

**JICPA**

**SMP Support Initiatives**

Takuma Kinjo

金城琢磨

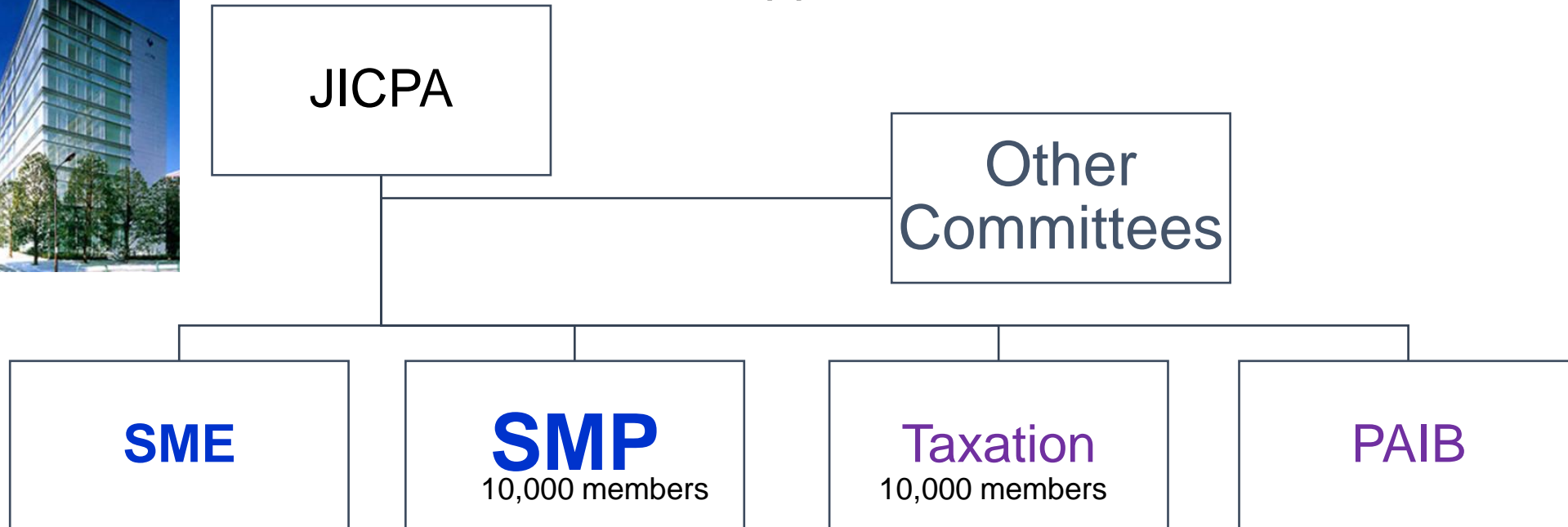
# Panelist from JICPA Takuma Kinjo

- ◆ **17-Year Experience as a Professional Accountant**
- ◆ **Partner at RSM Japan, in charge of Quality Management**
- ◆ **Worked at EY and an SMP before RSM**
- ◆ **Area of practice: Audit, Assurance and Advisory**
- ◆ **Deputy Chair of SMP Committee at JICPA and Chair of SMP IT Support Task Force**

# Member Support Function at JICPA



## Member support of JICPA

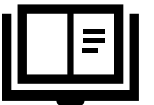


Total around 36,000 members

# SMP Committee at JICPA

## Four Task Forces

|                           |   |
|---------------------------|---|
| <b>SMP IT</b>             | <b>Research and Implementation Support on Use of Technology</b>   |
| Audit Tool                | Provision of various tools and guidance in accordance with Auditing Standards                           |
| Accounting and disclosure | Administration of practical seminars on implementation of IFRS and preparation of disclosure check list |
| IFAC SMP AG               | Respondence to IFAC SMP AG activities and IFRS regarding SMEs standard                                  |



# Contents of Panel and Q&A,,,

## ◆ Introduction of 3 practical initiatives

- IT Community among SMPs
- Joint IT Infrastructure Center
- Research and Seminars on IT tools (Data Analytics) available for assurance and advisory services

## ◆ Experience with Covid-19,,Issue Papers by IT Committee (incl. Big4)

- Practical Responses to and Alerts on;
  1. Electronic Confirmation
  2. Remote Stock-taking Observation
  3. Authentication of Documents converted into PDF
  4. Restriction on field work of components
  5. Remote Meetings and Tools (Teams, ZOOM, Meet,,,) )
  6. Audit confirmation through e-mails

---

# Infrastructure support

# Identified issues and responses

Expansion to Joint IT  
Infrastructure Center

## Identified issues on IT Infrastructure

### Identified issues

- Documentation
- IT Infrastructure (File servers, mail servers,,,) )
- Data exchange
- Cyber Security
- HR and knowledge
- Investment (knowledge)
- E-confirmation

