

# Count on me! Accounting consultancy for small businesses

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## Abstract

**Purpose** – To characterize the consulting services provided by accountants to owner-managers of small businesses (OMSBs) in Brazil, addressing a significant gap in existing research.

**Design/methodology/approach** – A qualitative approach was employed, conducting 23 semi-structured interviews with OMSBs and specialists, analyzed using grounded theory techniques from an interpretivist perspective.

**Findings** – The study identifies three categories of accounting consultancy: tools, advisory and training. Accountant-consultants act as integrators, bridging diverse knowledge domains for less professionally managed businesses and connecting various resources or advisory professionals for more structured ones. Preparation in multiple areas, especially management, is considered crucial, alongside fostering trust and using clear, simple language. Collective consultancy and specialization in specific segments are suggested as mechanisms to ensure the economic viability of providing these services.

**Research limitations/implications** – The study provides insights into the nature of accounting consultancy for small businesses in Brazil but may not capture the full spectrum of practices across different regions or industries. Future research could explore these variations for a more comprehensive understanding.

**Originality/value** – This study addresses a significant gap in the literature by providing a detailed understanding of the consulting services offered by accountants to small businesses in Brazil, offering practical insights for both professionals and policymakers aiming to support this vital sector of the economy.

**Keywords** Accounting consultancy, Small businesses, Micro and small business accounting, Grounded theory  
**Paper type** Research paper

## 1. Introduction

Small Businesses (SBs), which are predominant in many economies worldwide, account for approximately 90% of global businesses, are responsible for over 50% of formal employment, and play a critical role in developing countries, contributing up to 40% of GDP and generating about 70% of jobs, including informal ones ([The World Bank, 2023](#)). In Brazil, they comprise

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99.6% of companies, generate 52.8% of formal employment (IBGE, 2023), and contribute 27% to GDP (SEBRAE, 2021).

SBs face specific challenges, including a lack of managerial skills among their owners (Blackburn & Jarvis, 2010; Mesquita, 2016; Oosthuizen, 2023; Raifur, 2013; SEBRAE, 2013); limited technological and financial resources; difficulties accessing capital (Mesquita, 2016; Raifur, 2013; The World Bank, 2023); a bureaucratic business environment; and significant mortality rates (Mesquita, 2016; SEBRAE, 2016; The World Bank, 2023). Addressing these difficulties can be supported by accounting professionals (De Bruyckere, Frederik, Everaert, Sarens, & Coppens, 2017; Oliveira, dos, Miranda, & Takamatsu, 2021; Oosthuizen, 2023; Weigel & Hiebl, 2022).

In Brazil, a large portion of small business owners engage accountants' services due to legal requirements. Consequently, a significant share of the 528,000 certified accounting professionals and 91,570 accounting organizations (CFC, 2024) works with this audience. The accountant-SB relationship is primarily built on compliance services, such as corporate bookkeeping and meeting bureaucratic and tax obligations. From a professional standpoint, expanding the service portfolio to include consultancy can increase income for accounting professionals and firms while providing a strategic way to address the automation of traditional services enabled by emerging technologies (Abdi & Bayu, 2021; Blackburn & Jarvis, 2010; De Bruyckere *et al.*, 2017; Jemine, Puyou, & Bouvet, 2024; Ma, Fisher, & Nesbit, 2021).

For Owner-Managers of Small Businesses (OMSBs), consultancy services can enhance business resilience by addressing typical challenges, promoting the internalization of missing knowledge (Dyer & Ross, 2007), and positively impacting business sustainability (Berry, Sweeting, & Goto, 2006; Kirby & King, 1997; Oliveira *et al.*, 2021; Robson & Bennett, 2000; Tisott, Lossavaro, Foltran, Ribeiro, & Albuquerque, 2022). As highlighted earlier, SBs are critical for job creation and income generation. Accountants are uniquely positioned to serve as potential consultants (Bennett & Robson, 1999; Berry *et al.*, 2006; Gooderham, Tobiassen, Døving, & Nordhaug, 2004; Jay & Schaper, 2003; SEBRAE & Populi, 2007) due to their close relationships with their clients' businesses. They can act as mentors in general management, planning, and control issues, including cost management (Berry *et al.*, 2006; Collis & Jarvis, 2002), potentially providing a competitive advantage to the enterprise (Weigel & Hiebl, 2022).

