Ready to Grow: Digital pathways for ASEAN MSMEs.

Part of the ACCA and ASEAN-BAC Philippines partnership in support of the Philippines' 2026 ASEAN Chairship.



ACCA

ASEAN BUSINESS ADVISORY COUNCIL PHILIPPINES 2026

Foreword.



ASEAN's digital future will not be decided only by the agreements its governments reach or the technologies its largest companies adopt.

It will also depend on whether millions of smaller businesses can use digital tools to become more productive, more resilient and better connected to opportunity. For many micro, small and medium enterprises (MSMEs), the constraint is no longer awareness. It is the harder step from interest to action: identifying the right business problem, choosing suitable technology, finding support, managing risk and measuring whether the investment worked.

This report records one practical response. In September, ACCA joined the ASEAN Business Advisory Council (ASEAN-BAC) Philippines and the Philippine Institute of Certified Public Accountants (PICPA) to deliver Digital Growth Pathways for Philippine SMEs, in support of the Philippines' 2026 ASEAN chairship. The workshop drew on ACCA's Digital Pathways Playbook, built from the views of over 1,000 finance professionals in more than 100 countries. The ambition is there: only 4% of respondents operate at the most advanced digital level today, yet 41% aim to get there within three years.

Professional accountants can take the next step. They combine financial understanding with close knowledge of a firm's records and decisions, and are often the most trusted adviser a small business has. At their best, they turn digital possibility into responsible business action.

ACCA works through partnership: with the ASEAN Secretariat, with the ASEAN Federation of Accountants (AFA) and national professional bodies, and with governments, regulators, employers and universities. No single organisation can build a strong profession alone. Together, we can make accountancy part of the infrastructure that turns ASEAN's digital ambitions into inclusive growth.

I thank ASEAN-BAC Philippines and PICPA for their leadership, and every participant who committed to a 100-day plan.

Pulkit Abrol
Director, Asia Pacific, ACCA



Micro, small and medium enterprises are the backbone of the Philippine economy. They make up over 99% of registered businesses and generate around two thirds of jobs.

Across ASEAN, the picture is the same: MSMEs are the overwhelming majority of firms and employ most of the region's workforce. If we want growth that reaches every Filipino and every ASEAN citizen, we must help these businesses grow.

As founder of Go Negosyo, I have held for over twenty years that entrepreneurs succeed when they have access to mentorship, money and markets. Mentorship unlocks the other two. Digital transformation is now where mentorship matters most. Many of our MSMEs know they need to go digital but are held back by cost, skills and uncertainty about where to begin.

This workshop, delivered by ACCA with ASEAN-BAC Philippines and PICPA, was designed to address that gap. It brought business owners and their accountants together with practitioners from across ASEAN who had made the journey themselves, and left every participant with a concrete plan for taking their own transformation forward. As the Philippines chairs ASEAN in 2026, ASEAN-BAC is committed to programmes that outlast the chairship. Partnerships like this one, with a global professional body bringing its expertise to our entrepreneurs, show how the private sector can lift MSMEs across the region. I thank ACCA and PICPA for their partnership.

Jose Ma. A. Concepcion III
Chair, ASEAN Business Advisory Council, Philippines

Executive summary.

On 22 September 2026, ACCA, ASEAN-BAC Philippines and the Philippine Institute of Certified Public Accountants (PICPA) delivered *Digital Growth Pathways for Philippine SMEs*, a hybrid half-day workshop at the Dusit Thani Hotel, Manila. The activity formed part of the ACCA and ASEAN-BAC Philippines partnership in support of the Philippines' 2026 ASEAN chairship.

The workshop was built on ACCA's *Digital Pathways Playbook*, a global study of 1,026 finance professionals in over 100 countries. It took participants from diagnosis (where they sit on the digital maturity scale, and what is holding them back) to action (a written, individual 100-day plan). Dr Gladeys Jill Santos, Co-Chair of the PICPA International Affairs Committee, provided the Philippine regulatory picture, including recent tax and audit relief for micro and small businesses. Three ACCA member practitioners shared case studies from Cambodia, the Philippines and Malaysia.

The workshop reached around 200 participants, split roughly evenly between an invitation-only in-person session in Manila for MSME owners, accountants and industry representatives, and an online audience that, through promotion via AFA, extended beyond the Philippines.

Participant feedback was strongly positive. All survey respondents rated the workshop Good or Excellent (68% Excellent), and all rated the content Very or Extremely useful.

