success

✓ Many accountants say they recruit for attitude as much as technical ability and look for the work and life experiences that indicate a well-rounded person with good 'soft' skills and willingness to embrace change.

✓ Look at the list of the top skills, attitudes and experiences suggested in Chapter 2, and make those skills visible in your CV. In addition to a traditional CV, produce a short video about yourself, your experience and what is appealing to you about the position for which you are applying.

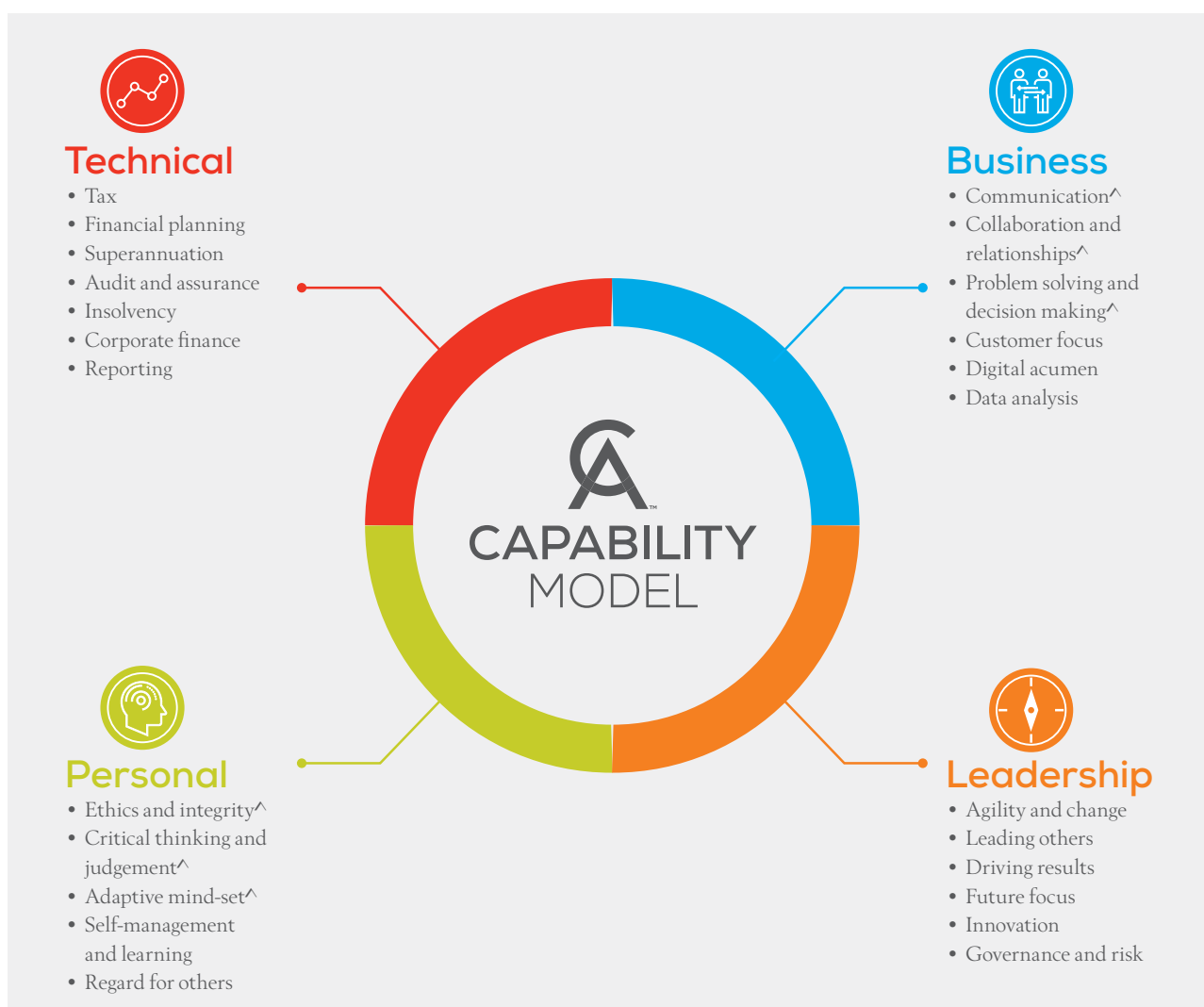


Annex:

Chartered Accountants ANZ Capability Model: Skills

To assure the balanced development of a chartered accountant for today's and tomorrow's world of work, all capabilities are structured around four dimensions – Technical, Personal, Business and Leadership.

The framework is designed to be flexible and adapt to a member's level of expertise, stage in the career journey, and needs. It is recognised the model may need to be complimented with more specific skills, knowledge and behavioural competencies contingent on the context or variations in job design.