However, for accountants to be hired as consultants, trust and the longevity of the client-accountant relationship established through compliance services are crucial (Bennett & Robson, 1999; Marriott & Marriott, 2000), as is the quality of previous services provided (Caliari, Scherer, & AméliaMendonçaFlores, 2019; Gooderham *et al.*, 2004; Oosthuizen, 2023).

A broad range of research explores general aspects of consultancy services for SBs (Bennett & Robson, 1999, 2005; Berry *et al.*, 2006; Caliari *et al.*, 2019; Dyer & Ross, 2007; Jarvis & Rigby, 2012; Jay & Schaper, 2003; Mole, 2021; Robson & Bennett, 2000) and those offered by external accountants (Blackburn, Carey, & Tanewski, 2010, 2018; Blackburn & Jarvis, 2010; Carey, 2015; Carey & Tanewski, 2016; Gooderham *et al.*, 2004; Marriott & Marriott, 2000; Oliveira *et al.*, 2021; Oosthuizen, 2023; Tisott *et al.*, 2022). However, these studies often do not specify how such consultancy is provided or how it differs from consultancy offered by other professionals. To address this gap, this research aimed to answer: What are the characteristics of accounting consultancy provided by accounting professionals to OMSBs to help them address the specific challenges faced by SBs?

This study is justified by the fact that SBs are the main clientele for compliance services provided by accountants and accounting firms. However, these services are losing relevance due to technological advancements automating such routines. Moreover, consultancy offered by accountant-consultants has the potential to enhance the competitive advantage and sustainability of SBs, which are key players in job and income generation. Additionally, as Oosthuizen (2023) highlights, most research on this subject focuses on the UK, Australia, and Nordic countries, with limited information about other regions. This study, like that of Oosthuizen, contributes to broadening perspectives.

To address the research question, interviews were conducted with accounting professionals and SB specialists. These interviews were analyzed following Grounded Theory guidelines, using an interpretivist approach. The findings indicate that accounting consultancy can be divided into three categories: tools, advisory, and training. Accountant-consultants act as integrators of diverse knowledge and resources or consulting professionals. For this, preparation in multiple areas, particularly management, is essential. Trust, as highlighted in previous research, remains crucial. Additionally, the use of simple, clear language, avoiding accounting jargon, is important. Suggested mechanisms for the economic feasibility of these services include collective consultancy and market segmentation. We emphasize that the intent is not to replace current compliance services but to complement them, potentially providing a competitive edge in light of the growing automation of these services.

The following sections present the theoretical framework, compiling previous studies on the topic, the methodology outlining the evidence-building and analysis strategies, and, finally, the conclusions.

## 2. Theoretical framework

### 2.1 *The particularities of small businesses*

Small Businesses (SBs) operate in markets that are often hostile to them, competing with large corporations in an unequal relationship (Mesquita, 2016), facing high mortality rates (SEBRAE, 2023). Moreover, their management often lacks administrative skills (Blackburn & Jarvis, 2010; Mesquita, 2016; Oosthuizen, 2023; Raifur, 2013; SEBRAE, 2023). They also face scarce resources, difficulties accessing credit—especially working capital (Mesquita, 2016; Raifur, 2013; The World Bank, 2023)—and a bureaucratic market environment (Mesquita, 2016; SEBRAE, 2016; The World Bank, 2021), as well as a complex tax system (Mesquita, 2016). Owner-Managers of Small Businesses (OMSBs) often centralize the management of the business, dividing their time between operational and administrative tasks. Furthermore, the lack of clear separation between personal and business finances is a common practice among SBs (Casa Nova, 1997), as well as underreporting income to reduce taxes and partial or complete informality in hiring employees (Tan, Braithwaite, & Reinhart, 2016).

