

PracticeWeb

# Top SME challenges for accountants to solve in 2020



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accountingWEB

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# Introduction

**In the last three months of 2019, many businesses felt the impact of political change and continued uncertainty, with the British Chambers of Commerce reporting “protracted weakness across most indicators of economic health” between October and December.**

As businesses feel the pressure, it's clear that accountants have a role to play in helping them manage it in the year to come. But to understand in more detail what that role is, it's important to listen to what business owners say about their day-to-day worries, stresses and experiences.

The data for this report has been gathered from [UK Business Forums](#) (UKBF), an active online community for small business owners, and mainly focuses on activity between October and December 2019.

Alongside my role at PracticeWeb, I'm the content editor for UKBF, and that's given me a real insight into the kinds of conversations happening on the forums, and the experiences of small business owners across the country.

To compile this report, I measured views and engagement across the forum's threads, articles, and email communications.

I also looked in more depth at individual discussions, picking out quotes and examples to build up a picture of the way small businesses feel about key topics.

As a community website, and one which allows its users to remain anonymous if they choose, UKBF gives business owners a platform to speak openly, to give honest advice, and to talk about the things that interest them.

This can range from general questions about running a business, dealing with tax, and complying with their legal requirements, to staff issues, sales and marketing advice, and staying motivated.

We've put this report together to help you understand what matters to SME owners, and to see how, as their accountant, you can help with some of the challenges they face.



**Melissa Tredinnick**

Assistant Editor, PracticeWeb

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# About ACCA

**ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants, offering business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.**

ACCA supports its 219,000 members and 527,000 students (including affiliates) in 179 countries, helping them to develop successful careers in accounting and business, with the skills required by employers. ACCA works through a network of 110 offices and centres and 7,571 Approved Employers worldwide, and 328 approved learning providers who provide high standards of learning and development.

ACCA has introduced major innovations to its flagship qualification to ensure its members and future members continue to be the most valued, up to date and sought-after accountancy professionals globally.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability.



**Think Ahead**

More information is here: [www.accaglobal.com](http://www.accaglobal.com)

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We measured data from

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Main forums

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1,153,676

Website sessions in Q4 2019

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1,810

Threads posted between October and December

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20,000+

Newsletter subscribers

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# About UKBF

**UKBF is the UK's largest and most active forum for startup and micro-businesses.**

It's a platform for discussion and networking, with more than 1,500 posts a week and 1,200 new members joining the site every month. The content is community-driven, so it's always relevant to the small business agenda, and covers every facet of owning and running a business.

In 2018, UKBF became the content, insight and marketing platform for PracticeWeb. We took ownership of the website with the simple purpose of turning this insight into knowledge for accounting firms.

Most of the site's activity takes place in its various subforums, where users can post questions, calls for advice, and discussion points on business topics. We also run weekly articles, round-ups of user activity, and email newsletters to engage with the audience.

PracticeWeb's relationship with UKBF – and the insight we can draw from it – offers a unique advantage to our clients, helping them to better market their business to micro-businesses and SMEs.

[Join the conversation over on UK Business Forums today >](#)

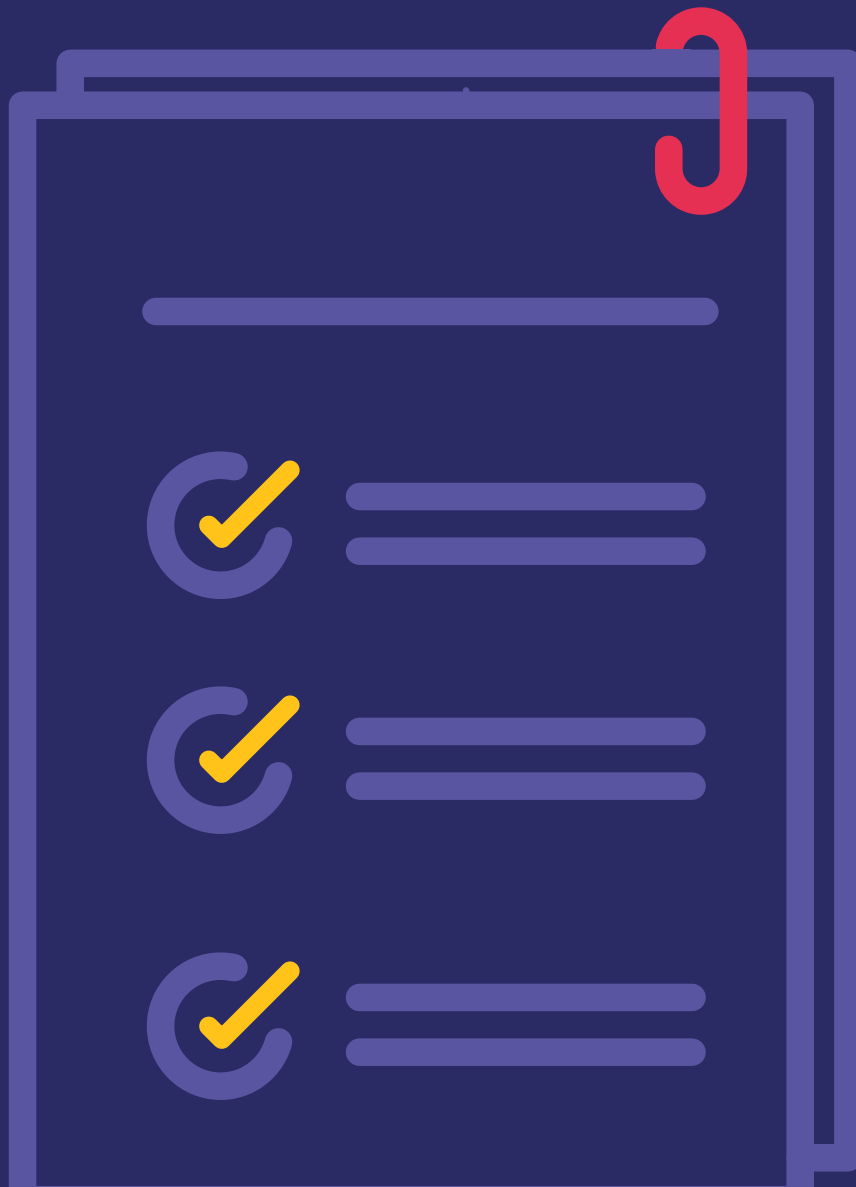
## REAL COMMUNITY WHATEVER YOUR BUSINESS.