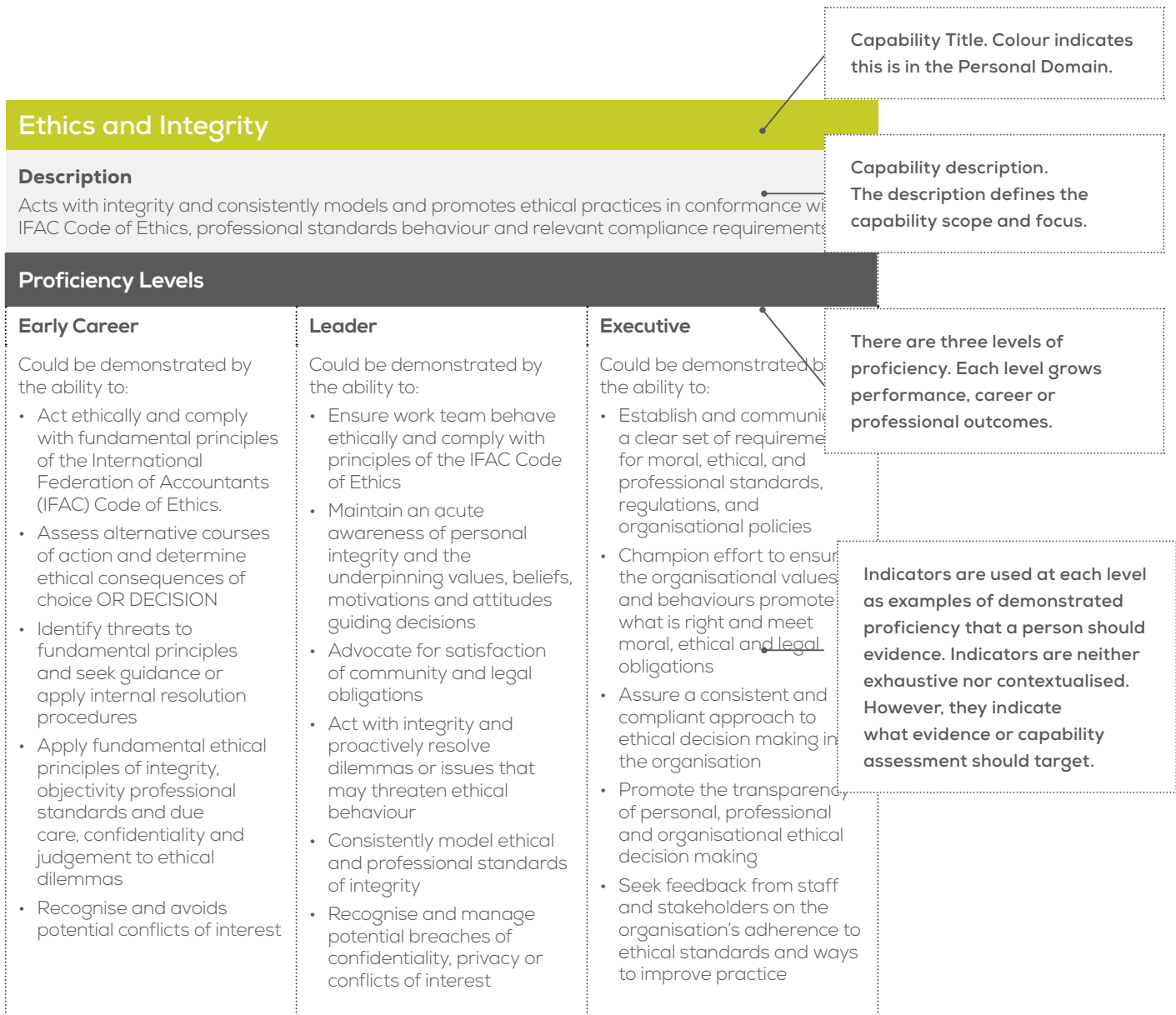
[^] These are the six non-technical capabilities considered essential for future employability of a professional accountant irrespective of their level of work, career stage, location or job role. The other non-technical capabilities while critical, will vary in importance according to the job role.

Three levels of member journey and proficiency

Stage on Professional Journey	Proficiency Levels
Foundation Graduate Chartered Accountants (Full member)	<ul style="list-style-type: none">• Early Career (Team Player)• Hands-on employee, could work in one of many roles• Role likely to mix depth and breadth, e.g. working on multiple client engagements or projects, supporting a business unit, or performing one function for several business units• Unlikely to have formal direct reports but may supervise a small team and informally lead or develop others• Often focussed on the short to medium term and takes direction rather than setting it• Relationships likely to extend beyond the immediate finance team to internal cross-functional partnering and interacting with external advisors or client teams• Indicative role titles include: Accountant, Senior Accountant (small firm), and Analyst.
Intermediate Chartered Accountant (Full member)	<ul style="list-style-type: none">• May manage a team, function, division or business unit and often has formal direct reports• Works across all areas of the finance team or specialist technical areas• Multi-tasks between a portfolio of clients or the needs of several business stakeholders, plus operational and people management responsibilities – resource allocation, delegation, training needs, recruitment, managing the financial performance of the team or division, and/or business development activity• Balances short term operational needs with the longer term direction of the organisation, may provide input to the strategic plan, work on business transformation projects, transactions• Works with leaders of the organisation to drive financial performance, rigour and compliance and maintains relationships with relevant external advisors• Indicative role titles include: Manager/Senior Manager, Accountant (large firm), and Financial Controller.
Advanced Chartered Accountant (Member with significant experience or Fellow)	<ul style="list-style-type: none">• Experienced leader responsible for the governance of an organisation, or advising others at this level• Work with other leaders and the board to drive the strategic direction of the organisation, influencing its long term direction• Internal and external role model, example of integrity and ethical behaviours.• Drives compliance in accordance with the business charter, ensuring communication of the strategic plan and empowering others to deliver• Maintains strong network of senior professionals• Indicative role titles include: Partner, Senior Partner, Director, Finance Director, CFO, COO, and CEO.

