

Challenge #5

Statement

How might we leverage technology to connect accounting practices to new international clients, by matching the services required by clients to the capabilities of these practices?

Challenge #5

Background and Context

In the wake of a challenging 2020 and the impact of COVID-19 on businesses, the demand for professional accountancy services in the Asia-Pacific region is expected to remain buoyant from 2021 to 2024, according to the [Market Demand for Professional Accountancy Services in the Asia Pacific](#), a joint report by ACCA, SAC and SNAI. While regulated services are still the most demanded services, the demand for non-regulated advisory services is rising.

Small and medium accounting practices tend to generate modest revenue from providing professional accounting and advisory services to international clients, even though they have the capabilities to undertake such work. This is largely attributed to their lack of familiarity in reaching out to international clients as well as a lack of awareness that these practices provide such services. Although a number of accounting practices have joined international accounting networks, regulatory and network barriers limit market access to regional markets. However, the barriers to entry for non-regulated advisory services tend to be much lower as such services are usually not provided by local service providers in regional markets.

In addition, due to COVID-19, regional lockdowns and travel restrictions have made it more challenging for accounting practices to market to, and work with, prospective clients abroad. As such, it would be useful to leverage technology to help accounting practices capture international demand for professional accounting and advisory services, and facilitate more opportunities for cross-border collaborations in an increasingly borderless world enabled by technology.

Challenge #5

Common Challenges and Considerations

- Accounting practices tend to secure business through referrals, as professional accounting and advisory services tend to be regarded as trust-based services
- Resource-intensive searches by regional SMEs for accounting firms due to limited resources in SMEs to drive efficient and effective procurement. SMEs value quality sources of information to validate referrals
- Possible features which may be useful to consider for a digital marketplace platform that connects accounting practices to regional SMEs:
 - Indicators of quality such as review feature, profile feature citing track record, features that promote trust in using the platform
 - Marketplace / directory listings that showcase accounting practices with expertise in professional accounting and advisory services
 - Smart matching which involves automated process flows to shorten turnaround time and generation of quotes
 - Ability to allow online-offline-online interactions as trust-based services require face time during the decision-making stage