

Do Indian SMEs need more challenge from their accountants?

A UK chartered accountant with a sister company, Swarup & Associates, in India conducted a survey of directors in more than 100 UK SME companies. They wanted to determine the most important factors when choosing an accounting firm.

SMEs rated "challenge" as the most important factor. 87% said what they wanted most was to be challenged.

The survey, which was carried out by SKS Business Services, a firm of chartered accountants in Twickenham, London and a sister company in Jamnagar, Gujarat, that provides a unique blend of 'shared services' accounting using the latest technologies and processes.

Price is a key factor amongst SMEs with only 53% of directors saying that they would pay higher fees for better services. However, over 70% of directors expect to get additional business advice on matters such as tax, budgeting and profitability as part of the service.

Most surprisingly, only 55% of respondents actively use monthly management accounts. It appears that many senior managers are making crucial business decisions without referring to regular real-time financial information.

Sanjay Swarup, Director of SKS Business Services and Partner of Swarup & Associates said:

"Smaller companies have the same need to drive efficiency as the "BP's" of this world.

"It would seem that many companies are operating their accounting/finance function using traditional methods and expecting their accountants to come up with radical or magical solutions. They are not using the latest technologies and access to global knowledge to provide clear, comprehensive and regular reports to help minimise cost and improve performance. Taking this approach enables businesses to concentrate more on growth, profitability and strategy."

The survey also found that for SMEs trust is very important with comments such as: "Trust is what matters most" and "Trustworthy, fast and efficient is what counts." regularly coming up in the survey. But interestingly trust is not necessarily based on face-to-face contact. Only 50% of SME finance directors said that meeting with a senior accounting partner was of high or very high importance.

Also to emerge in the survey is that a large number of SMEs feel neglected or not important enough to get the proper attention they feel deserve from their accountants. "We find we are neglected by our accountants" or "We are not important enough for them," are just a few of the quotes.

Ian Herbert, Deputy Director at the Centre for Global Sourcing and Services and Senior Lecturer at Loughborough University School of Business and Economics said:

"Until recently, the idea of shared services has been seen as a cost-play applicable only to large company but, using the right expertise, at the right time, in the right way, it is important to any business. At the Loughborough Centre for Global Sourcing and Services we are seeing more examples of second tier businesses letting go of parts of their back office administration and it's not just about cost."



Herbert went on to say:

"Standardised IT platforms and robust internet connectivity are enabling new possibilities for more imaginative sourcing solutions. The old mantras about being different to other businesses have been kicked into the long grass by B2B platforms such as ebay. The process is the same whether it's an elephant or an antique stamp! Sometimes, if the business can adapt itself to a good system then the possibilities for quality management accounting information expand not diminish.

Sanjay Swarup, Director of SKS Business Services and Partner of Swarup & Associates said:

"Whilst many larger companies are now looking at the country best suited to do their work in order to drive down costs, the benefits of shared services are yet to be fully appreciated by smaller and medium sized companies. Larger companies use 'right-sourcing', which recognises that hybrid solutions often provide the best fit, where value-for money is balanced against manageability, risk and other considerations. As long as the work is done by qualified accountants and there is a UK based team to supervise, the risks are no different to an in-house or in-country team but there are additional benefits including greater fire power to the finance function."

The survey was carried out in May 2013 with 103 UK SME Directors in companies in the oil and gas, biotechnology, manufacturing and service sectors.

Swarup & Associates, Chartered Accountant, Jamnagar, India

Based in Jamnagar, Gujarat, Swarup & Associates is the sister company to SKS Business Services. An innovative firm, able to provide enhanced finance function from financial controller level and below with small cap natural resource entities listed on AIM and TSX stock exchanges services due to

- ✓ Highly trained and loyal staff based in a Third Tier city
- ✓ Modern audit technique which reduces cost drastically
- ✓ Use of the latest technology such as Skype, Drop box to improve efficiency
- ✓ A breadth of international experience from small companies to listed corporations

SKS Business Services, Chartered Accountant, UK

Based in Twickenham, London, SKS Business Services is a firm of Chartered Accountants, providing the accounting and finance functions for listed Small-Cap companies and SMEs across the UK, India and Canada.

The UK office is a full member of the Chartered Institute of Accountants of England and Wales, ICAEW.

Through the use of the latest technologies and an innovative shared services business model that larger companies have recently developed, SKS Business Services and Swarup & Associates, provides accounting services at lower fees but with real time business analysis by qualified staff.

This Business Survey featured in UK based website :

FinancialDirector

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