Capability Structure

The following confirms the structure of each capability.





Tax

Description

Prepares tax calculations and reports, devise/implement tax planning strategies, advises internal/external clients on tax matters, and reviews/signs off on tax related matters.

Proficiency Levels

Early Career

- Explain key aspects on tax administration
- Advise on routine employment taxes
- Explain capital gains tax and fringe benefit tax
- Determine an individual's income tax liability on routine transactions
- Determine the income tax liability of a company, trust and partnership
- Advise on international tax issues and implications for non-complex scenarios
- Calculate the tax obligations for different business/taxation structures for non-complex scenarios
- Explain statutory and professional (ethical) requirements in particular, the differences between tax planning, tax avoidance and tax evasion

Leader

- Provide verbal and written advice on tax related matters
- Calculate tax obligations for different business structures including companies, trusts and partnership entities
- Advise on tax reform
- Advise on indirect taxes
- Advise on international taxation transactions
- Advise on the planning opportunities for various business transactions

Executive

- Advise optimal tax position for client on complex transactions
- Advise on tax planning opportunities in relation to appropriate tax structures, identifying risk and risk management
- Develop a tax risk management framework
- Develop tax governance framework
- Develop tax policies
- Reviews/signs off advice on tax related matters

Financial Planning

Description

Advises clients on financial services matters, including financial planning strategies and financial products.

Proficiency Levels

Early Career

- Explain the regulatory requirements of providing financial advice and the regulatory framework, the laws and regulations governing the superannuation industry
- Explain the codes of professional conduct for the finance industry
- Explain the different asset classes and risk return trade off
- Explain current issues in the financial advisory market and the impact these will have on clients and professional practice

Leader

- Complete RG146 licence regulatory requirement
- Analyse the financial needs of an individual including preparation of personal financial planning
- Prepare an appropriate financial plan reflective of an individual's risk profile

Executive

- Develop a financial advisory governance framework to assure advisors are qualified
- Manage RG146 licence regulatory requirements and compliance
- Advise on financial planning opportunities for individuals

Superannuation

Description

Advises clients on superannuation planning and SMSF matters, including administration and audit of SMSF's superannuation obligations.

Proficiency Levels

Early Career

- Explain superannuation and SMSF legislation and regulations
- Explain the superannuation industry in relation to retirement planning
- Explain the different superannuation types
- Explain the taxation treatment of superannuation contributions and the taxation of superannuation funds and SMSFs
- Explain the advantages and disadvantages of SMSFs
- Explain the audit obligations and undertake an audit of an SMSF

Leader

- Advise on regulatory requirements of superannuation funds and SMSFs
- Advise on the payment and income stream options available on retirement
- Advise on taxation and social security issues
- Advise on retirement strategies
- Advise on operational requirements for SMSFs, including the trust deed and trustee responsibilities
- Advise on tax planning opportunities for SMSFs for small business
- Advise on the estate planning issues of SMSFs

Executive

- Develop a financial advisory governance framework to assure advisors are qualified
- Manage RG146 licence regulatory requirements and compliance
- Advise on more complex retirement strategies
- Advise on the strategies available to the trustees of SMSFs

Audit and Assurance

Description

Performs external/internal audits and other assurance engagements, advises clients on assurance matters and prepares for external/internal audit.

Proficiency Levels

Early Career

- Explain the principles of audit, the regulatory framework and professional responsibilities of an external auditor.
- Apply International Auditing Standards or National Generally Accepted Auditing Standards, and applicable laws and regulations to a non-complex audit and assurance assignment
- Explain the principles of collecting and assessing audit evidence
- Describe the use of automated tools, including data analytics, artificial intelligence, and techniques the auditing process
- Explain the appropriate auditor's report to be issued in accordance with relevant Auditing Standards.
- Explain current issues in assurance and auditing and the impact these will have on clients and professional practice

Leader

- Apply International Auditing Standards or National Generally Accepted Auditing Standards, and applicable laws and regulations to a complex audit and assurance assignment
- Evaluate the quality of audit evidence based on professional judgement
- Advise on key audit findings
- Advise on the use of automated tools, including data analytics, artificial intelligence and techniques to improve audit quality and efficiency
- Recommend the appropriate auditor's report in accordance with relevant Auditing Standards
- Apply current issues in assurance and auditing in a proactive manner to client

Executive

- Evaluate audit and assurance engagements conducted applying an overall risk-based approach
- Evaluate key audit findings and determine approach
- Advise on appropriate auditor's report to be issued in accordance with relevant Auditing Standards
- Advise on client transactions prior to execution
- Conduct quality review engagements for quality assurance purposes

Insolvency

Description

Undertakes insolvency proceedings and/or other restructuring activities.