## Plan on strengthening IT Infrastructure

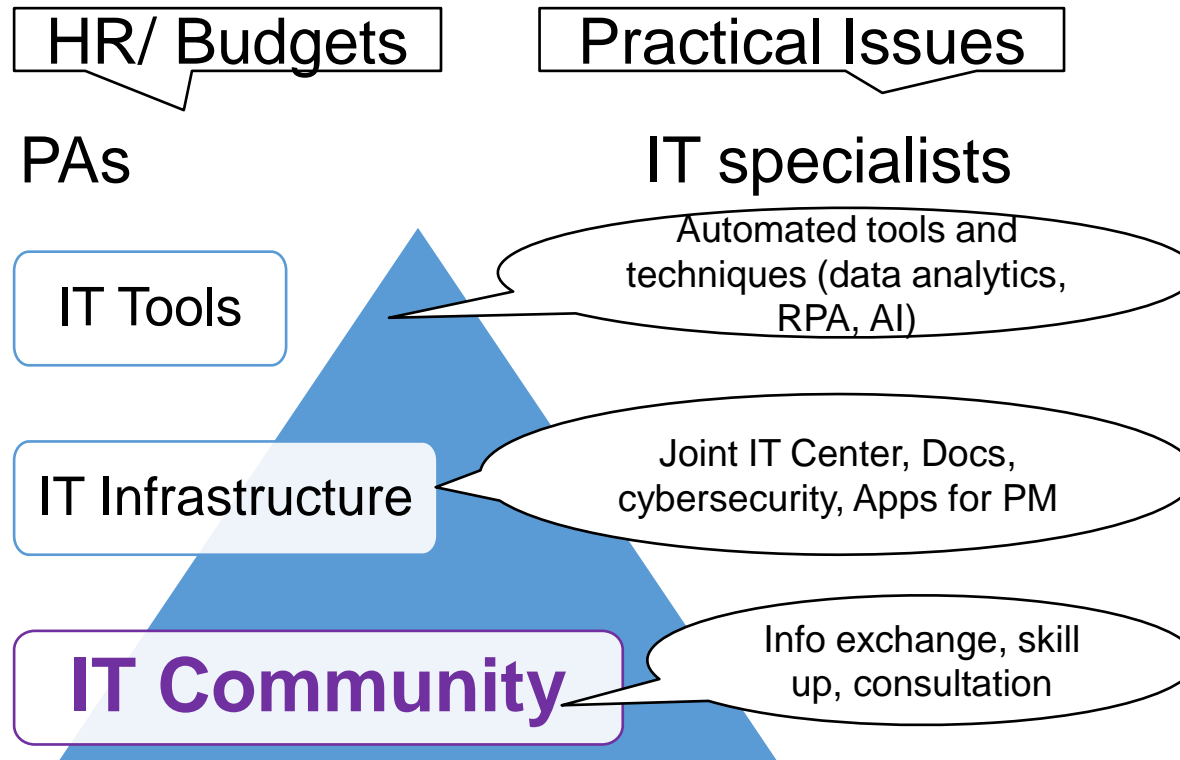
### Expected outcome

⇒ Reliability and efficiency

- E-documentation
- Secured data exchange, management and storage
- Effective investment
- Free from IT infrastructure management (Mitigation of risks, up-to-date software, shared knowledge, IT support)

# SMP IT community

Networking : IT specialists can exchange information with other accounting firms



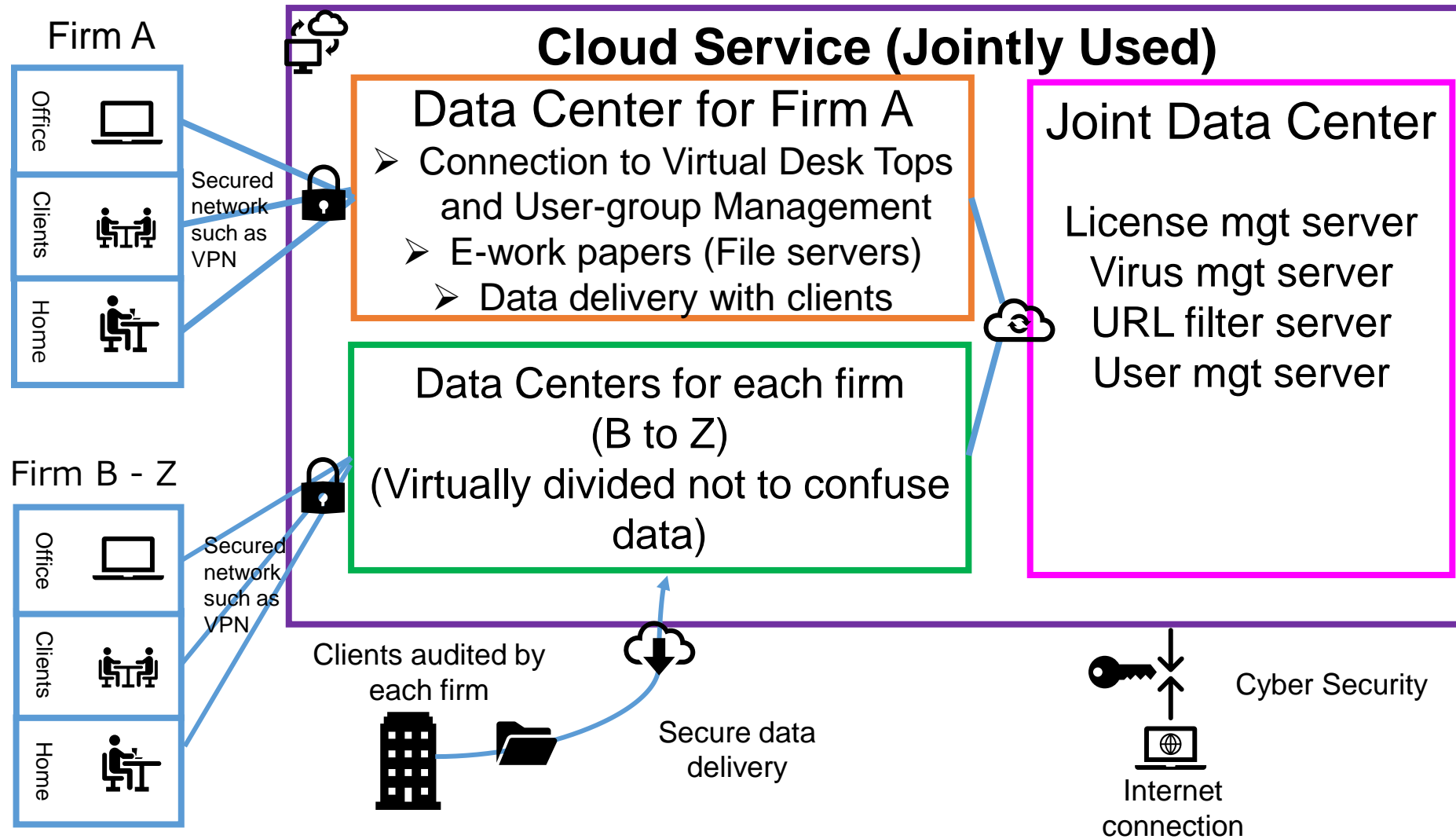
- Exchange information regarding IT tool and Apps, CPD training
- Demo by suppliers and SMPs, introduction of best practices
- Training, e.g. cyber security
- Considering setting up a web page by JICPA – webinar, recommended books and licenses, sharing information,,,
- Cover both PAs and IT specialists