Participant responses showed that Philippine MSMEs face the same broad challenges identified in the global Playbook, but from a lower starting point. Cost was the barrier most cited by survey respondents (77%), well above the global Playbook figure of 62%.

Three points stand out for policy and for future programming:

- Philippine MSMEs are mostly at the start of the journey. In the live poll, two thirds placed themselves or their clients at Level 1 or 2, below the global midpoint.
- Support exists but is not reaching people. No respondent chose 'seek government or industry support' as their main next step, despite a substantial public support offer from various government departments and agencies.
- Accountants are the practical route in. Accountants and finance professionals were the largest group, and the tools most valued were those for accountants advising MSMEs.

'Our MSMEs are at the centre of the Philippines' ASEAN chairship. Giving them practical mentorship so they can take their first steps towards digital transformation is how we make sure regional integration benefits not just the largest corporations, but even the smallest businesses.'

Jose Ma. A. Concepcion III
ASEAN Business Advisory Council, Philippines

Context: MSMEs, the Philippines and ASEAN in 2026

MSME digital transformation is not a niche issue in the Philippines. It is the economy. MSMEs make up 99.6% of registered businesses and account for around two thirds of employment (Department of Trade and Industry, 2023).





The Philippine opportunity.

Digital payments accounted for 57.4% of the volume of monthly retail payments in 2024 (Bangko Sentral ng Pilipinas). Firms that have invested are seeing returns: 69% of the Philippine small businesses in CPA Australia's 2024 survey that invested in technology reported improved profitability, the second highest of any market surveyed.

At the same time, recent reforms have reduced the compliance burden on the smallest firms. The Ease of Paying Taxes (EOPT) Act introduced a size-based approach to tax administration, giving micro and small taxpayers simpler returns, lower penalties and the ability to file and pay through any channel. The Securities and Exchange Commission (SEC) has also raised the threshold at which companies must submit audited financial statements, so many small firms can now file simpler, unaudited accounts. Together, these changes lower the cost of staying compliant and free up time and resources that small businesses can put towards growth, including digital adoption.

What most businesses lack is not ambition or a business case, but a route. That was the gap the workshop set out to address.

The ASEAN dimension

The Philippines holds the ASEAN chairship in 2026, and ASEAN-BAC Philippines, chaired by Jose Ma. A. Concepcion III, has made MSME development and digitalisation a central business priority for the year. Across ASEAN, MSMEs account for the large majority of enterprises and employment, and their digital readiness shapes how far the region can benefit from deeper digital integration, including the ASEAN Digital Economy Framework Agreement concluded in May 2026.

The workshop was designed as a practical contribution to that agenda: taking regional evidence and examples, and applying them to the specific regulatory and market conditions of Philippine MSMEs.

'69% of the Philippine small businesses in CPA Australia's 2024 survey that invested in technology reported improved profitability, the second highest of any market surveyed.'

The research: ACCA's Digital Pathways Playbook.

The workshop content was drawn from ACCA's *Digital Pathways Playbook: Accountants as leaders in digital adoption for SMEs*, published in November 2025. Its central argument is that accountants, who sit at the centre of business data and decision-making, are best placed to guide MSMEs through digital transformation.



Key findings

- **1. There is a large gap between where firms are and where they want to be.**
  The Playbook sets out six maturity levels, from paper and Excel (Level 0) to AI-enabled operations (Level 5). Only 4% of respondents are at Level 5 today, but 41% aim to be there within three years.
- **2. Level 3 is the turning point.**
  Once organisations have connected systems, 78% use AI systematically. AI does not work without the data foundations beneath it.
- **3. Three barriers are universal.**
  Cost (62%), skills (46%) and time (32%) are cited everywhere, regardless of country or firm size.
- **4. Barriers fall once firms start.**
  Cost concern drops from 64% at basic levels to 51% at advanced automation, and skills gaps fall from 60% to 29%. Self-rated digital leadership skills roughly double, from around 1.6 to 3.3 out of 5.
- **5. AI use is already widespread but shallow.**
  Three quarters of respondents (74%) use AI in some form, mostly for drafting, data analysis and document extraction. Advanced firms are five times more likely to use it for analysis (76% vs 14%).
- **6. Most firms go it alone.**
  More than half (53%) have never sought external support. Many are unaware of what is available: 54% do not know about the integrations on offer, and 53% do not understand their benefits.

The evidence base covers 1,026 survey respondents in over 100 countries, 25+ international roundtables, 13 in-depth case studies and 190+ contributors, with partners including Chartered Accountants Australia and New Zealand (CA ANZ), the TiPS Accelerator and Malaysia Digital Economy Corporation (MDEC). Southeast Asia features throughout, and respondents are split roughly evenly between accountants in practice advising MSMEs and finance professionals working inside MSMEs.