Proficiency Levels

Early Career

- Explain the regulatory framework and the applicable laws and regulations which apply to each type of administration
- Explain individual business bankruptcy and debt arrangements legal requirements
- Determine administration financial position
- Explain asset classes and administration entitlements
- Determine creditors entitlements
- Prepare legal documentation relevant to each administration
- Implement a reconstruction or recovery program

Leader

- Assess administration's financial viability and recommend insolvency options
- Manage administration, including attending to all legal requirements
- Plan business recovery or workouts
- Critique cashflow and administration projected outlays throughout administration
- Prepare report on administration wind up, including distribution of assets to creditors
- Advise on forensic accounting matters

Executive

- Execute administrator role applying a risk based approach
- Determine insolvency approach based on risk and legal requirements
- Advise on administration distribution
- Advise on forensic accounting matters, including acting as expert witness
- Develop administrations governance framework
- Manage cross-border or multi-jurisdiction insolvency arrangements

Corporate Finance

Description

Advises internal/external clients, perform analysis and make recommendations relating to financial strategy, M&A, financial risk management, treasury, business planning and forecasting.

Proficiency Levels

Early Career

- Describe the structure of capital and debt markets including financial and banking systems
- Explain risk management techniques to mitigate financial risk, including hedging
- Prepare cashflow and working capital forecasts for a business
- Critique alternative domestic financing options (short and long term) for working capital, projects and assets
- Apply investment appraisal techniques, including assessing corporate social responsibility and sustainability
- Apply various valuation models to acquisition and divestment scenarios
- Explain the rules of corporate insolvency

Leader

- Evaluate business plans and financial position of business
- Evaluate alternative financing instruments, including international
- Evaluate hedging instruments
- Develop risk management frameworks to mitigate finance risk
- Evaluate investment appraisals
- Advise on business valuations
- Advise on merger and acquisitions
- Explain the regulatory environment and show awareness of the codes of professional conduct for the finance industry

Executive

- Advise on appropriate financing strategy, including corporate social responsibility and sustainability
- Recommend appropriate finance governance framework
- Advise on risk management strategy to mitigate finance risk, including developing code of professional conduct
- Advise and act as an independent expert on business valuations
- Advise on merger and acquisitions
- Advise on managing financial distress

Reporting

Description

Prepares, completes and reviews reporting to International Financial Reporting Standards (IFRS) and national standards.

Proficiency Levels

Early Career

- Describe the legal and financial reporting framework including an introductory knowledge of including International Financial Reporting Standards (IFRS) and national standards
- Explain reporting requirements for different business entities
- Prepare non-complex primary financial reporting statements including consolidated accounts in accordance with IFRS or other relevant standards
- Interpret financial statements and related disclosures
- Interpret reports that include non-financial data, for example, sustainability and integrated reports
- Explain the appropriateness of accounting policies used to prepare financial statements
- Describe current developments in financial reporting in both home country and internationally

Leader

- Demonstrate thorough knowledge and understanding of the legal and financial reporting framework
- Advise on generally accepted accounting principles including IFRS and national standards to transactions and other events
- Prepare primary financial reporting statements including consolidated accounts in accordance with IFRS or other relevant standards as appropriate for different business entities
- Advise on financial statements and related disclosure requirements
- Recommend appropriate accounting policies to be used to prepare financial statements
- Prepare non-financial reports, for example sustainability and integrated reports
- Advise on automated technology opportunities to improve quality and efficiency of financial reporting opportunities

Executive

- Evaluate prepared financial statements applying a risk based approach
- Develop appropriate accounting policies to be used to prepare financial statements
- Advise on key accounting judgements and estimates
- Advise on non-financial reports, for example sustainability and integrated reports
- Advise on transactions outside the ordinary course of business
- Advise on financial reporting governance framework



Ethics and Integrity

Description

Acts with integrity and consistently models and promotes ethical practices in conformance with IFAC Code of Ethics, professional standards behaviour and relevant compliance requirements.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Act ethically and comply with fundamental principles of the International Federation of Accountants (IFAC) Code of Ethics.
- Assess alternative courses of action and determine ethical consequences of choice or decisions
- Identify threats to fundamental principles and seek guidance or apply internal resolution procedures
- Apply fundamental ethical principles of integrity, objectivity, professional standards and due care, confidentiality and judgment to ethical dilemmas
- Recognise and avoids potential conflicts of interest

Leader

Could be demonstrated by the ability to:

- Ensure work team behave ethically and comply with principles of the IFAC Code of Ethics
- Maintain an acute awareness of personal integrity and the underpinning values, beliefs, motivations and attitudes guiding decisions
- Advocate for satisfaction of community and legal obligations
- Act with integrity and proactively resolve dilemmas or issues that may threaten ethical behaviour
- Consistently model ethical and professional standards of integrity
- Recognise and manage potential breaches of confidentiality, privacy or conflicts of interest

Executive

Could be demonstrated by the ability to:

- Establish and communicate a clear set of requirements for moral, ethical, and professional standards, regulations, and organisational policies
- Champion effort to ensure the organisational values and behaviours promote what is right and meet moral, ethical and legal obligations
- Assure a consistent and compliant approach to ethical decision making in the organisation
- Promote the transparency of personal, professional and organisational ethical decision making
- Seek feedback from staff and stakeholders on the organisation's adherence to ethical standards and ways to improve practice