Physical events, webinars and virtual meetings covering the whole nation of Japan



# Joint IT Infrastructure Center

Some of SMP audit firms are considering setting up,,,



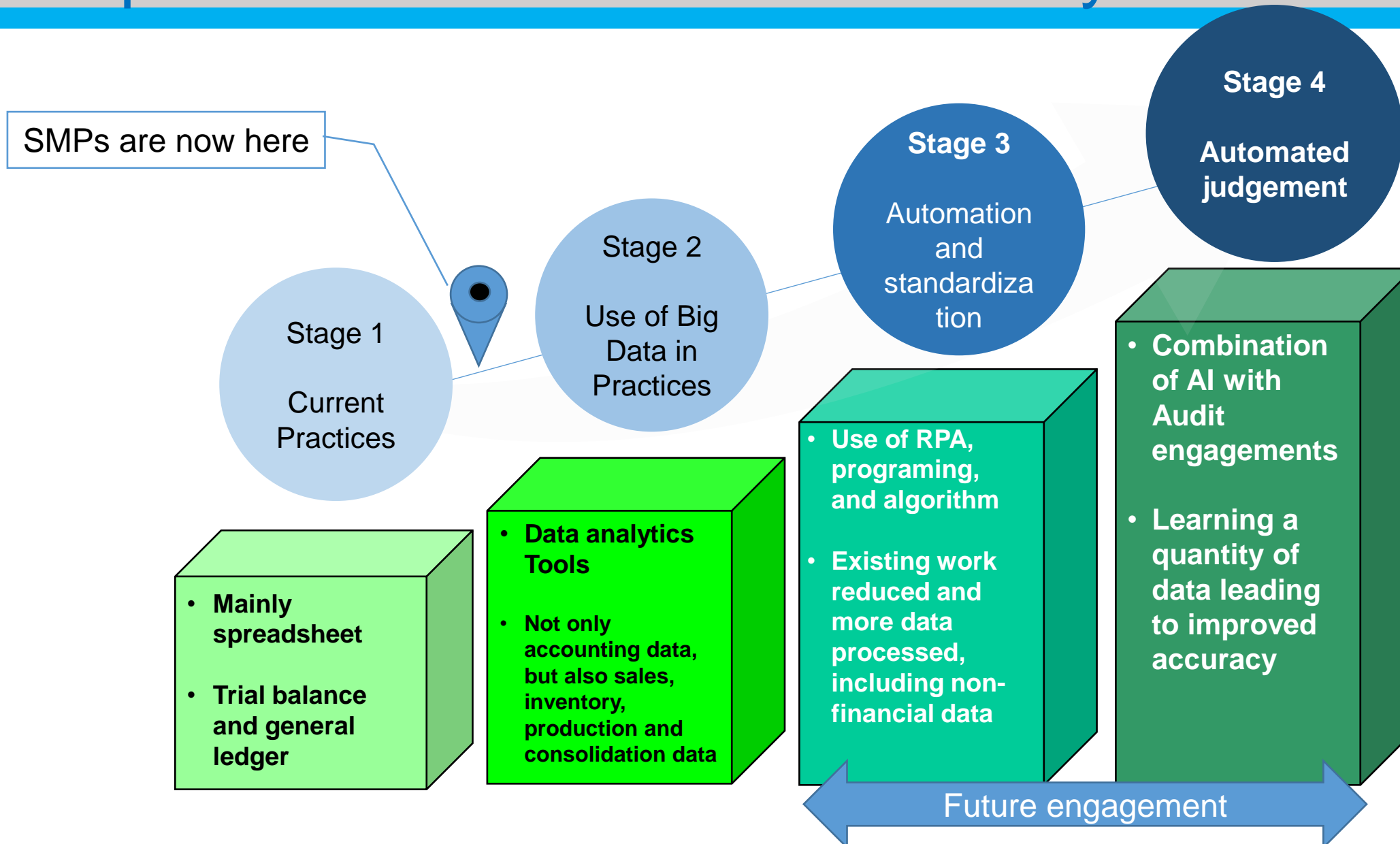
---

# Data Analytics

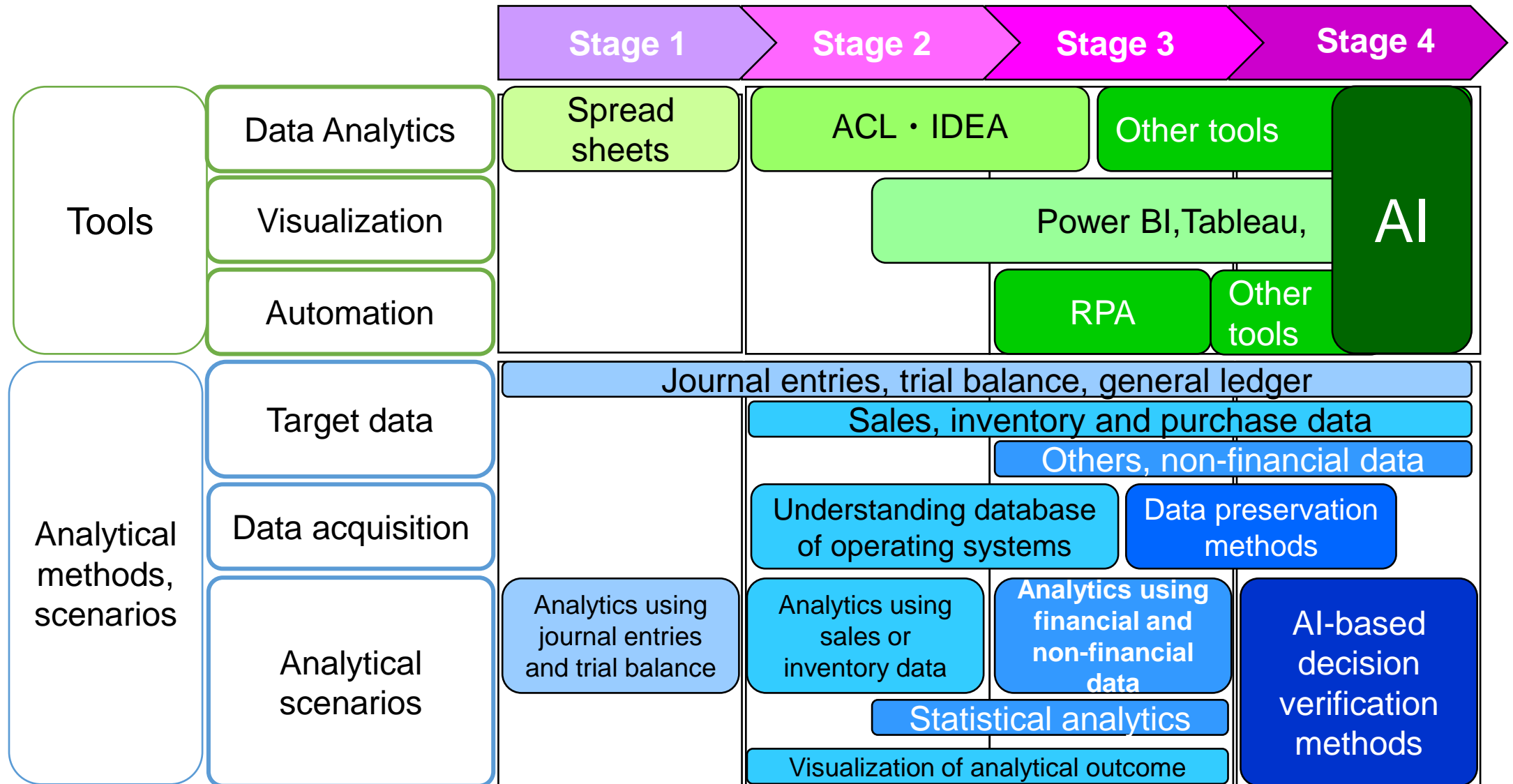
# Usefulness of Data Analytics

- Study and research IT Tools including ways to use them
  - Mainly AI, BI Tools, data analytics scenarios on assurance engagements
- Feedback to SMPs through education and training
  - How to use data analytics tools themselves, and data analytics scenarios

# Steps towards effective data analytics



# Mapping



# Steps towards stage 3, training menu

| Theme                        | Description   | Action  |
|------------------------------|---|---|
| Data analytics tools         | <ul style="list-style-type: none"><li>• Training for data analytics tools</li><li>• Guidance for SMPs</li></ul>   | Comprehensive training program for SMPs from 2021 to 2023 |
| Data preservation, cleansing | <ul style="list-style-type: none"><li>• System research</li><li>• Consideration of available data</li><li>• Data cleansing method</li><li>• CPD training for SMPs</li></ul> |   |
| Data Analytics scenarios     | <ul style="list-style-type: none"><li>• Data analytics scenarios</li><li>• Training for SMPs</li></ul>  |   |
| Visualization                | <ul style="list-style-type: none"><li>• Research visualization tools</li><li>• Data analytics for visualization</li><li>• Introduction of tools for SMPs</li></ul>          |   |