Running your own business can be exciting and liberating. But sometimes it can also be stressful, lonely and full of those “am I doing it right?” moments. We believe that a problem shared is a problem halved. And that's why we're here: to provide a platform to give honest and valuable answers to questions you can't Google.

Whether you're a builder, web developer or dog walker, UKBF is a place where you can find advice from real people, based on their own real experiences, giving peace of mind.

CHAPTER ONE

# Key findings





# What we can learn from business owners on UKBF

## Advice is needed now, more than ever

One of the main causes of problems that came up on forum threads was an apparent need for professional advice – not just around tax and accounting issues, but on more general business challenges, including initial business planning, growth strategies, and employment and HR.

The UK's self-employed population passed the 5 million mark in January 2020, and as more people leave employment to start working for themselves, more people need answers to the questions they encounter when doing so.

The consequences those business owners face for not accessing advice can vary in severity, and while some forum posts appear to deal with minor technical problems, others come from people who are experiencing financial difficulty and severe stress as a result of tax mistakes or poorly-informed business decisions.

For example, VAT-related questions make up a high number of tax and accounting posts on the forum, and in many cases there's a sense of confusion about the complexity of the tax. Users frequently misunderstand basic aspects of the VAT system, and for some, that leads to costly mistakes.

Despite the clear opportunity for professional advice, there's also resistance to it among new business owners. In our observation of UKBF site activity, we've seen a very common trend, where new users post about their business venture and are encouraged by other users to take professional advice, but they express their reluctance to do so.

### In summary

- SMEs need professional advice, but they might not realise it.
- More needs to be done to convince business owners of the value of advisory services.
- To connect with SME owners, advice should be specific and niche.





### Niche advice is better than general guidance

Although long-term, top-level business strategy can often seem like the more interesting side of business advice, this is not always what SME owners want to know about right away.

Often, their concerns are more immediate, and many of the questions asked on the forums are about small, technical details and specific scenarios – for example, knowing which expenses they can and can't claim, or how they should be calculating VAT on a particular product.

There's an opportunity for accountants to answer these kinds of questions with relevant content – or even to go directly to websites like UKBF to provide advice for those who need it.



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### What your firm can do

Business owners' apparent reluctance to take up professional advice, despite the increasing need for it, suggests there's a gap between the perceived value of advisory services, and the actual value they could offer to businesses.