Critical Thinking and Judgement

Description

Critically analyses, reflects and constructively challenges current thinking and practice.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Question popular values, opinions and decisions that lead to unfavourable outcomes to the organisation
- Seek and critically assess all evidence to derive the optimal decision or solution
- Access, evaluate and synthesise and information or data from multiple sources and perspectives
- Maintains a sceptical mindset when assessing evidence and performing assigned work
- Frame questions that shape critical enquiry and lead to well-reasoned, logical conclusions

Leader

Could be demonstrated by the ability to:

- Analyse and apply professional scepticism without undue influence of internal or external stakeholders
- Use inductive or deductive reasoning to test existing thinking and assumptions
- Analyse and prioritise complex interests or issues
- Consider the consequences of decisions or options
- Present sound logic, data and reasons to support professional judgments

Executive

Could be demonstrated by the ability to:

- Draw on experience and expertise to exercise professional judgement and make sound decisions
- Possess the sophisticated self-awareness necessary to make appropriate evaluative judgements about people, events, organisations and processes
- Appreciate the strategic environment and the emotional drivers influencing how key decision makers will respond to new or challenging situations
- Defend and advocate for evidence-based judgments in a logical and reasoned manner

Adaptive Mindset

Description

Deals with pressure, setbacks and challenges in an optimistic, creative and flexible manner while learning from experience and responding to change in a positive manner.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Persist and seek support to overcome any challenges or setbacks
- Appreciate different ways people think and create solutions
- Embrace change with a positive attitude
- Confront difficult issues or setbacks as an opportunity to learn and improve
- Process negative feedback in a positive and constructive manner
- Continually imagine and reimagine what is possible

Leader

Could be demonstrated by the ability to:

- Maintain a positive outlook even when dealing with unrelenting difficulties
- Positively influence others by maintaining self-control, transparency, optimism and confidence
- Encourage others to face challenging situations with an open and questioning mindset
- Serve as a role model by supporting and facilitating others to overcome challenges and uncertainty
- Engage with team members to collectively learn from mistakes or setbacks

Executive

Could be demonstrated by the ability to:

- Take calculated risks without losing effectiveness
- Champion innovation and ways to improve organisational outcomes
- Play a stabilising influence on others even in the most challenging situations
- Take a global view and make appropriate evaluative judgments regarding change processes and technological disruption
- Create a culture that enhances change readiness and resilience

Self-Management and Learning

Description

Manages own development and appreciate personal strengths and weaknesses and how they may impact work, learning and goal attainment.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Seek to maintain knowledge and skills through continuous learning and development activities
- Appreciate personal accountability for work and professional outcomes
- Request feedback to understand personal strengths and development needs
- Prioritise tasks, manage time and work independently to achieve work responsibilities
- Perform work carefully, thoroughly and competently in accordance with relevant standards and personal well-being
- Review and reflect on professional performance and future career potential

Leader

Could be demonstrated by the ability to:

- Plan, monitor and constantly review commitments and personal well-being
- Support others to use their initiative and identify ways to improve work methods and processes
- Set challenging development goals to advance personal work and career opportunities
- Encourage others to engage in continuous learning opportunities
- Overcome obstacles that limit opportunities to improve operational or professional outcomes

Executive

Could be demonstrated by the ability to:

- Anticipate changes in workload and reallocate resources accordingly
- Manage team well-being
- Honestly reflect and learn from professional practice, mistakes and faults
- Display a high level of confidence in own abilities or skills in any situation
- Create an environment that inspires others to continuous learn and develop
- Proactively seek new personal and career opportunities

Regard for Others

Description

Embraces the need to be a responsible member of an increasingly global business community by actively promoting safe and sustainable practices and working with others in an inclusive manner, respecting different skills, viewpoints, cultures and beliefs.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Express emotions honestly and clearly
- Recognise and remove personal biases or stereotypes that hinder inclusive behaviours or practices
- Act in an inclusive manner with a clear appreciation of cultural and people diversity
- Identify and correctly determine one's own underlying emotional and motivational drivers
- Work with others in a safe and sustainable manner
- Identify the link between an individual's norms and beliefs and the wider culture of the organisation or society

Leader

Could be demonstrated by the ability to:

- Recruit and retain people from diverse backgrounds
- Acknowledge and display respect for different cultures and beliefs
- Foster an inclusive environment where everyone treats each other with respect
- Recognise and remove biases that disrupt inclusive behaviours or practices by team members
- Anticipate emotional responses to decisions and actions
- Seek input from diverse perspectives on short and long-term impact of actions and activities
- Preserve the safety of staff and stakeholders

Executive

Could be demonstrated by the ability to:

- Influence and work effectively with organisations from different cultures
- Remain open and approachable when resolving highly sensitive issues that may evoke complex feelings
- Build organisational policies and practices that promote diversity and show consideration and concern for others
- Promote workplace culture where all stakeholders feel valued and respected
- Manage emotions appropriately and remain calm and focused during challenging public forums
- Guide and mediate the alignment of the organisation's culture and values with the external environment, society and stakeholders