| Research                     | <ul style="list-style-type: none"><li>• Information gathering AI software</li><li>• Introduction and training for SMPs</li></ul>  | Up to date feedback to SMPs                               |

Thank you  
ありがとうございます





# Importance of digitalisation to future-proof SMPs

Aleksandra Zaronina-Kirillova

Head of SME Professional Insights, ACCA



# Agenda

1. About ACCA and Professional Insights
2. Importance of digitalization to future proof SMPs
3. Resources to support SMPs

**219,000** members  
**527,000** students  
in **179** countries

**110** offices  
and centres  
in **52**  
countries

More than  
**7,571**  
approved  
employers

**328**  
approved  
learning  
providers

**1,901**  
exemption-accredited  
programmes from  
**908**  
institutions

**453**  
strategic  
partnerships

# ACCA Professional Insights

answering today's questions, preparing you for tomorrow



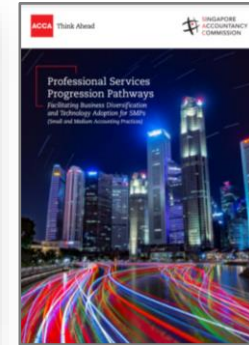
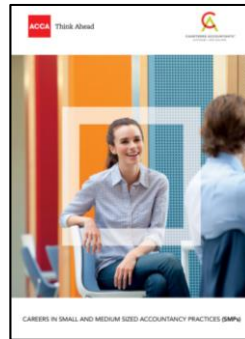
- ***From risk to robotics, our Professional Insights support our members, students and affiliates succeed in their careers***
  - Consultations with employers across sectors, industry specialists, academics and leading forward-thinkers around the world;
  - Findings are shared in the media, at events, professional courses and official meetings, and
  - Recommendations shape business practice, inform legislations and standard setters, and support individuals in their careers.