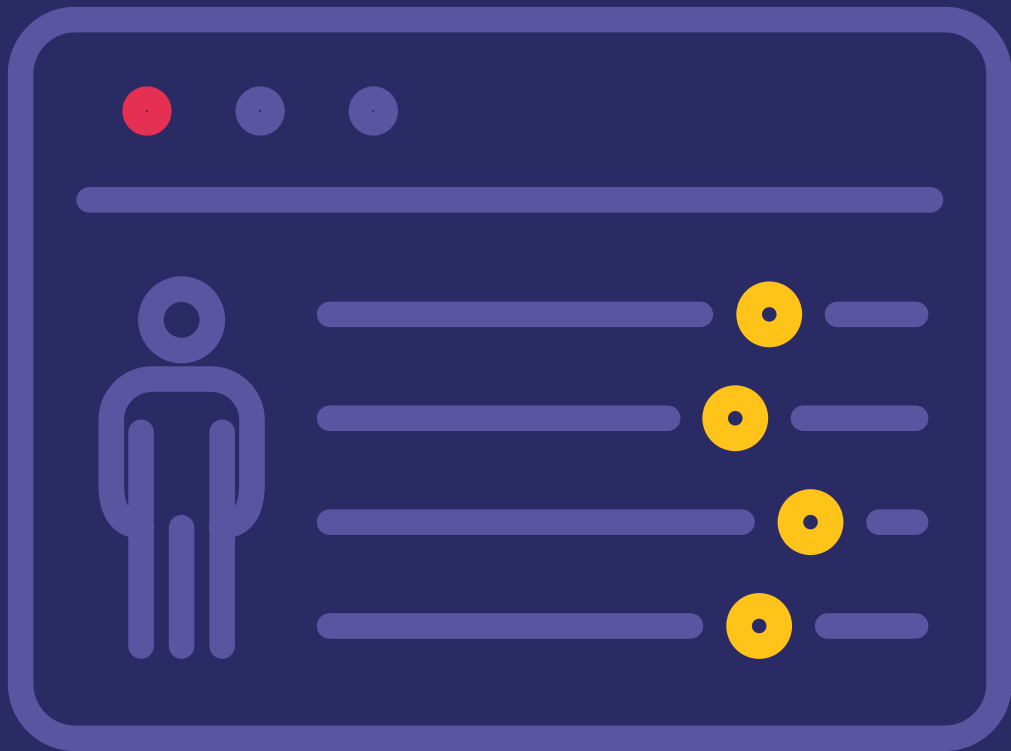
That's a difficult problem to tackle, especially where some business owners are simply unaware of the legal and tax obligations they have. But if accounting firms can position themselves as a trusted source of advice and support, and connect with their target clients, they should be able to bridge that gap.

Meanwhile, the demand for niche advice can be met by publishing relevant and specific content that answers business owners' questions in a way that relates to their sectors.

At PracticeWeb, we've also seen evidence that this kind of specialised content performs well from an SEO perspective, attracting users who are already engaged with the topic, and more likely to be interested in accountancy services related to it.

## CHAPTER TWO

# User demographics





## Who is using UKBF?

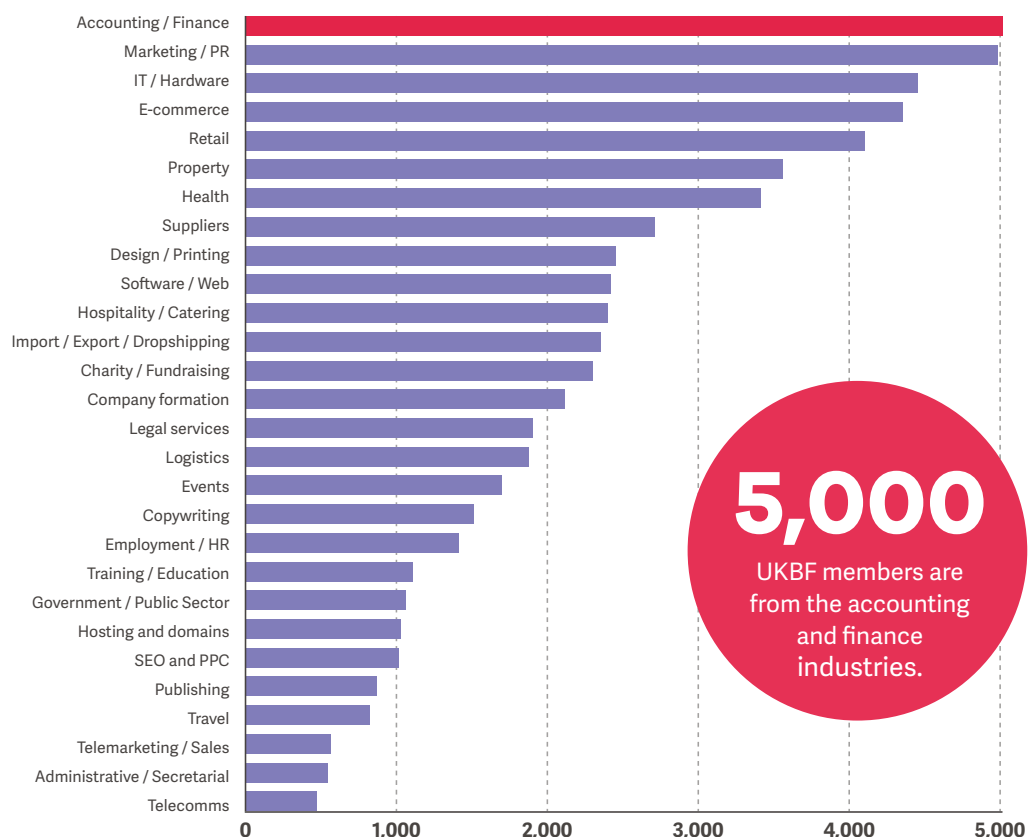
**There are more than 260,000 registered users on UKBF, in a wide range of sectors. Among the most common are accounting and finance, marketing and PR, IT and hardware, e-commerce, and retail.**

In general, UKBF users tend to be small, one-man-band style businesses with a low turnover. Many have not started their business yet, but come to the forums to ask questions about it first.