Communication

Description

Clearly and succinctly conveys information and ideas to individuals and groups in a variety of situations in a focused, empathetic, and compelling way that shapes others' thoughts and actions.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Communicate information and ideas clearly and concisely appropriate to the audience
- Choose an appropriate communication medium for the message and audience
- Show empathy and understanding during interpersonal conflict or challenges
- Listen actively and determine people's needs with empathy and accuracy
- Promote and gain support for insights or recommendations using succinct and logical messaging
- Use verbal and non-verbal communication effectively

Leader

Could be demonstrated by the ability to:

- Actively seek feedback and displays receptivity to differing opinions
- Build trust and instills confidence through use of open discussions, meetings and feedback sessions
- Employ highly effective communication and presentation skills using a variety of technology and media
- Engage and respond to audience understanding by interpreting both verbal and nonverbal feedback
- Review and establish mechanisms or means to enhance communication flow and channels used

Executive

Could be demonstrated by the ability to:

- Build a compelling case by clearly communicating the benefits of an idea, tailoring the persuasion strategy to engage or inspire the audience
- Negotiate effectively at senior levels through anticipating and managing objections and challenges
- Communicate effectively and assertively in high risk situations to resolve complex or sensitive issues
- Build trust by disclosing thoughts, feelings, and the rationale behind decisions or plans
- Present professional or strategic views in a sensitive manner to audiences inside and outside the organisation

Collaboration and Relationships

Description

Initiates and maintains authentic, strategic relationships with stakeholders and potential partners to build information, expertise and capacity to achieve organisational goals.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Identify and confirm stakeholders impacting an area of work
- Collaborate in an effective manner with other team members and stakeholders
- Work cooperatively with others in team processes
- Identify opportunities to build relationships and initiate contact
- Seek opportunities to enrich and diversify relationships through the meaningful exchange of ideas and information
- Develop and use strategies to build and extend professional networks

Leader

Could be demonstrated by the ability to:

- Engage and build existing stakeholder relationships within and beyond the workplace
- Identify concerns and expectations of stakeholders
- Plan and coordinate allocation of team responsibilities and activities
- Initiate and develop new partnerships across operational or organisational boundaries
- Collaborate with influential stakeholders and partners by shaping shared goals and mutual benefits
- Participate in cross-functional initiatives and encourage team to cultivate relationships across the organisation and with customers
- Attract important relationships through personal and professional networks

Executive

Could be demonstrated by the ability to:

- Consult and gain commitment for multi-team, project or strategic objectives
- Continuously scan the environment to initiate strategic relationships and alliances that benefit the organisation
- Influence and sustain stakeholder engagement to achieve positive organisational outcomes
- Identify and establish successful strategic relationships and partnerships on behalf of the organisation
- Make significant effort to monitor the effectiveness of partnerships and overcome any barriers that emerge
- Foster an environment that supports collaboration, information sharing and positive relationships across the organisation

Customer Focus

Description

Acts in the best interests of the customer/ client and continually seeks to raise the customer experience and provide value-adding services.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Isolate and correctly define customer needs and requirements
- Take personal responsibility for delivering the required customer experience
- Offer customers solutions that meet their stated needs
- Seek information to anticipate and respond to future needs of customers
- Demonstrate knowledge of the customer's organisation, industry and competitors
- Provide customer advice in a timely and accurate manner

Leader

Could be demonstrated by the ability to:

- Develop a compelling value proposition for a customer
- Manage the planning, evaluation, design and implementation of products, services or solutions for a customer
- Influence the customer to avoid poor choices that impact attainment of their stated goals, quality outcomes, or compliance requirements
- Effectively articulate the customer's situation through familiarity with their industry and key competitors
- Build relationships within the customer's organisation to monitor customer experience and stimulate new service opportunities
- Provide customer advice on complex or multi-faceted issues

Executive

Could be demonstrated by the ability to:

- Create demand for products and services by leading the customer to uncover unrecognised needs, problems, and opportunities
- Proactively identify organisational and market opportunities and threats
- Build, maintain, and leverage long-term partnerships at multiple levels within the customer organisation to enhance customer satisfaction and create new opportunities
- Analyse and redesign systems, processes, skills and technologies to enhance service capabilities at critical customer touch points
- Research and gather data related to customer experience, needs and requirements

Problem Solving and Decision Making

Description

Collates and compares information from multiple sources to correctly define a problem and assess alternative solutions against decision criteria.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Identify and communicate problems or issues impacting work or professional responsibilities
- Gather information or data required to make an accurate decision
- Identify and examine important cause-effect relationships
- Recommend and implement a solution to a challenging situation or problem
- Select the appropriate course of action based on the decision criteria provided

Leader

Could be demonstrated by the ability to:

- Use data and information to accurately analyse and define a complex problem
- Identify and assess multiple causes and effect relationships
- Deal effectively with issues, problems and conflict
- Gather, organise and evaluate qualitative and quantitative data from multiple sources to inform decision making
- Isolate and review multiple options for action and their impact
- Develop decision criteria that takes into account most relevant factors and put forward recommendations