# ACCA Insights app: access all our research & podcast on-the-go



<http://insights.accaglobal.com>

# Recent reports focused on SMPs



Focus today

## The Passionate Practitioner

## Quick guide to digitalization and Business Diversification



# Impact of digitalisation for SMPs

Revenues and growth



Identifying the client base



Managing the workload



Working practices



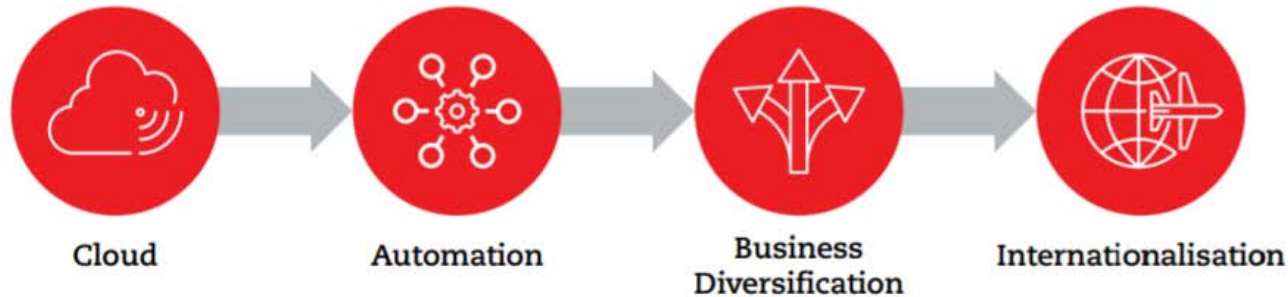
People and skills



Value-added services

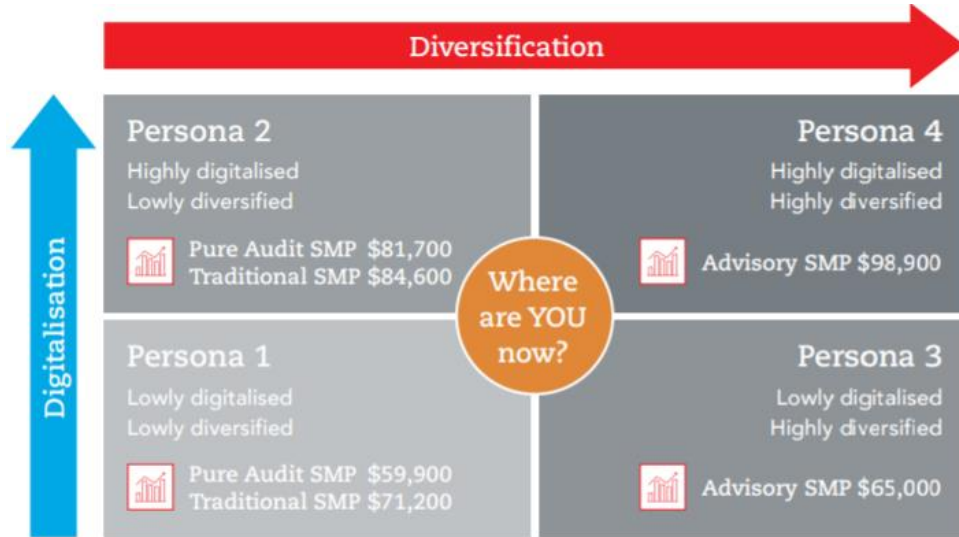


# Evolution towards diversification and internationalization





# Your firm's personas



Source: ACCA, SAC

Highly digitalised: adoption of 5 or more technology solutions

Highly diversified: providing 1 or more advisory services

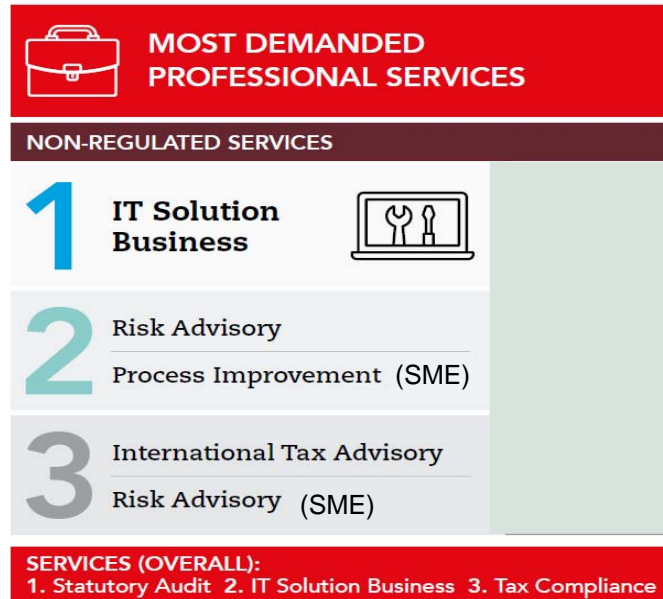


Average Productivity<sup>4</sup>

# Diversification pathways

|        |  |
|--------|--|
| Step1  | Identify which service are in demand   |
| Step2  | “Unpack” your current services and identify your strength                            |
| Step 3 | Link it with services in demand  |
| Step 4 | Identify which of these services are expected to raise productivity levels           |
| Step 5 | Identify your target service   |
| Step 6 | Review your current and target services to generate a connecting progression pathway |
| Step 7 | Execute according to the pathway identified  |

# Demand for Professional Accountancy Services in the Asia-Pacific (2018) **Non-Regulated Services**



# **Further ACCA resources and initiatives available in open access**

# Practice Connect hub

- Starting a practice
- Growing your practice
- Talent development
- Network & Events
- The Practice Room

This new hub amplifies connection by linking together a community of like-minded small and medium-sized accountancy practices so you can share with, learn from and inspire each other. Find all the resources, insights and innovative tools you need to help your practice stay ahead and relevant in a fast-changing business landscape.



