



Future Proofing our SMP Practice: Building Technological Skills and Competencies

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Key Challenges Experienced by ASEAN SMPs in Technology Adoption



Technology is expensive and time consuming



Mismatch in technology between SMEs and SMPs



Inadequate regulatory policy and support



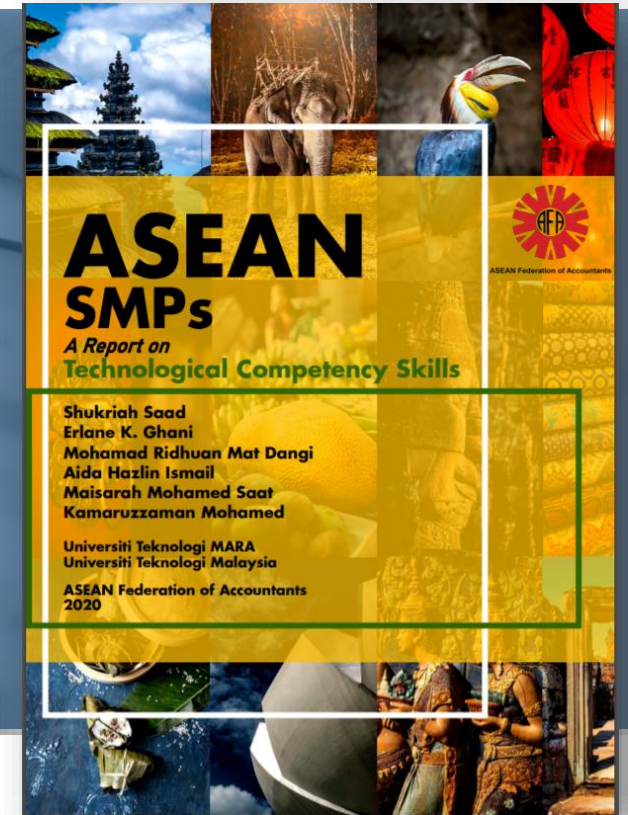
IT workforce shortage and poor IT skills



Age variance factor



Lack of motivation to adopt technology



Case Study I: From Challenges to Opportunities

ISCA Complimentary Advisory for SMPs

Case Study I

- Ms J
- Sole practitioner
- 15 staff
- low digital adoption



Frustrated and approached ISCA

- Software is expensive
- Experienced staff not willing to accept automation
- Tight resources, no time to look into adoption



Decided to give it a try

- Attended a demo with the right mindset
- Partner first to learn and use the software
- Formed a champion team
- Staff who adopted for their engagements were rewarded



Success story

- 20% more clients
- Able to work virtually during lockdown
- Audit file - 70% less paper

Challenges = Opportunities



Challenges

“Technology is expensive.”

“Adopting technology is time consuming.”

“My staff don’t know how to use the software. It is difficult to use.”

“My clients are not ready.”

“I can’t retain my staff.”

“I can’t accept more clients as my staff can’t cope.”

Opportunities

Manpower costs are more expensive than technology.

It is only time consuming at the beginning.