The relationship with external accounting professionals or accounting firms is strongly based on support services for tax matters (i.e. tax calculation and compliance with accessory obligations), human resources (hiring, vacation, termination, payroll, and calculation of labor charges), and paralegal services (company formation, changes, and dissolution) (De Bruyckere *et al.*, 2017; Weigel & Hiebl, 2022), which are referred to as compliance or statutory services. However, OMSBs often struggle to understand accounting information due to the overly technical language used by accountants, difficulties in contact, and limited management knowledge (Vaz & Espejo, 2015).

Accounting consultancy, as a complement to compliance services, has the potential to contribute to the sustainability of SBs by promoting the internalization of missing knowledge (Bennett & Robson, 2005; Carey & Tanewski, 2016; Gooderham *et al.*, 2004; Marriott & Marriott, 2000; Robson & Bennett, 2000) and improving management practices, strategic planning, and financial performance (Berry *et al.*, 2006; De Bruyckere *et al.*, 2017; Kirby & King, 1997; Oliveira *et al.*, 2021; Robson & Bennett, 2000; Tisott *et al.*, 2022), potentially turning into a competitive advantage for the business (Weigel & Hiebl, 2022).

### 2.2 *Consultancy for small businesses and its relationship with external accounting professionals*

Both consultants and clients assume that the value of consultancy lies in the consultant's domain expertise (Dyer & Ross, 2007). Knowledge or resource deficiencies within SBs lead owners to seek business advice (Bennett & Robson, 2005; Carey & Tanewski, 2016; Gooderham *et al.*, 2004; Marriott & Marriott, 2000; Robson & Bennett, 2000). For the consultant's knowledge to

be effectively transferred to the client, it is essential that the consultant adapts to the client's context, using formats and approaches suitable for SBs (Dalley & Hamilton, 2000).

However, this adaptation may not be straightforward for professionals with prior experience in large consultancies (Dalley & Hamilton, 2000; Dyer & Ross, 2007). It is the task of the business advisor to adapt to the context, learning style, and communication preferences of OMSBs (Dalley & Hamilton, 2000). Mutual understanding between the owner-manager and the advisor, where the former feels understood by the latter and the latter shows interest in the client's business, increases the likelihood that the owner-manager will hire consultancy services and follow the advice received (De Bruyckere, Verplancke, Everaert, Sarens, & Coppens, 2020).

Professionals with higher levels of specialization and professional regulation are most sought after by OMSBs for business advice (Bennett & Robson, 1999; Blackburn, Carey, & Tanewski, 2018; Gooderham *et al.*, 2004; Marriott & Marriott, 2000; Tan *et al.*, 2016), with accountants standing out as the most sought-after professionals. Accountants are ideally positioned to meet the consultancy needs of the small business sector (Bennett & Robson, 1999; Berry *et al.*, 2006; Gooderham *et al.*, 2004; Jay & Schaper, 2003; SEBRAE & Populi, 2007), emerging as the primary advisory resource for microenterprises (Jay & Schaper, 2003). In Brazil, accountants even stand out compared to the Brazilian Service for Support to Micro and Small Enterprises (SEBRAE) (SEBRAE & Populi, 2007).

SBs are the primary clientele for external accountants and their firms, and this relationship has historically been associated with traditional accounting services, referred to in the literature as compliance services, such as corporate/statutory bookkeeping, tax filings, and other routines to ensure regulatory and tax compliance (Carey & Tanewski, 2016). In addition to these tasks, Weigel and Hiebl (2022) highlight two other roles for accountants in these businesses: providing self-validation for owners and serving as intermediaries between capital providers, and offering consultancy. According to the International Federation of Accountants (IFAC), OMSBs would seek advice from accountants for three reasons: technical competence, trust, and proximity and responsiveness (Blackburn & Jarvis, 2010).