Starting your own practice →

## Growing your practice

Discover practical guides and innovative insights to support the growth of your practice

Find out more →



Talent development →



Your network and events →



Peer-to-peer webinar series

The Practice Room →



# The Practice Room

- What is it: Practice room is a networked global community of SMPs coming together to learn, share, problem solve and build forward through member lead sessions.
- Who will benefit: anyone who owns/manages a small practice or team, who wants to learn from others and is interested in helping others to grow their practice (**in particular** in the markets with limited dedicated support of SMP members)
- Framework of the regular peer to peer support sessions:
  - SMP hosts and participants lead sessions
  - Themes to be covered in the sessions will chosen by the hosts
  - PI content can be used as a catalyst for discussion
  - ACCA partners can be involved to support the discussion

# The Practice Room

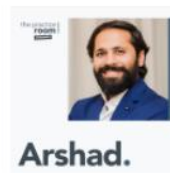
- 15 SMP member **hosts** from 13 countries
- 43 sessions scheduled for the first 6 months



Alastair Barlow →



Anastasia Chalkidou →



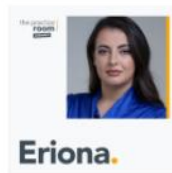
Arshad Gadit →



Bright Amisi →



Damien Skeete →



Eriona Bajrakurtaj →



Faheem Piracha →



Heather Smith →



Horace Gyles →



Ramesh Seebarran →



Robert Belle →



Rosanna Choi →



Sarah Whale →



Stacy-Ann Golding →



Vintoria Bernard →

# ASEAN Regional Initiatives

---

**SMP100 Malaysia - your launchpad  
to the network of SMPs in Malaysia**

---

**ACCA AccXelerator Programme -  
Singapore**

---

**SMP100 Hong Kong**



# Further Readings

- [Practice Connect hub consolidating resources to support SMPs](#) ACCA
- [Practice Room- a series of SMPs lead discussions, covering various topics related to practice development](#) ACCA
- [ACCA ASEAN SMP Initiatives](#)
- [The Passionate Practitioner- developing the digitalized small and medium practice,](#) ACCA
- [Quick guide to digitalization and Business Diversification,](#) ACCA
- [Careers in SMP- attracting, retaining and managing talent within SMP.](#) ACCA and CA ANZ
- [The Business Data Insights Playbook,](#) ACCA and CA ANZ
- [Market Demand for Professional Accountancy Services FY2018-2020](#)



**Thank you**



# The Modern Public Practice

---

*Tuesday 4<sup>th</sup> MAY*  
*SMP Transformation*

*Sunny Sirabas, General Manager, Innovation, CA ANZ*

# The Evolving Landscape & Implications

## Feedback

“Our old strengths have largely been commoditised – embracing disruptive technology and other advancements are critical to our future.”

“The core skill set is a solid foundation but its not enough anymore. I need a broader suite of capabilities to keep up with the evolving needs of my clients.”

“The tectonic plates are shifting and fundamentally changing the accounting profession, but not all of our members are best positioned to make the leap.”

“Who we’re competing with has changed. Non-traditional players from outside the profession are squeezing us out of the value chain – diminishing our relevance and creating better member experiences.”

“Our clients are dealing with a new class of problem (growth in a disruptive world) in new ways (collaboratively, through partnerships).”



## The Challenge

Members want to be able to leverage technology so that they can deliver outcomes in a cost-effective way.

Members want additional tools and skills so that they are equipped to meet the changing needs of their clients

Members want the insights, skills and capabilities to best position themselves to take advantage of the “opportunities” the new world will bring.

Members want to maximise the relevance of their core business and explore new opportunities for value creation so that they remain competitive.

Members want to be able to apply their core accounting skills and principles in non-traditional spaces and non-traditional ways so that the skillset continues to be valuable for their clients.

Building personal and  
organisational  
capabilities

Accessing new  
markets and  
services

CA CATALYST WAS DEVELOPED FOLLOWING  
A STRATEGIC REVIEW OF MEMBER NEEDS IN  
THREE FOCUS AREAS:

1

BUILDING PERSONAL  
AND ORGANISATIONAL  
CAPABILITIES

Skills, tools and connections  
to help members and their  
businesses become more  
efficient, contemporary and  
competitive

2

ACCESSING NEW  
MARKETS & SERVICES

Unlocking and creating  
opportunities for members  
to build value-enhancing  
business models and expand  
into new markets and sectors.