Executive

Could be demonstrated by the ability to:

- Map interrelationships and complex causes and long-term effects
- Isolate and address root causes
- Use sophisticated methods to deal with complex or ill-defined problems
- Use a range of appropriate techniques to collate and compare information from multiple sources to assess alternative solutions against decision criteria
- Research and anticipate problems and uncertainties in the environment that will impact an organisation
- Sponsor and promote action to resolve problems, implement solutions or overcome strategic challenges

Digital Acumen

Description

Uses digital technology, platforms and devices to competently undertake workplace tasks and activities.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Set up and competently use core personal computing and digital devices required for work and life
- Research and keep up to date with technical advances
- Configure and operate digital technology in a safe and secure manner
- Install and use standard applications or software to create, edit, organise and retrieve information
- Search, manage, create and share data and information
- Collaborate and communicate in a digital environment

Leader

Could be demonstrated by the ability to:

- Set up and use a range of standard digital devices, technologies or platforms to explore, access, create, publish and share information relevant to a workplace
- Accurately assess and respond to changes in technology, thinking or practices that affect job duties or professional practice
- Review technological skills and capabilities required by a team to undertake job duties
- Use records, information and knowledge management functions and systems
- Assure the privacy, security and compliant management of digital information and data

Executive

Could be demonstrated by the ability to:

- Analyse and assess the trends and value associated with new business models arising from disruptive innovations and technology changes
- Seek, discover and classify information or data using a range of digital technologies
- Create, communicate and collaborate with others using a wide range of digital devices, technologies and platforms
- Manage team compliance with regulations, policies and standards guiding the use of digital information and technologies
- Identify and promote opportunities to use technology to optimise organisational, customer, process or operational outcomes

Data Analysis

Description

Systematically analyses and investigates data to find patterns or improve business intelligence or insights.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Assemble and analyse data, visualise results and produce insights
- Use a range of basic tools and methods to analyse financial data and build business intelligence
- Interpret and construct simple financial models
- Use business information to compare alternative positions and inform decisions
- Manage financial data in a secure and compliant manner

Leader

Could be demonstrated by the ability to:

- Use financial analysis tools, techniques and algorithms to analyse complex data and visualise results
- Review complex information or data to produce critical insights
- Organise the collection and analysis of relevant information and data
- Evaluate the quality of data and how well it supports analysis and decision making
- Investigate, interpret and construct complex financial data models
- Assure data and information is managed in a secure and compliant manner

Executive

Could be demonstrated by the ability to:

- Proactively analyse data from diverse sources to identify, explain and offer insights into trends and financial performance
- Evaluate all available financial information and data to inform high-level decision making
- Promote the use of data to analysis and inform evidence-based decisions
- Access business intelligence to improve financial performance and planning
- Enforce data security and compliance to organisational data management policies



Agility and Change

Description

Improves change capacity and supports organisational and cultural transformation needed to achieve organisational objectives.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Research trends and identify environmental factors directly affecting the organisation, markets and society
- Identify and deal with obstacles to change
- Proactively contribute ideas and suggestions to improve work practices or customer services
- Apply standard change tools, methodologies and models
- Engage with others in transforming existing work practices or processes

Leader

Could be demonstrated by the ability to:

- Implement a significant change in process, system, structure and/or people systems
- Act as a change agent supporting the design, execution and evaluation of transformation initiatives
- Drive and reward continuous improvement in an operation, function or business unit
- Encourage and inspire people to overcome resistance to change
- Use tools, methodologies and models to improve process flexibility and organisational responsiveness
- Communicate and explain change in terms of benefits for the individual, business unit, and organisation

Executive

Could be demonstrated by the ability to:

- Execute a major organisational change project or lead a merger, acquisition or significant financial integration project
- Research and assess strategic changes needed to adapt to technology disruption, regulatory changes or market opportunities
- Anticipates and effectively manages the organisational responses to disruptive business models
- Use high-level insights to lead and influence high-level financial or strategic transformation projects
- Monitor, evaluate and report on the progress and success of financial or strategic change initiatives

Leading Others

Description

Leads, develops and provides feedback to enhance workforce or organisational outcomes.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Lead and develop self and others to achieve agreed outcomes within areas of work responsibility
- Identify and reflect on personal leadership style and preferences
- Deliver on promises and commitments
- Share thoughts, rationale and technical insights to enhance group commitment
- Assess when to undertake specific types or modes of learning and development
- Plan and conduct coaching sessions to enhance performance, compliance and mindsets
- Listen to and action feedback from others in an open and honest manner

Leader

Could be demonstrated by the ability to:

- Use an optimistic perspective to motivate others and inspire contribution to team objectives
- Work with staff to set learning and development plans that support individual development and address priority organisational needs
- Mentor, coach or develop others to improve performance
- Seek input from others and provide honest, timely and constructive feedback, not avoiding hard conversations
- Openly share thoughts, feelings, and rationale to sustain team commitment to an agreed direction
- Build trust within a group and advocates for its members' interests

Executive

Could be demonstrated by the ability to:

- Influence others through personal credibility, confidence and mutual respect
- Champion organisational decisions and values when interacting with peers, senior management and stakeholders
- Plan mentoring, coaching or learning strategies that successfully improve individual, team and organisational performance
- Champion the recruitment, development and retention of high potential and high performing individuals
- Identify and resolve conflict within or between teams
- Evaluate and align learning and development strategies with organisational human resource plans and strategies

Driving Results

Description

Drives superior results by guiding planning and monitoring, evaluating and reporting performance against strategic goals and objectives.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Set and achieve realistic priorities, schedules and performance milestones that meet work plans, deadlines and workload capacity
- Stay focused on assigned work, avoiding distractions from lower priority issues and tasks
- Focus time and resources on high-priority tasks to ensure work is completed to standard, quality and time requirements
- Monitor financial results and follow up on required actions
- Secure sufficient resources to meet work and project requirements by coordinating with internal and external stakeholders

Leader

Could be demonstrated by the ability to:

- Break down the organisation's strategic direction into short to medium-term goals objectives and measures that support planned outcomes
- Plan for contingencies and deal effectively with setbacks
- Balance short-term concerns and financial responsibilities (e.g. cash, liquidity, profitability) with longer term strategies
- Drive results by ensuring individuals and teams deliver on critical priorities, goals, milestones and accountabilities
- Analyse financial results to derive insights and recommendations
- Monitor and proactively address identify where results may negatively impact the brand or bottom line

Executive

Could be demonstrated by the ability to:

- Possess deep appreciation for the strategic opportunities and challenges facing the organisation
- Coordinate, monitor and adjust priorities and longer-term plans to meet changing market demands or emerging opportunities
- Provide insightful analysis of the long-term risks and opportunities that impact strategy formation
- Champion projects that have broad implications across the organisation by aligning and influencing all key stakeholders
- Lead strategy execution to successfully deliver outcomes that achieve the organisation's vision and purpose
- Establish annual reporting processes to confirm performance and results for internal and external stakeholders

Future Focus

Description

Adopts a holistic and long-term perspective and is able to visualise future outcomes and opportunities.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Shape work activities and plans consistent with long-term strategy and vision
- Identify and evaluate the global influences as they relate to an organisation
- Identify the organisation's competitive environment and wider strategic purpose and direction
- Appreciate the impact of short-term decisions on future outcomes
- Identify situational issues that may impact work plans and priorities

Leader

Could be demonstrated by the ability to:

- Communicate a compelling sense of vision and purpose that inspires others
- Manage implementation of a business, operational or financial plan from conception through to execution to address organisational needs
- Evaluates the strategic impact of internal decisions and external influences on project and operational-level plans and initiatives
- Work with stakeholders to develop and drive potential efficiency improvements

Executive

Could be demonstrated by the ability to:

- Convey a compelling vision for the future that aligns organisational effort
- Manage development of a strategic or corporate plan from conception through to successful execution and review
- Think holistically taking a long-term perspective
- Analyse, predict and offer insights into longer term, future opportunities and threats
- Commit to a long-term direction based on an analysis of macro-environmental issues and trends

Innovation

Description

Stimulates and promotes continuous innovation and improvement.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Identify opportunities to do things better
- Contribute to the creation and evaluation of innovative ideas and practices
- Contribute openly to idea creation (Ideation) and exploration
- Apply new information or insight to overcome existing problems or issues
- Cultivate or support an attitude of innovation or improvement that enhances work outcomes

Leader

Could be demonstrated by the ability to:

- Challenge existing paradigms, processes and practices
- Encourage and foster innovation in a team or group
- Establish processes for capturing and assessing innovations or ideas
- Establish systematic approaches to support the conduct of innovation and improvement
- Support and integrate viable ideas within own area of responsibility
- Recommend and share ideas and innovations with others where they fall outside area of responsibility

Executive

Could be demonstrated by the ability to:

- Create a climate that fosters and encourages innovation
- Establish mechanisms for collecting and reviewing innovations that have an impact beyond a single team or operational area
- Assess business benefit and support the rapid deployment of innovative solutions or designs
- Take a calculated risk when trialling innovations or new practices
- Translate broad research and trends into ways an organisation can innovate

Governance and Risk

Description

Enhances and assures the effective application of governance structures and risk management systems and processes.

Proficiency Levels

Early Career

Could be demonstrated by the ability to:

- Source and adhere to governance policy and frameworks
- Identify common risks to which financial activities may be exposed
- Apply risk management processes
- Assess and test internal controls within areas of work responsibility
- Maintain risk documentation and reporting within areas of work responsibility

Leader

Could be demonstrated by the ability to:

- Apply the governance framework and required risk processes
- Analyse the likelihood and potential impact of financial risks
- Prioritises risks across teams and projects
- Establish and evaluate appropriate risk treatments and controls
- Manage risks to meet organisational, regulatory or community expectations
- Review the internal and external environment and adjust monitor risk exposure of accounting and finance activities

Executive

Could be demonstrated by the ability to:

- Evaluate and review governance policy and structures affecting the organisation
- Establish governance structures and financial risk management systems and processes in an organisation or entity
- Determine compliance requirements and ensure minimum standards are maintained
- Reinforce a culture of proactive risk management throughout the organisation
- Contribute to the ongoing development of effective governance structures and policies

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