Trust in accountants as consultants is a key factor in hiring and the success of the consultancy (Bennett & Robson, 1999; Gooderham *et al.*, 2004; Oosthuizen, 2023). Trust is built through the longevity of the relationship in compliance services, which serves as an entry point for hiring consultancy services (Marriott & Marriott, 2000; Oosthuizen, 2023), and is reinforced by the quality of the services provided (Gooderham *et al.*, 2004) and the perception of the accountant's technical competence (Oosthuizen, 2023). However, a long-standing relationship in compliance services, while building trust, does not guarantee the hiring of consultancy services (Blackburn *et al.*, 2018).

Additionally, consultancy has been identified as an opportunity to expand the portfolio of compliance services (Blackburn & Jarvis, 2010; De Bruyckere *et al.*, 2017; Gooderham *et al.*, 2004), especially in the context of technological advances that have automated simple accounting tasks (Abdi & Bayu, 2021; Blackburn & Jarvis, 2010; De Bruyckere *et al.*, 2020; Jemine *et al.*, 2024; Ma *et al.*, 2021). Consultancy can also contribute to improved performance and financial health for small businesses (Berry *et al.*, 2006; Carey, 2015; Carey & Tanewski, 2016; De Bruyckere *et al.*, 2020; Weigel & Hiebl, 2022).

### 3. Methodology

From an interpretivist perspective, this research focuses on understanding the meanings attributed to the reality perceived by the studied agents and their patterns (Gephart, 1999), assuming that such meanings and their interpretation are socially constructed through human interactions (Hesse-Biber & Leavy, 2010). The methodology is qualitative, with evidence collected and analyzed following the guidelines of Grounded Theory proposed by Charmaz (2009), in order to identify propositions missing in the literature through the field itself.

Under this approach, twenty-four written documents were analyzed, including twenty-three transcriptions of semi-structured interviews and one memoir account of a statement

given by a professor, a specialist in SBs, about a consulting situation involving an accountant. Theoretical saturation (Charmaz, 2009) was achieved by interviewing eight OMSBs and sixteen specialists, initially selected based on accessibility and intentionally chosen for their curricula and experiences, and subsequently using the snowball sampling technique. The group of OMSBs consisted of five women and three men, active in the state of São Paulo, all owners of small service-providing businesses. Each participant had different levels of business experience, stages of business development, and motivations for entrepreneurship. They all had formal education, with each holding at least a university degree. They started businesses for various reasons, generally in fields unrelated to their academic training. Some could be characterized as serial entrepreneurs. This is a group with significant entrepreneurial experience, some having encountered failures and dropouts along the way. They are identified as OMSB 1, OMSB 2, ..., OMSB 8 to ensure anonymity and confidentiality.

The 16 specialists interviewed (Specialist 1 to Specialist 16) come from diverse fields, many with postgraduate degrees and specializations, some working as professors in higher education. All have many years of professional experience with small businesses: some are accountants with accounting firms; others specialize in consultancy; and some work in organizations that support small businesses and set regulations. They operate in various Brazilian states, regionally distributed as follows: South (3), Midwest (2), North (1), Northeast (1), and Southeast (17), with a concentration in the State of São Paulo. The specialists who own or have owned a small business shared their experiences as entrepreneurs as well. As these specialists accumulate experience working with various small businesses, the evidence collected expands the scope of the realities studied, indirectly broadening the experiences of OMSBs represented in the research.

The interview guide, detailed in Appendix 1, was designed to capture the experiences of research participants regarding small business management, challenges faced, and the role of potential consultants. New questions were added to the guide based on the shared experiences. The process of analyzing the collected (interview transcriptions) and produced (memoir) evidence followed four stages (Charmaz, 2009), detailed in Figure 1. In the initial coding phase, 1,378 nodes were generated, each associated with the speech of a single interviewee. From the second phase, focused coding, 716 nodes remained, grouped into 59 subcategories allocated into seven categories: Consultancy (190 nodes), Small Business Context (122), OMSB (151), Taxes and Bureaucracy (30), Communication (20), Accounting Firm (176), and Accounting Education (27).