3

CHAMPIONING AND  
PROMOTING MEMBERS  
AND THE DESIGNATION

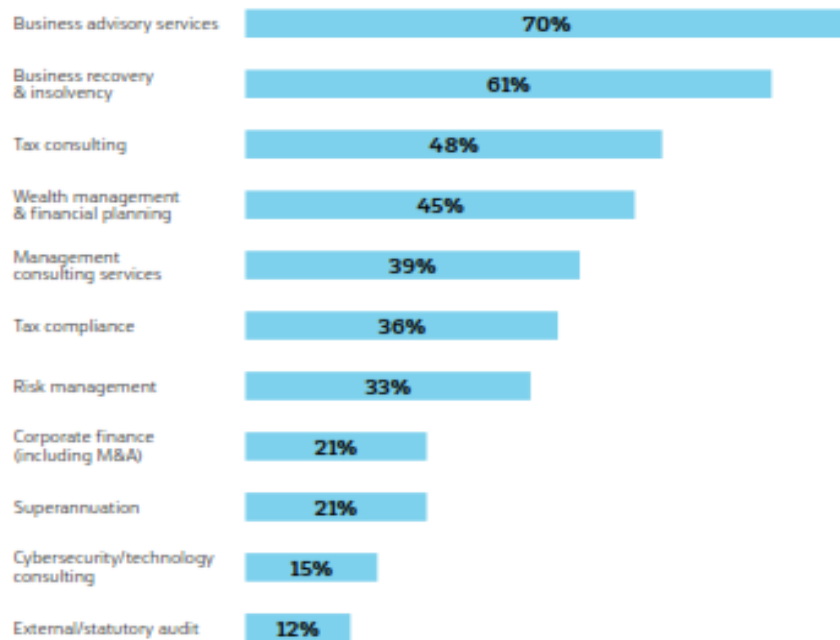
Raising the perception of the  
profession and designation  
by highlighting innovative  
accountants at the forefront  
of business change.

To enable purposeful change  
by connecting them to future  
work practices, technologies  
and markets that would build  
value for CAs, their clients  
and communities.

# Covid-19 impact on businesses

- Economic damage is worse than expected
- Roughly a third of firms are saying that 25% or more of their clients are showing signs of financial distress and won't survive
- Confusion with legislation with strong concerns of the future
- Mental health took a hit
- Likelihood of accelerated recovery is pretty high – Vaccine related
- Shift their thinking to digital
- Leaned on accountants

# Practice Areas to be most in demand in 2021



# Covid-19 impact on Public Practice Firms

In the words of one CEO, “healthcare workers are on the frontlines of saving lives, and accountants are on the frontlines of saving livelihoods.”

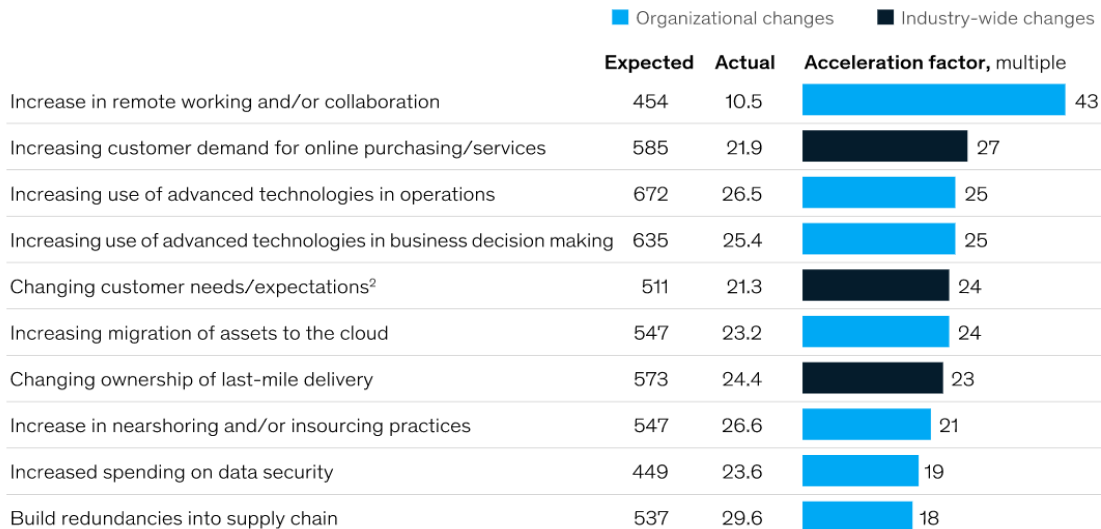
- Measured in May, 73.5% of firms have seen an increase in demand for their services
- Roughly a third of firms are saying that 25% or more of their clients are showing signs of financial distress and won't survive
- Had to keep up with legislation and support client understanding
- The most common response to increased demand is working longer hours but does not correlate to revenue
- Accountants became mentors and tutors – shift from a transactional relationship
- Get used to a remote work
- Transformative Innovation accelerated – Cloud; remote collaboration; streamlined interactions, timely response, focus on client guidance



# Accelerated adoption of Technology

**Executives say their companies responded to a range of COVID-19-related changes much more quickly than they thought possible before the crisis.**

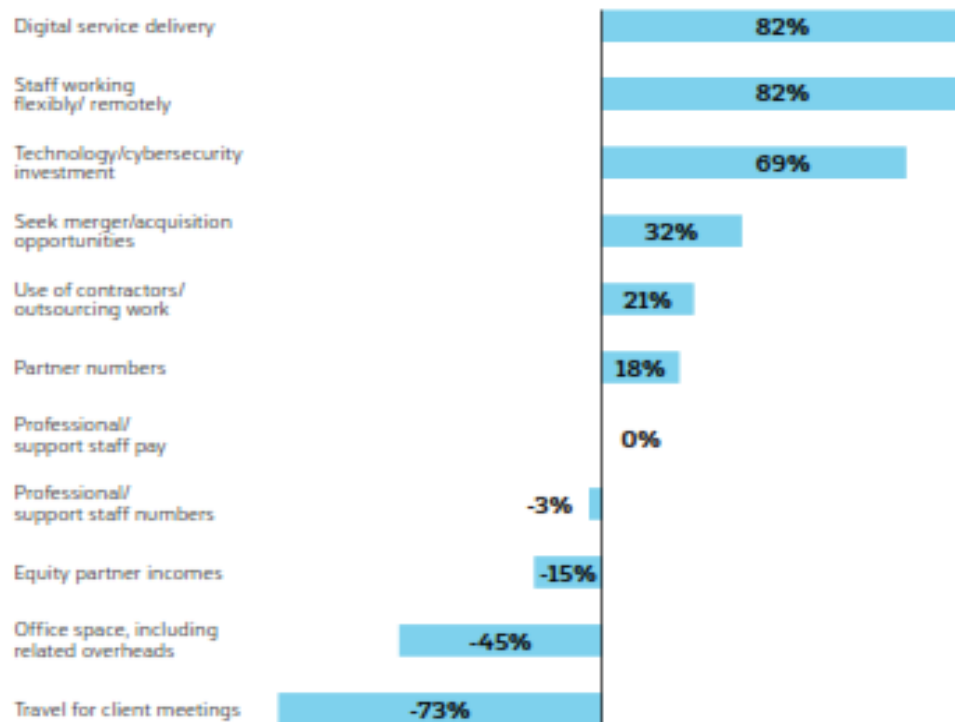
**Time required to respond to or implement changes,<sup>1</sup> expected vs actual, number of days**