Some of these statistics may be more reflective of users who have used the website to ask initial questions about their business than of long-term active members.

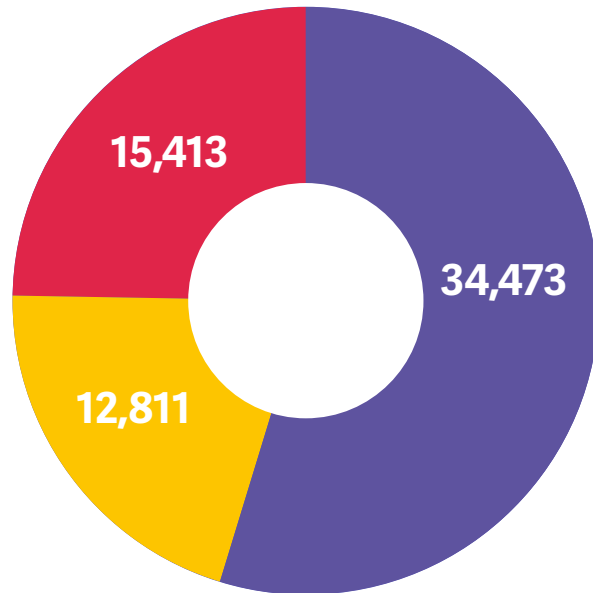
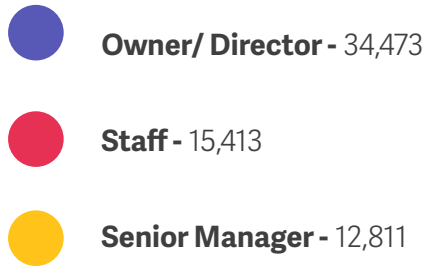
However, they are largely in line with [Government statistics on the SME population in 2019](#), which found that 96% of businesses in the UK employ 0-9 people, and that these businesses account for 22% of total turnover.

### MEMBERSHIP BY SECTOR





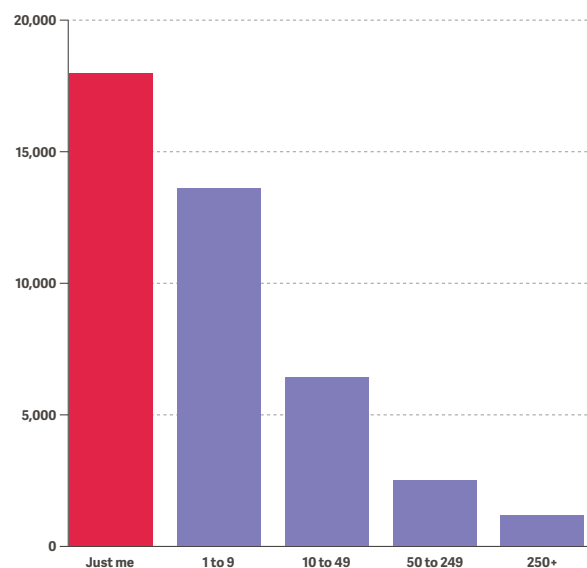
## UKBF membership by job role



## Size of workforce

The majority of UKBF users tend to operate alone as the owner and director of their business, and those who employ staff generally have less than ten employees.

This often means the business owner is managing every aspect of the business themselves, or has the assistance of a friend or relative to help with admin and accounts.

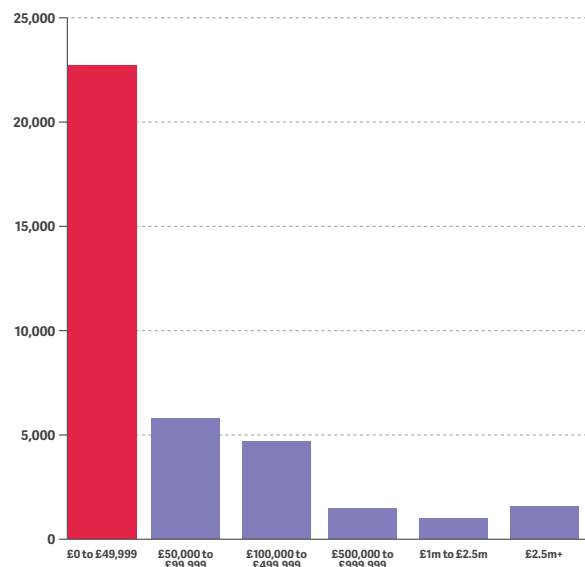




### Turnover

Most users (61%) have a turnover of less than £50,000 a year, while only 16% have a turnover between £50,000 and £99,999 and 12% between £100,000 and £499,999.