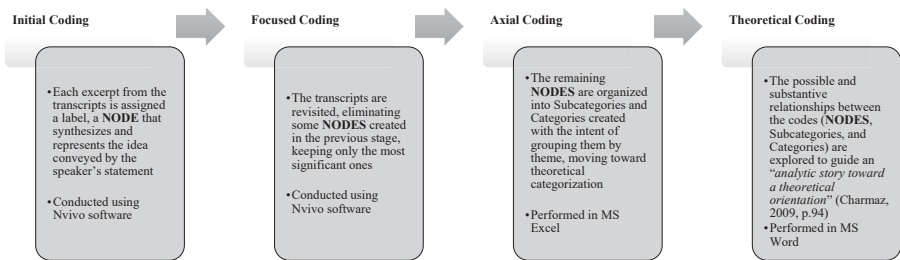


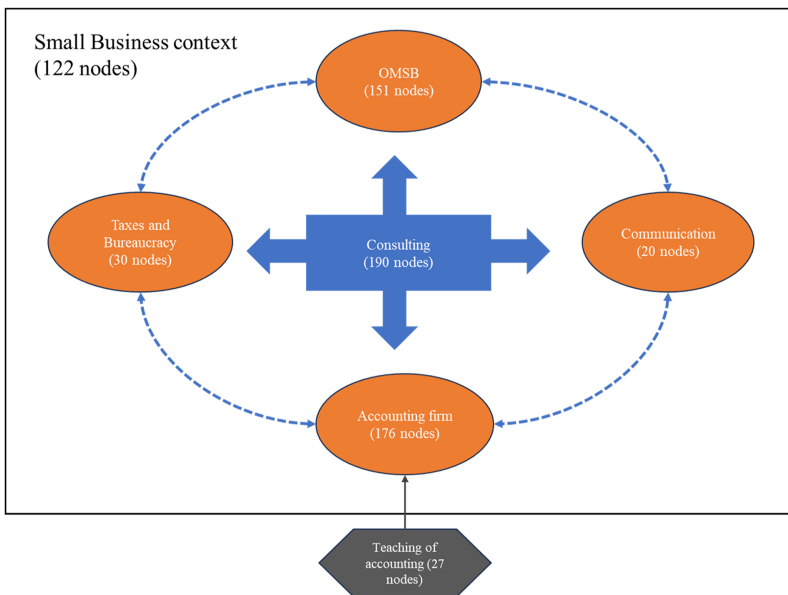
Figure 1. Representation of the data coding process proposed by Charmaz (2009)

#### 4. Analysis and discussion of evidence

The analysis process in Grounded Theory involves the separation, classification, and synthesis of data (coding process) from the beginning of data collection, in an interactive and iterative dynamic with the field until theoretical saturation is reached. As the analysis progresses, theoretical categories cluster and are systematized, becoming a conceptual tool for

From this process, theoretical categories emerged, as synthesized in Figure 2. The evidence found in the field indicates that accounting advice for small businesses must be considered based on the specifics of these companies, involving their particular context, which includes a typical tax and bureaucratic reality; the influence of the characteristics of small business owners (OMSBs); their communication with accountants; and their relationship with accounting firms. An initial diagnosis should be made to capture the difficulties and potential of the business in order to propose solutions or suggest suitable paths. At this stage, all the implications and risks involved in each suggestion should be clearly outlined so that the OMSB's decision is informed and conscious, using clear and objective language, considering that the OMSB is often involved in operational activities in addition to managing the business, making time a scarce resource.

The proposition resulting from the analysis of field evidence suggests the role of the accountant-consultant for small businesses characterized by activities in three areas: (1) offering and structuring management tools (planning, implementation, and control) appropriate to the company's life cycle; (2) providing advice tailored to the phase of the business to avoid offering, as one of the experts interviewed said, "a *feijoada* [a Brazilian black bean stew with pork, beef, and rice] for a newborn"; and (2) training, which aims to empower the OMSB to understand the "accounting language" and use it effectively for business management.