From findings to pathways

The Playbook turns these findings into five lessons (act to reduce barriers; start small, start now; use the support ecosystem; build skills by doing; build foundations for AI) and five progressive pathways, each taking a business up roughly one level:

Pathway	Level	What it involves
1. Foundation	0-1 to 2	Core cloud platform, digital files, bank feeds
2. Integration	2 to 3	Connect payments, payroll and banking; stop re-keying data
3. Connected systems	3 to 4	Link operational and financial data; dashboards; first AI uses
4. Optimisation	4 to 5	Automate payables and receivables; cash flow forecasting; anomaly detection
5. Innovation	At 5	Data-driven strategy and new advisory models

The core principle, which ran through the whole workshop, is to move one level at a time rather than attempt to jump from spreadsheets to AI.

How the workshop ran

The session was designed for accountants advising MSMEs and finance professionals working inside them. The afternoon was split into two halves: working out where participants stand, then deciding what to do about it. Participants were asked to do something, not just listen, at three points: a self-assessment, group discussions, and a written action plan. Online participants completed the same exercises individually and contributed through the chat, which facilitators fed back into the room.

Opening remarks were given by Patrick Chua, Executive Director, ASEAN-BAC Philippines, and Pulkit Abrol, Director, Asia Pacific, ACCA.

Session 1: Understanding your digital readiness.

The first session set out the Philippine context and the Playbook's global findings, with PICPA commenting on local relevance and presenting the regulatory framework. Two live polls tested the global findings against the room.

- **Biggest barrier.**
  Cost came out as the main barrier, consistent with the global research.
- **Self-assessed maturity.**
  37% placed themselves or their clients at Level 2 (some cloud) and 29% at Level 1 (basic software). This is below the global picture, where the largest clusters sit at Levels 2 and 3. PICPA noted that the result matched what its members observe.

Discussion of adoption challenges focused on trust in AI outputs. ACCA and CA ANZ's *Enabling finance insight (2026)*, a global survey of 1,600 finance professionals, found that 93% are concerned about the integrity and verifiability of AI-generated insights, and 72% have only basic or no generative AI skills. The facilitators framed this as a question of professional judgement, which plays to accountants' strengths.

ASEAN case studies

Three ACCA members shared first-hand experience during the workshop. **Sim Chankiriroth** and **Walter Michael Escaño** presented in this session, followed by Q&A, and **Song Liew** presented in Session 2.



Sim Chankiriroth FCCA, CEO and Founder, Banhji (Cambodia)

Mr Sim runs a fintech business and an accounting firm in Cambodia. He described a client, a cashew nut trader, who was waiting around 45 days to be paid by a reputable but slow-paying buyer. After adopting a new digital process to track transactions and keep books, the client now receives payment within a day, and the improved cash flow has allowed the business to grow. His core point was about sequencing: for many small businesses, digitalisation should start with financing and cash flow, and compliance follows. Most MSME owners cannot afford a qualified accountant, and what they care about is getting paid on time and seeing their transactions clearly.

'If you are trying to move a client on to a system, do not sell them the system, connect the system to something they really want… like a faster payment process.'



Walter Michael Escaño FCCA, Senior Technology Portfolio Manager (Singapore)

Mr Escaño presented two examples. The first was a sari-sari store using Yufin.PH, a mobile and web application combining point of sale, digital payments, tax and stock management, and recording of purchases on credit. The second showed a larger MSME where digitalisation laid the foundation for staff to automate internal processes using agentic AI. His advice on overcoming resistance was to involve stakeholders in decisions early, to build their buy-in.

'AI allows employees to automate and redesign processes themselves, which will generate more value for the company.'

First group discussion: where are we now?

In groups of four or five, participants discussed their maturity level, their biggest barrier, and one area where they are already doing well. Feedback showed a wide range of starting points:

- A pest control and cleaning services business at Level 1 cited skills, the jump to agentic AI, the expectations of younger staff and customers, and poor internet connectivity. Its strength was robust manual processes that are ready to be digitised.
- An adviser whose provincial clients are at Level 0 cited reluctance to move from offline software, cost and time, and rural clients with low digital literacy.
- Another group at Level 0 cited software and investment costs, owners ‘wearing too many hats’, and difficulty seeing what digitalisation would deliver for them.
- Online participants, mostly at Levels 2 to 3, cited the difficulty of integrating banking with internal software. They reported good progress on automation and staff upskilling, with an eye on Level 4.