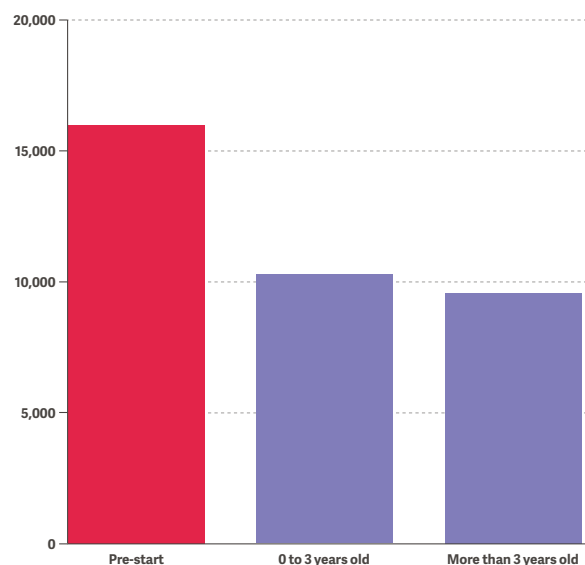
Again, this reflects the start-up nature of most businesses when they join the forums, but it could also be influenced by owners of small-scale businesses, set up to supplement income rather than as a main source of it.



### Business age

Most members describe themselves as 'pre-start', with many having joined the forums to scope out their business idea and gather initial feedback.

The number of established businesses on the website is not insignificant, however. Almost 60% of users are running existing businesses, of which 27% have been established for at least three years.



CHAPTER THREE

# Accounting and finance discussions





# Using these trends to engage your audience

**The Accounts & Finance forum is the second most popular forum on UKBF, with more than 300,000 page views – 21% of total views across the website – in Q4 2019. It includes discussions on business finances, banking, bookkeeping, VAT and other taxes.**

Its popularity alone shows that accounting and finance issues are at the forefront of SME owners' minds, and there are plenty of questions being asked that an accountant could help with.

The threads on this forum tend to centre on technical and specific queries, with users encountering various new problems when they fill out their tax return, or when they start expanding into new markets or types of business.

These key topics could be helpful to think about if you're putting together a content strategy for your firm, or if you just want to get a better picture of how your clients and prospects might be dealing with their accounting obligations and responding to recent or upcoming changes.

## Trends

VAT	16
MTD and accounting software	17
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Company tax	19



## VAT

VAT is consistently one of the most commonly discussed topics on the Accounts & Finance forum. Out of the 2,500 top-viewed threads in the Accounts & Finance forum between October and December 2019, VAT was mentioned in thread titles 259 times – more than any other single word.

Threads on this topic range from questions about how VAT applies to specific products, the operation of different schemes, and the implications of international trading, to more basic questions on how and when to register for VAT.

There's some confusion around this topic, especially where users are managing their own books and dealing with VAT for the first time. This can cause a lot of distress for those who have made mistakes.

One user who had [failed to register for VAT on time](#) said they were "nearly hysterical, having been up all night completely stressed" over what to do about it.

Another said they were "sick with worry" after [realising they had filed incorrect returns](#).

*"I have always been so careful with making sure I was doing things properly and was ignorant of my mistake, and now I feel like this will break me emotionally."*

### PracticeWeb's top tip

Accountants have the opportunity to position themselves as a reassuring presence, and a solution to the stress of VAT.

Case studies are a great way to do this, demonstrating to business owners that you've helped others just like them, and showing why they should use a professional to file their tax returns.

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### Example threads:

- [How does VAT work?](#)
- [Should I register for VAT?](#)
- [Confusion with COG and VAT flat rate scheme](#)
- [Not registered for VAT - over £85K - VAT people onto it](#)





## MTD and accounting software

Following the introduction of Making Tax Digital (MTD) for VAT in 2019, a few queries about the new scheme have appeared on the forums.

Some users reported [initial technical problems](#) with MTD, while others [weren't sure if they were required to register for it](#).

Interest in this topic was also reflected by views on MTD-related content. An article [recapping the first six months of the scheme's implementation](#) had the most views of all articles published between October and December, and the weekly newsletter sent out with this as a feature had the highest click-to-open rate of newsletters sent during the quarter, at just over 15%.