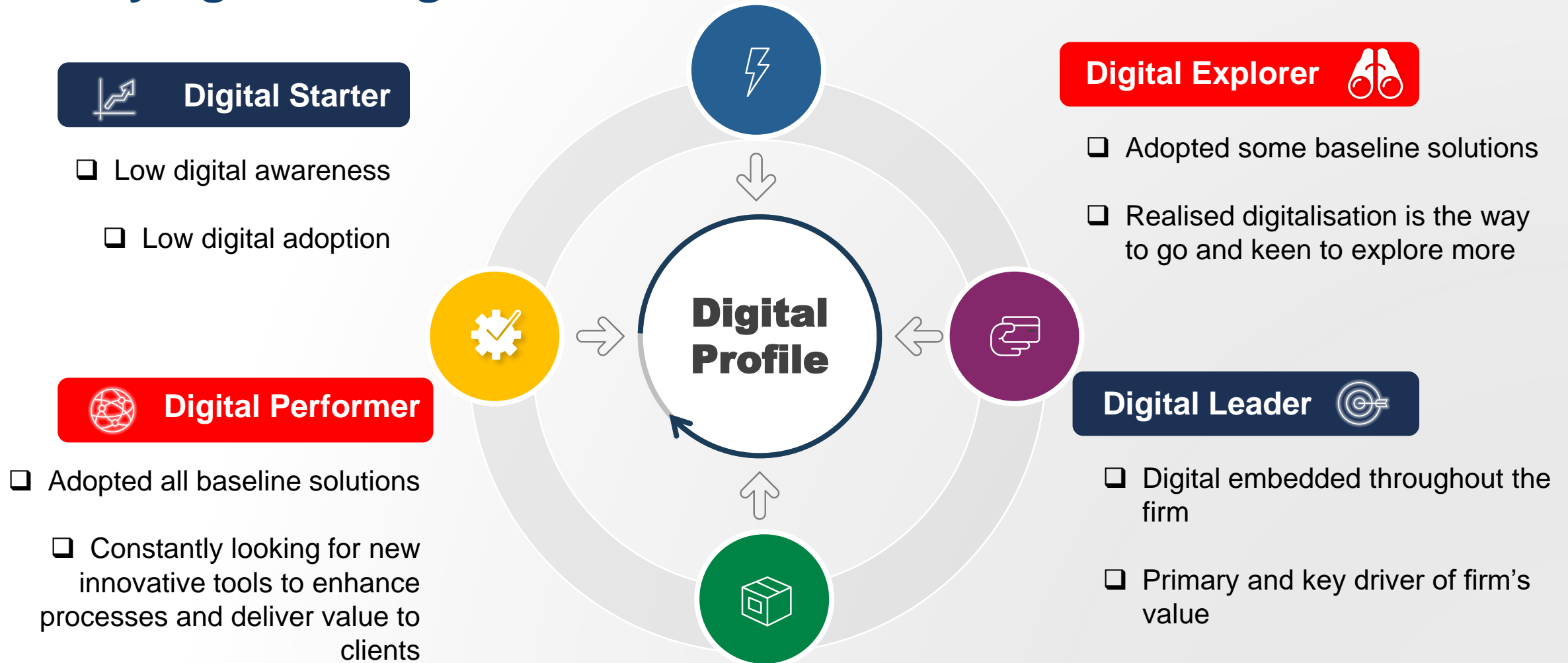
Encourage your staff to take the opportunity to learn digital skills.

Opportunity to upsell and help your client go digital.

Building a digital ready firm will help to retain staff.

Automate as much as you can to give your staff more time to do meaningful work.

Identifying Your Digital Profile



The 4 W's of Digital Transformation

Why should I prioritise my firm's digital strategy?



WHY

What solution to adopt?



WHAT

When is the best time to start?



WHEN

Who should champion the implementation?



WHO

Why Should I Prioritise My Firm's Digital Strategy?

1

Greater Productivity

You want your staff to be productive, provide real-time information so they can be responsive and proactive, be data-driven in their decision-making, so that they can make effective and informed decisions.



2

Better Client Service

Your client expects a digital experience. They rely a lot on you and expect you to tell them what to do, including digitalising their company.



3

Talent Attraction and Retention

Staff is the biggest asset for a professional services firm. Gen Z is looking to work in a progressive company. Failing to digitalise your practice may cause talent attraction and retention issues with Gen Z, who are digital natives.



What Solution to Adopt?

Infrastructure

- IT support
- IT security
- Remote access
- Data backup



Internal processes

- Telecommunicating tool
- HR tool
- Team collaboration tool
- Digital signing tool
- AML screening tool