Source(s): Research data

Figure 2. Diagram of the relationship between the categories

#### 4.1 Management tools: "Getting out of the makeshift approach"

Business Plan and Budgeting tools for long-term planning were the most frequent topics among both the OMSBs who shared their difficulties with these subjects and the Experts who highlighted the importance of the topic in small business management. Among the OMSBs,

the preparation and maintenance of a business plan is not common. OMSB 3 mentioned having created a business plan only from the second year of operation. In the first year, he focused on the “*minimum level of business necessary to pay the bills.*” OMSB 4 creates her business plan as part of an evaluation in her postgraduate course. However, by the time of the interview, she had not yet worked on the financial part. She stated, “*I have it in my head, I just haven’t written it down because I haven’t reached that part yet*” (OMSB 4). OMSB 2 did not engage in any form of planning when starting her business. She even believes that if she had planned, she might not have started the business: “*It was poorly planned, I think. If I had really planned, administratively, maybe I wouldn’t have opened this agency*” (OMSB 2). For Expert 8, a OMSB with a solid business plan should find it easier to raise capital in the market. Expert 5 points out that even OMSBs with well-developed plans tend to focus their attention on the technological or commercial side of the business. Experts 11 and 13 note that many OMSBs are unfamiliar with managerial accounting, indicating the need for guidance in using it. Expert 13 shared that when he was an entrepreneur, he discovered cost accounting in a postgraduate course, and once he understood it, he realized how important its tools were for management. This lack of knowledge in managerial accounting was also highlighted by Expert 11. Expert 13 mentions the implementation of innovation as a necessity for OMSBs. Furthermore, OMSB 2 indicated that although she is aware of the importance of management and administrative controls, she often needs someone to help her move away from what she calls “the makeshift approach.”

#### *4.2 Management, strategy, and market advice: “Only Points Out the Cons” or suggests paths?*

The advice and guidance discussed by participants covered issues related to management, strategy, and market. Regarding management, situations were highlighted where small business owners (OMSBs) expect supportive professionals to suggest solutions to the problems they present. Specialist 1 emphasized the importance of proposing solutions and showing ways forward, as described by OMSB 2: “*Look, I expect the accountant to present some solutions, to say: ‘Why don’t you try it this way?’*” Otherwise, professionals may be perceived as merely pointing out problems, as expressed by OMSB 8, who described them as “*only pointing out the cons*” or as professionals who “*make things harder rather than easier*” (OMSB 4) or “*someone who always puts up obstacles*” (OMSB 6).

In terms of strategy, establishing partnerships was mentioned. Specialist 8 described a case where expertise in taxation helped an OMSB shape its strategy. In the market domain, Specialist 7 noted that rethinking pricing could be an alternative for small businesses, although some fear this approach. OMSB 4 reflected on how she selected her clientele, and OMSB 7 discussed the idea of segmenting sales. These accounts suggest that pricing, cost management, and client selection may often prompt businesses to seek advice. Specialist 4 stressed that any proposed solution must be compatible with the small business’s reality. Ultimately, the decision to follow advice lies with the OMSB, as emphasized by Specialist 5. Additionally, Specialist 7 highlighted the importance of presenting OMSBs with the risks associated with each proposed alternative.

Specialist 8 shared a case of advising a client interested in starting a business but lacking market knowledge. She underscored the importance of planning, a perception echoed by OMSB 7, who described difficulties in handling the seasonal nature of her business income, even when expenses were planned. OMSB 1 also expressed an expectation for this kind of support from accountants. Specialist 8 pointed out that accountants are well-positioned to assist in planning, and Specialist 15 agreed, stating: “*Accountants already have mastery of corporate and tax matters, so they could help identify differentiators and, along with that, provide valuable ideas and tools to support the management of these businesses.*”

Tax planning was highlighted as a key area for accounting consultancy by Specialists 5, 7, and 8. Specialist 4 also included guidance on compliance in various areas, such as

environmental issues, which are often neglected by OMSBs. Additionally, consulting services might include advice on: The best ways to raise capital (Specialists 1 and 12); Preparing for due diligence by potential investors (Specialist 5); and Drafting project proposals (Specialist 1).