One user wanted to know [how they would be able to work collaboratively with their accountant using software](#):

*"As this is my first business I'd like to have advice, guidance and extra pair of eyes on my accounts, but I'd also like to have control and be in the know."*

*"Could the both of us use accounting software and see the same stuff, or with an accountant would I just send them everything and have them do it themselves?"*

### PracticeWeb's top tip

Software companies have cornered the market on software advice. To gain a share of the traffic to your website, create sector-specific advice. For example, if you work with agriculture businesses, try creating a page on 'accounting software for farmers'.

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### Example threads:

- [Best cheap accounting software for small company](#)
- [Anyone use Xero accounting software?](#)
- [Client accounts and accounting software](#)

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**Research and insight from the ACCA:** The profound effect of the application of accounting technology to SME sector provides significant opportunities for accountants to remodel their practices and to offer increased, relevant, services. ACCA's report [The Passionate Practitioner: Developing the digitalised small and medium practice](#) showcases the nature of that opportunity, sets out the components of the business case and a potential implementation path.

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## Allowable expenses

Claiming business expenses is another common topic on the forums. It comes up frequently in forum threads, with users asking about which expenses they can and can't claim, and how the expenses rules apply in different situations.

It also seems to be popular when looking at the content published on UKBF, as an article on [allowable expenses](#) was the second most viewed in the quarter.

This interest in expenses shows how important it is to small business owners that they don't miss out on any claims when they file their return, and that they don't make a mistake by claiming too much either.

The apparent confusion around the topic is also backed up by [recent research](#), which found that more than a third of people don't know which expenses they could claim.

### PracticeWeb's top tip

Show your expertise by creating downloadable guides on allowable expenses in sectors you work with. For example, 'The complete guide to allowable expenses for landlords', or 'All you need to know about expenses for the construction industry'.



Users on UKBF asked about whether they could claim a number of expenses, including a [first-class flight](#), [roofing on a property](#), [a meeting in a cafe](#), [mobile phone contracts](#), [solar panels](#), [glasses](#), and [equipment for a business that doesn't exist yet](#).



## Company tax

Users also ask about various rules involved in running a company, including when they need to pay corporation tax, how to fill out corporation tax returns, how to open or close a company, and how to extract any profits as income.

Some users wanted to know [what their accountant should be doing for them as a start-up company](#), or if they [needed an accountant](#).

One user felt that in these situations, there was often a lack of clear communication between accountant and client:

*"What – in my view – the accountant should do is to discuss the range of services, from simply preparing final figures, to software, to full virtual FD. Unfortunately, most are pretty bad at this."*

*"Nearly all of the 'let down by accountant' threads on here revolve around assumptions made by either or both parties."*

Several queries were posted about corporation tax. As with VAT, some of these were about [mistakes that had caused problems with HMRC](#), and some were about how to fill out a return correctly.

### PracticeWeb's top tip

Creating how-to guides is a great way to show your expertise – and you don't have to stick to written content alone. Producing them in video form makes them easy to digest, and gets your personality across at the same time.

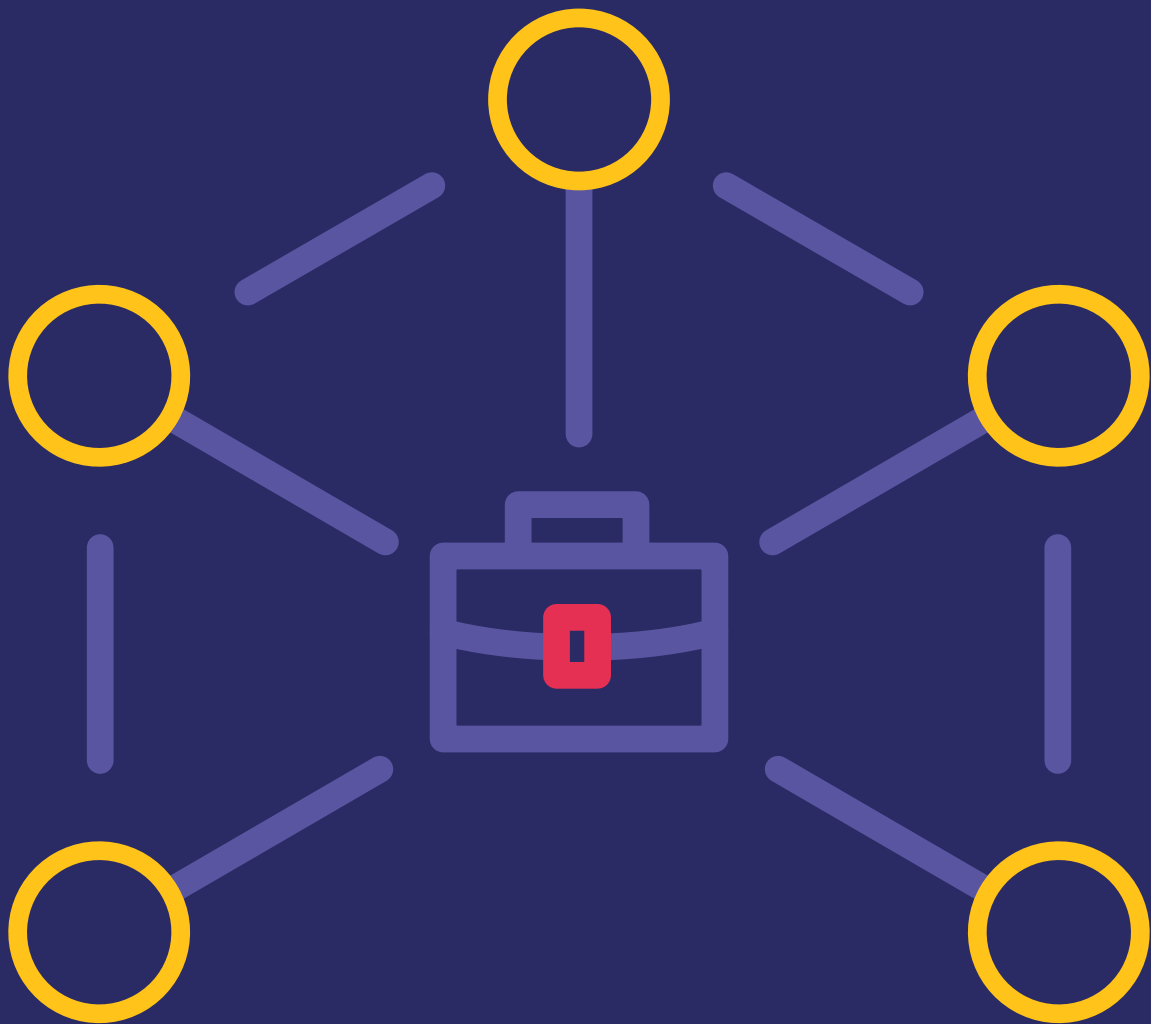
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#### Example threads:

- [When does corporation tax become a liability?](#)
  - [Corporation tax and self-assessment](#)
  - [Corporation tax for a limited company charity](#)
-

CHAPTER FOUR

# General business themes





# What people are engaging with

Outside of the Accounts & Finance forum, UKBF has several forums on other aspects of running a business, including international trading, HR, legal issues, sales and marketing.

## BREXIT

[Brexit Negotiations](#) is one of the longest-running and most viewed threads on the website, with more than 9,000 replies and 180,000 views. Much of the discussion surrounds political opinions outside of Brexit alone.

Another thread, started in December, asked users [how the UK's exit from the EU would affect their business](#): responses ranged from saying it wouldn't "*make the slightest difference*" to concern over the knock-on effects of exchange rates and the pressure of additional customs paperwork.

## MANAGING STAFF

Employment issues came up frequently throughout the last three months of the year, with popular threads on [dealing with negativity](#) or a [lack of focus](#) among staff. Some responses were sympathetic to the employer, while others suggested the problem lay with management instead.

Another thread asked whether it was normal [for a company to pay for employees' tea and coffee](#) while working away from the office.

[Problems with sick pay](#), and [concerns over the system being abused](#), also came up. In many cases, employers were stressed and frustrated with difficult HR situations, but they also wanted to make sure they were complying with employment law.



### STARTUP IDEAS

Users often come to the forum asking for opinions on the viability of a potential new business venture, and looking for answers to practical questions about running it.

Some users mentioned they were looking to start a business because they wanted to leave their current employment, often because of stress or dissatisfaction with the work.

Occasionally, this can mean they run the risk of underestimating the amount of work involved in setting up a business – for example, one user said they wanted to start a cafe because they saw it as a *"nice and cosy way of retiring"*.



Between October and December, new threads were started on opening a [train station coffee shop](#), a [dried fruit business](#), a [cosmetics business](#), a [property management company](#), a [pet ambulance service](#), and more.





### INSOLVENCY

Unfortunately, there are a lot of threads about company failure on the forum, and about covering liabilities and going through the process of winding up.

One user [wanted to close their company](#) because of stress, but said they felt "trapped" by their company's difficult financial position.

*"The stresses of running a company have just got a bit too much for me with the economy the way it is ... I have felt trapped into trying to keep a company running when I really don't feel fit to do so."*

### INVESTMENT

Another common question is about investment. Users ask how they should use a lump sum of money they have inherited, been given, or saved up, often with the aim of simply growing it above the rate of inflation.

- [How to invest my money?](#)
- [What to do with £200k in the bank?](#)
- [£250k to invest](#)

Some are interested in using their money to buy a business, and are looking for an opinion on a business's profitability:

- [Buying highly profitable business](#)
- [Buying a freehold pub](#)
- [If I buy a business, should I get that money back?](#)

## CHAPTER FIVE

# Top threads, articles and newsletters







# Statistics from Q4 2019 of UKBF

**As with other online forums, UKBF is made up of 'threads' – groups of posts beginning with an initial post by a user, and including other users' replies. These were the top threads posted between October and December, across all business-related subforums.**

## Top ten threads by replies

To post a reply, users have to be registered on the forums – so this list may reflect what active forum users are interested in, rather than visitors who don't use the site regularly.