<sup>1</sup>Respondents who answered "entry of new competitors in company's market/value chain" or "exit of major competitors from company's market/value chain" are not shown; compared with the other 10 changes, respondents are much more likely to say their companies have not been able to respond.

<sup>2</sup>For instance, increased focus on health/hygiene.

# Firms Areas of Focus post- coronavirus

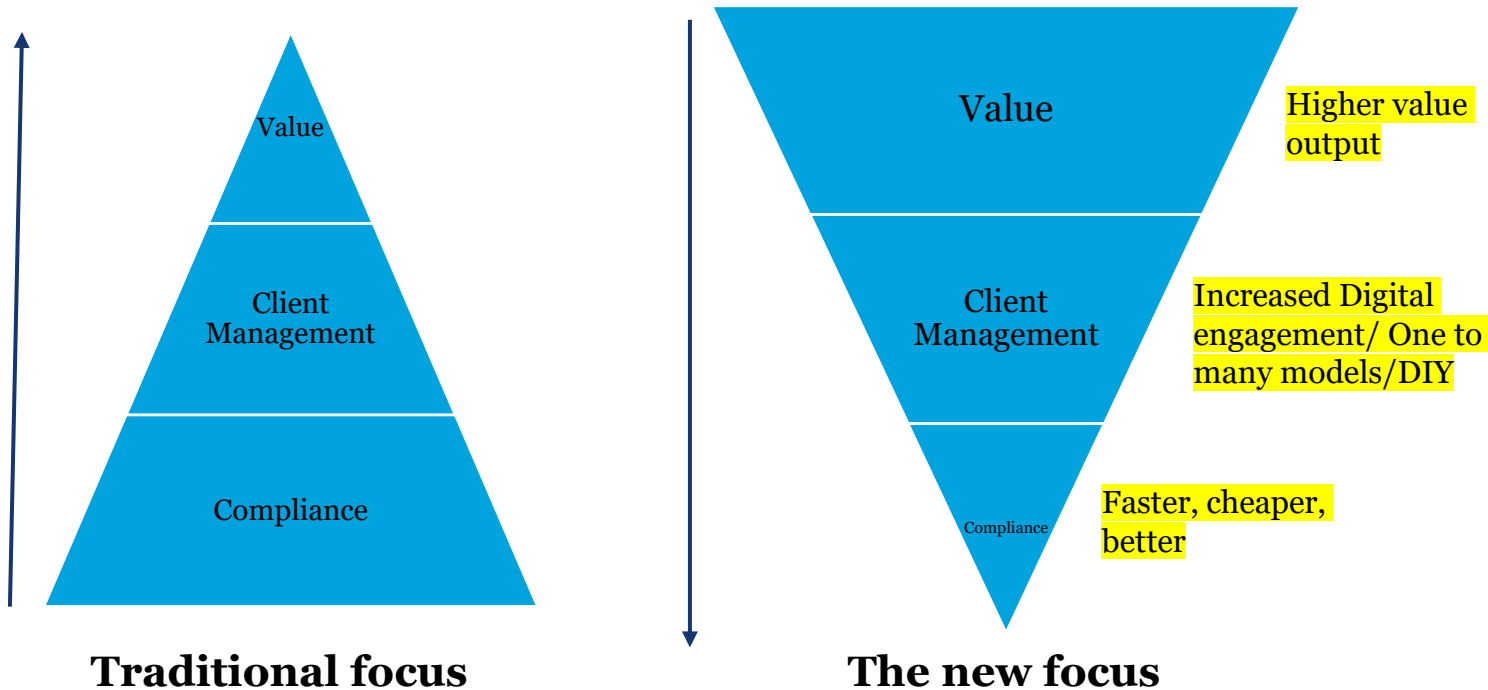


# But what does this change mean?

- Accountants shift focus on the things that matter to their clients – Get to know clients better, prompt replies, being proactive and trustworthy:
- Trust = (Credibility + reliability + Intimacy)/Self-orientation
  - Credibility – technical skills & doing it well
  - Reliability – doing it when you say you are going to do it (workflows)
  - Intimacy – client orientation/focus
  - Self-orientation: Billables/your agenda
- Shift from expert to advisor - client empowerment and stronger focus on networking to support clients
- Remote collaboration required increased transparency and streamlined processes – e.g. **Automated knowledge work** - document creation & approval processes
- Stronger focus on online document management and data storage/protection
- New skills – Advisor skills, Data Analytics, modelling, Visualisation and storytelling
- New client engagement models – one to many/ DIY
- New business models and services – e.g. Business planning, cash flow forecasting

| EXPERT                                       | ADVISOR  |
|--|--|
| Technical skill                              | Guidance and input   |
| Solve problems by being right                | Support decision making by being helpful rather than right |
| Take Responsibility for finding the solution | Client retains the responsibility of finding the solution  |

# Inverting the focus



# The 'Value' continuum for Accountants