‘It’s a mindset: [clients] really need to get out of their comfort zone.’

Raymond, workshop participant



Session 2: Turning diagnosis into action.

The second session presented the Playbook's five lessons and five pathways, with a deliberate emphasis on moving one level at a time. A third poll asked which lesson was most relevant; most participants chose 'start small, start now'. PICPA added Philippine detail on the pathways.

'Barriers shrink once you start digital transformation, not before.'

George Thomson, ACCA

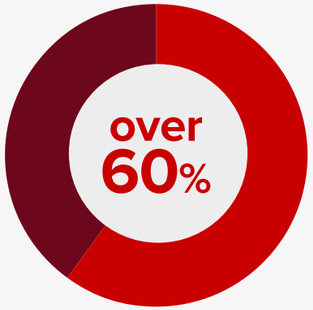
Second group discussion: what do we do next?

Using the pathway that matched their level, groups identified their most important next step, what is holding them back, and the support they need.

The facilitators drew out common threads. Successful digitalisation starts by identifying pain points and business requirements. Cost, cybersecurity readiness and skills gaps must be addressed. And progress depends on buy-in from internal and external stakeholders, supported by deliberate change management.

Audience poll:

Over 60% of the room chose **'start small, start now'** as the main lesson.



ASEAN case study: building the roadmap



Song Liew FCCA
Founder, ANC Group (Malaysia)

Mr Liew set out a three-stage digitalisation roadmap:

- **1. Pre-implementation:** ethics, mindset shift, understanding types of AI, finding the right tool, cost-benefit analysis
- **2. Implementation:** project management, delivery and evaluation
- **3. Post-implementation:** cybersecurity, back-up and restoration, crisis management, review and improvement

He gave a practical example on cost: agentic AI processing for document-heavy work can be expensive in usage tokens, a cost that can be reduced by combining inputs into a single process. He suggested structuring a 100-day plan in four phases built on three principles: focus on change management, get external help, and take small steps. He also stressed planning for worst-case scenarios.

'Sometimes I tell myself if these tools can help us not 100%, but maybe 30%, that is good enough. It reduces errors, and that's where cost and reputation are protected.'

Individual 100-day action plans

The workshop closed with every participant writing their own 100-day plan on a handout, in four parts:

- **1. My priority:** the one digital change that would make the biggest difference
- **2. Three concrete steps:** each with an action, an owner and a date
- **3. Support I will seek:** a named person, programme, tool or resource
- **4. My target date:** 100 days out, which fell on 31 December 2026

One example shared with the room: a participant set a priority of introducing an AI-driven records management solution to replace hard-copy records. Their steps were to define needs and requirements, audit current client workflows, and pilot digital tools against those workflows. They planned to seek IT talent and expert mentorship.

'The Philippines has more talent than we know, and that talent needs to be tapped.'

Perry, workshop participant



‘Through PICPA’s Free Accounting, Tax, and Business Advisory Service (FATBAS) Program, 300 PICPA volunteers have partnered with local governments to give more than 1,000 MSMEs free help with bookkeeping, tax compliance, business registration and financial management.’

Dr Gladeys Jill Santos, PICPA

Support resources

Participants received a Philippine support directory covering DTI Negosyo Centers, DICT Digital Transformation Centres, DOST SETUP 4.0 funding (up to ₱5 million, interest free), and PICPA’s FATBAS programme for MSMEs. ACCA also pointed participants to its free ACCA-X courses, Introduction to Bookkeeping and Introduction to Management Accounting, and its Global Webinar Series for small and medium practices.

Each participant left with four things: a completed self-assessment, a 100-day action plan, pathway guidance and checklists in the participant toolkit, and the support directory.

ACCA resources

- **Digital Pathways Playbook**
- **ACCA-X free courses**
- **ACCA Study Hub**
- **Global Webinar Series for small and medium practices**

Participant feedback

Every one of the 65 survey respondents rated the workshop Good or Excellent, and every one rated the content Very or Extremely useful. Of the respondents, 38 attended in person and 27 online.

The audience was the one the workshop was designed for. 25 respondents (38%) were accountants or finance professionals, 9 were MSME owners, 7 came from professional or industry associations, 6 were consultants or advisers, 5 were business or finance managers and 13 declined to say or fit other categories.