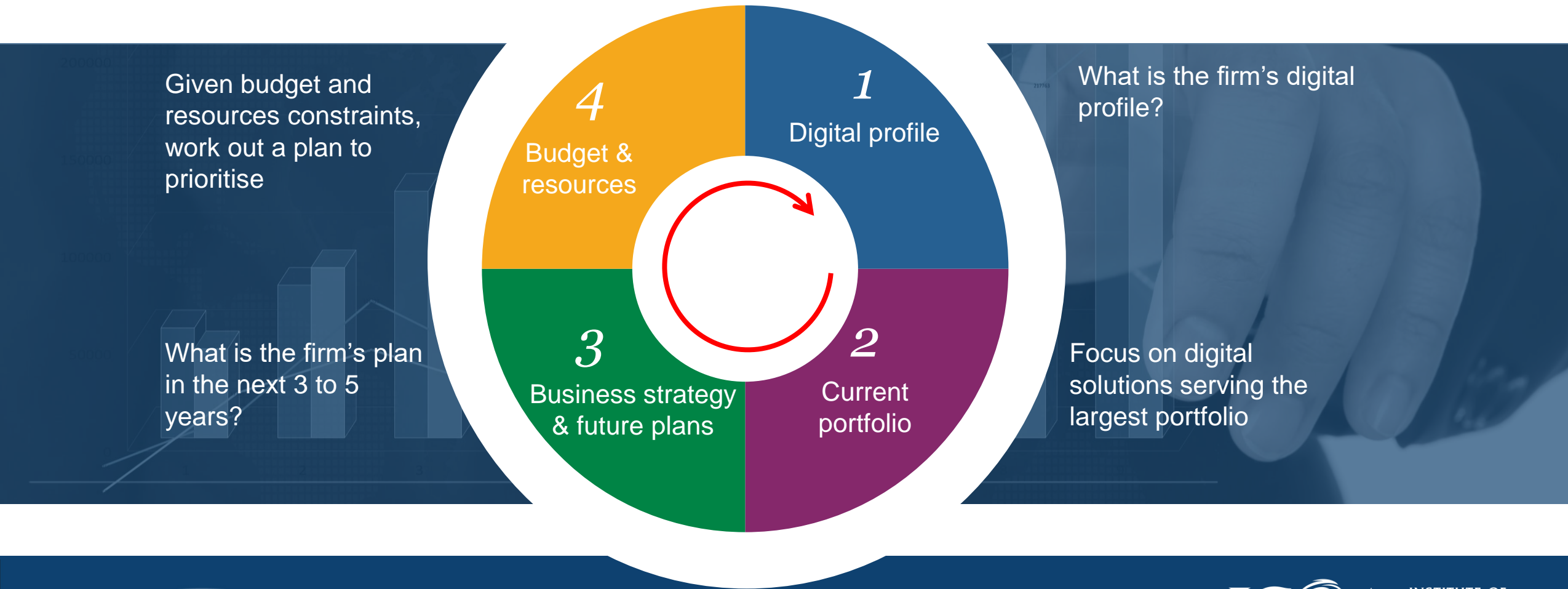
Services to client

- Audit software
- Accounting software
- Corporate secretarial tool
- Data analytics tool
- Virtual CFO tool
- Tax software



When is the Best Time to Start?

- 4 considerations to decide when to start



Case Study II: Digital transformation, the step-by-step approach

Case Study II: Progress PAC

- 2 partners
- 30 staff
- Approached ISCA for help through the complimentary advisory session for SMP



Portfolio

Use Microsoft excel and word most of the time



Adopted Zoom to communicate



50% of clients are using on premise accounting software and 50% adopted cloud accounting

Digital Starter

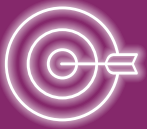
Problem statements

Difficult to scale up due to lack of digital adoption

Hard to attract and retain talent

Firm operating at low margin

Do not know where to begin automation journey

**Within the next 3 months:**

- Start with digital solutions which are easy to adopt and require less effort to onboard
- Focus on infrastructure and internal processes, enable staff to work from home

**Within the next 6 months:**

- Automate services to client, start with the largest portfolio (i.e audit stream)
- Consider audit software, data analytics and AML tool

**Within the next 12 months:**

- Encourage the remaining 50% of the clients not on cloud to adopt cloud solutions. Create new revenue stream by helping clients to adopt digital tools

**Within the next 2 years:**

- Consider expansion either by taking on more clients or creating new revenue streams by adopting more advanced solutions

Who Should Champion the Implementation?

1

Lead by example.

be the first to learn and experience the tool, work with the team to foster a positive employee experience.

2

Designate a champion

to ease transitions. Motivate the champion team with rewards (higher bonus? Better performance ratings?)

3

Proper briefing and training

is important, especially for the group of employees who are less adventurous and are “risk averse” towards digital tools. This is where the champion team can take the lead and guide those who need help.



Conclusion

Start small, think big. Don't worry about too many things at once. Take a handful of simple things to begin with, and then progress to more complex ones. Think about not just tomorrow, but the future. Put a ding in the universe.

Steve Jobs

AFA 2020 Research Report

ASEAN SMPs: A Report on Technological Competency Skills



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