Title	Replies
<a href="#">Mis-fuelling trust vehicle</a>	194
<a href="#">Luxury supercar idea</a>	95
<a href="#">Starting a small coffee shop at train stations</a>	94
<a href="#">Cancelling a business contract before work starts</a>	79
<a href="#">Out of court settlement - deception</a>	78
<a href="#">Starting a cupcake shop</a>	72
<a href="#">To link or not to link?</a>	71
<a href="#">Cashflow problem, help needed</a>	64
<a href="#">How did you get into the business you are in?</a>	63
<a href="#">Financing a subway store</a>	63



## Top ten threads by views

The following threads had the highest number of page views during the quarter. This could include people who aren't registered on the forum but found the website through organic search.

Title	Views
<a href="#">Mis-fuelling trust vehicle</a>	4088
<a href="#">Starting a small coffee shop at train stations</a>	3764
<a href="#">How did you get into the business you are in?</a>	3761
<a href="#">Free tea &amp; coffee for staff or not?</a>	3453
<a href="#">Export to the Mainland, how many NI businesses are now in trouble?</a>	3225
<a href="#">Harbour Club: any views or opinions</a>	3193
<a href="#">Luxury supercar idea</a>	2834
<a href="#">Thinking of giving it all up to become a professional gambler</a>	2716
<a href="#">How do I get sales? (beginner)</a>	2628
<a href="#">Starting a cupcake shop</a>	2534

### In summary

The top threads for the quarter cover a wide range of topics, with questions on new business ideas, legal and contractual issues, SEO, cash flow and more. Some – particularly those with several replies – have had high levels of engagement because they've proven controversial among forum users, although disagreements ranged from the trading implications of Brexit to the right way to make a cup of coffee.



## Most common words in thread titles

We looked at the most-viewed 2,500 threads on the Accounts & Finance forum and found the most frequently used words in thread titles. These were the top 20.

Word	Count
vat	259
sage	47
sole	43
self	40
tax	32
hmrc	29
accounting	29
claiming	27
help	25
business	20
buying	20
paying	17
charging	17
accountant	16
company	16
ltd	15
directors	15
corporation	15
invoicing	14

### PracticeWeb's top tip

Use these keywords as a starting point for thinking about topics you might want to create content around, but be sure to do your own SEO keyword research too, based on your sector specialisms.

See our blog post on [keyword research for accountants](#) for more information.



## Most viewed articles on UKBF

New business articles are published every week on the forums. These were the top ten during the quarter.

Title	Views
<a href="#">Making Tax Digital: six months in</a>	844
<a href="#">Dog and pony show: allowable expenses</a>	712
<a href="#">Upsell to excel: starting a second-hand business</a>	667
<a href="#">Trick or treat – how British businesses can cash in on Halloween</a>	617
<a href="#">Food allergies: how to make sure your restaurant is safe</a>	422
<a href="#">2019: The year the Budget went missing</a>	398
<a href="#">The power of social media for food businesses</a>	398
<a href="#">Tax investigations: snitches and supercomputers</a>	365
<a href="#">How to Start Up: Home-based food businesses</a>	351
<a href="#">Directors and shareholders: differences, duties and powers</a>	346

### PracticeWeb's top tip

More than half a year after the introduction of Making Tax Digital, business owners were still interested in reading more about it. Be sure to keep your own content on MTD and other key events up to date, by regularly reviewing it.



## Newsletter subject lines

An email newsletter containing articles and threads from the forums goes out to subscribers every Friday. These were the most popular newsletters by subject line during the quarter.

Subject line	Open rate
Embracing flexible working	13.97%
2019: The year the Budget went missing	12.98%
2019: A year of UK Business Forums	12.61%
Starting a second-hand business	11.76%
Making Tax Digital: six months in	10.79%

**Open rate:** the percentage of subscribers who opened an email campaign.

Subject line	Click-to-open rate
Making Tax Digital: six months in	15.35%
Dog and pony show: allowable expenses	13.52%
Starting a second-hand business	10.9%
Directors and shareholders: differences, duties and powers	9.01%
Trick or treat - how British businesses can cash in on Halloween	8.56%

**Click-to-open rate:** the percentage of subscribers who both opened the email and clicked on a link inside it.

### PracticeWeb's top tip

Campaigns with the highest open rate aren't always the ones with the highest click-to-open rate. When measuring your own newsletter engagement levels, identify which metrics are most important to you, and what you want users to do when they receive your email.

**Talk to us about  
how we can turn  
these small business  
insights into valuable  
marketing activity for  
your firm.**

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