The practical content landed best. The most valued parts were tools and approaches for accountants (41 respondents, 63%) and digital transformation opportunities for MSMEs (40, 62%). Common barriers (34), ASEAN case studies (33) and 100-day action planning (33) each scored around half. Government and industry support resources, and interaction with speakers and participants, were each chosen by 18 (28%).

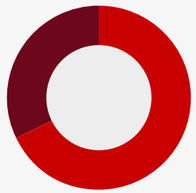
What participants plan to do next

The most common next steps were to identify where technology could improve business processes (14) and to explore specific digital tools (14). These were followed by assessing current digital maturity (12) and learning more about emerging technologies including AI (11). No respondent chose seeking government or industry support as their main next step. This matches the Playbook finding that most firms go it alone, and suggests the public support offer is not yet seen as a practical first step.

Barriers to adoption

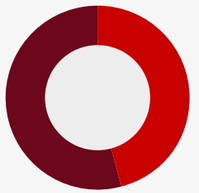
Cost dominates in the Philippines even more than globally (77%, against 62% globally). The skills figure matches the global one exactly (46%), while time was considered less of a constraint. Difficulty identifying the right technology was the third most cited barrier, which points to a need for trusted, independent guidance on tools. Only 3 respondents cited access to financing, which may reflect low awareness of schemes such as DOST SETUP 4.0 rather than easy access to credit.

Overall experience



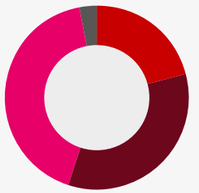
68% Excellent **32%** Good
0% Average or below

Usefulness of topics



46% Extremely useful
54% Very useful

Confidence in applying the ideas



21% Extremely **34%** Very
42% Moderately **3%** Slightly confident

Conclusions.

The workshop showed that a global evidence base, adapted with local regulatory expertise and regional case studies, can give Philippine MSMEs and their advisers a clear and usable starting point. Participants left with a written plan, not just awareness.

What we learned

- **The starting point is lower than the global average.** Two thirds of the room placed themselves or their clients at Level 1 or 2. Foundation and Integration pathways are where most Philippine MSMEs need help.
- **Cost is the defining barrier.** 77% cited cost, against 62% globally. Low-cost first steps, and better awareness of funding such as DOST SETUP 4.0, matter more here than elsewhere.
- **There is a gap between support offered and support used.** No respondent chose to seek government or industry support as their main next step. Accountants and professional bodies are well placed to act as the bridge to DTI, DICT, DOST and BIR programmes.
- **Confidence needs follow-through.** Just over half of respondents felt very or extremely confident applying the ideas, and 42% moderately confident. Follow-up support will decide whether plans turn into action.
- **Regional peer examples work.** Case studies from Cambodia, Malaysia and the Philippines resonated because they were practical, small-scale and close to participants' own situations.





Recommendations.

These recommendations draw on three sources: the Playbook's global evidence, what participants told us in Manila, and ASEAN's MSME and digital economy priorities as DEFA moves to implementation from 2027. Each can start in 2027 through existing institutions, and ACCA is ready to contribute to each.

- **1. Put accountants at the heart of MSME digital support.** More than half of firms have never sought outside support, yet many already work with a bookkeeper or accountant, if only for tax compliance. National MSME agencies and ASEAN-BAC should use that relationship by involving accountants in diagnosing needs, making referrals and measuring results. They should also add a digital track, with accountants as mentors, to the ASEAN Mentorship for Entrepreneurs Network. ACCA will work with national professional bodies such as PICPA to equip accountants for this role, using the Playbook's tools.

- **2. Make public support easy to find and use.** No workshop respondent chose government or industry support as their next step, despite a substantial public offer. Each Member State should maintain one clear directory of support, linked to a regional entry point and building on the Philippine directory used in Manila. Compliance requirements such as e-invoicing, and DEFA implementation, will push many firms online. Governments should pair them with phased timelines for small firms and practical adviser support. ACCA will share the Manila directory and toolkit as a template.

- **3. Take the model to more Member States, and build in measurement.** The Manila workshop showed that a global evidence base, adapted to local conditions, can move participants from awareness to a written plan. The model can be repeated in other Member States, adapted to local regulation and support schemes, and measured against a common digital maturity benchmark to give ASEAN a regional baseline over time. ACCA stands ready to deliver it with ASEAN-BAC, national governments, professional bodies and development partners, starting with Singapore's chair year in 2027.

'As the Philippines chairs ASEAN in 2026, the region's attention is on competitiveness, inclusion and deeper economic integration. MSMEs sit at the heart of that agenda.'

Pulkit Abrol, ACCA

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THINK AHEAD