



Towards the European elections

AN ALLIANCE BETWEEN SMES AND PROFESSIONAL ACCOUNTANTS

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The expectation of a shift of balance in the forthcoming European elections, and the search for a new equilibrium between unitary visions and national safeguard, allows to expect that small and medium enterprises and practices will become a main focus of attention.

Two recent documents confirm that this could be a key point on the agenda of the incoming European Parliament, i.e. the “Memorandum for the European elections 2019” issued by SME United (the most important association of SMEs at European level), and the “Memorandum Elections for the European Parliament 2019” issued by EFAA (the European Federation of smaller accounting practices), both developed in view of the imminent European elections.

Smaller enterprises and professional accountancy practices are willing to be placed at the very heart of the European debate.

The Italian accountancy profession - which operates in an economic environment where SMEs represent almost the totality of the business population, and carries out its professional activity in small practices, including many sole practitioners – can provide a key contribution for relaunching the concept “think smaller first” at EU level, given that SMEs are much more important in Italy than they are in Europe and that the weight of micro-enterprises is unique in Italy when compared to other countries.

The peculiar structure of the productive system highlights the fundamental importance of small- and medium-sized professional practices in supporting SMEs, by providing high quality services. A view to the rest of Europe confirms that, in the context of the SMEs’ varied world, the attention in Italy should be focused on micro enterprises, and that modernizing our economic and professional system means working to let micro enterprises and practices gradually grow and better compete on the market.

SME United has identified the following challenges facing SMEs:

- (1) developing digital revolution, and not being subject to it;
- (2) enabling innovation and access to financing;
- (3) promoting the contribution to a more sustainable economy;
- (4) developing internationalization;
- (5) rebalancing the safeguard of the interests of enterprises with those of other stakeholders, such as employees or consumers;
- (6) effectively implementing the single market; and



(7) more in general, applying the motto “Shaping Europe for SMEs & shaping SMEs for Europe”.

The European profession is well aware of current challenges and opportunities. Accountancy Europe, the most important European association of professional accountants, has identified the issue “Professionals accountants as the SME business enablers” as one of the key points of its strategic plan 2019-2020.

The profession can face this challenge using its traditional competencies, but also providing services that allow clients to manage and control their business, i.e. services that professionals have learnt to develop thanks to their daily working relationships and engagements.

It is worth reminding that an SMEs’ peculiarity is that their business relationships are mainly based on personal relations of trust. In this context strengthening the relation between SMEs and professionals becomes strategic, including going beyond the repetitive traditional services, with their very little added value.

This “alliance” is aimed at growing together, but then how?

- (a) Improve corporate disclosures or information on organizational structure to facilitate access to capital market,
- (b) Assist the computerization of processes,
- (c) Develop planning models in line with the new legislation on companies in distress,
- (d) Support the growth in size, also at an international level, and
- (e) Specialize on the needs of the production chains.

A lot is being said about the need for a pace change by trade associations and professional organizations; choosing direction and travel mates, in accordance with the issues at stake in the European debate, is the first concrete response that can be given.