#### 4.3 Training: from “Hand-Holding” to autonomy

In the realm of training, situations were described where small business owners (OMSBs) lacked knowledge of tools, concepts, or alternative ways to address their problems. In these cases, guidance aimed at empowering these entrepreneurs towards autonomy was highlighted. Specialist 7 advocates for gradual training so that OMSBs begin to recognize the value of reports generated by accounting, for example. Specialist 5 emphasized the importance of raising awareness among new OMSBs about the significance of basic management controls, viewing this as a way to contribute to the maturity of business managers. Training activities can even be products of consulting services, as was the case with a company created by Specialist 12.

OMSB 4, whose business operates in the administrative field, stated that sometimes guidance alone is insufficient, and it is necessary to accompany the process, to “hand-hold,” as she described. She further argued, “*If someone doesn’t act after a conversation or guidance, we need to find new ways to ensure entrepreneurs and managers do things correctly.*” The lack of preparation or basic administrative knowledge among some entrepreneurs hinders the possibility of effective assistance, as suggested by Specialist 11. Partnerships with SEBRAE, as indicated by Specialist 5, could be a path to address this deficiency.

Accountant-consultants need to consider and value the prior knowledge of OMSBs. According to Specialist 4, disregarding the client’s experience would be an arrogant stance. Specialist 10 noted that something that works for one small business might not work for another, stressing that practices cannot be imposed “*down the client’s throat.*” Specialist 11 described how they consider what the client already has or does, particularly when introducing control system computerization.

Specialist 2 pointed out that training materials targeted at small business audiences should be “*simpler and more digestible,*” while Specialist 5 repeatedly emphasized the need for the consultant to balance exposing the client to control, legal, and tax issues during the fragile initial stages of the business. Otherwise, they risk overwhelming the entrepreneur: “*[It] starts to turn into a feijoada for a newborn. It becomes too heavy for someone already facing so many challenges.*”

#### 4.4 What should the accounting consultant bring to the table and keep in mind?

To support small business owners (OMSBs) with the issues presented above, as well as to train them, it is essential to possess knowledge beyond accounting. According to Experts 3, 8, and 12, this includes understanding management techniques, the client’s market, and business specifics, as well as segmenting services to specialize in a particular sector. Familiarity with the unique characteristics of the business is emphasized by Experts 4, 5, 6, 7, and 8. Expert 6 underscores the importance of this deep understanding by likening it to diving: “*It would be beneficial if accounting professionals truly dove into the operations of small and micro-businesses, really immersing themselves in their businesses.*”

To grasp the specifics of a small business, accounting consultants require information about the business from the OMSB. Sharing such information involves trust in the professional providing support. Experts 8, 10, and 11 mentioned situations where OMSBs are hesitant to disclose information to their accountants. Expert 15 explains that OMSBs “*feel they can trust the accountant when they know the information won’t be used against them—meaning the accountant won’t share it with tax authorities or competitors.*” Therefore, the ethical conduct of the accounting professional is crucial in building trust, as emphasized by Expert 8.

Several reasons prompt OMSBs to seek specialized help: solving a problem (OMSB 5), starting a new business (Expert 11), addressing doubts, or implementing managerial accounting, especially when official accounting doesn't reflect all business operations (Expert 7). Legal obligations requiring a specialist (Expert 4) also lead to seeking support. Certain scenarios indicate a greater likelihood of OMSBs turning to consultancy, such as participation in bidding processes, higher levels of managerial professionalism (OMSB 5), business expansion, and the resulting need for a long-term perspective (Expert 10). Consulting is most effective when the OMSB is directly invested in its outcomes (Expert 12). OMSB 8 described a dilemma in seeking support: the lack of time versus periods of inactivity. For her, this concern outweighs the cost of services, as she still finds the necessary support for free. Financial constraints often hinder small businesses from affording consulting services. Expert 2, in educational projects targeting this audience, considers the resource-limited environment, aiming to provide free or discounted materials. Expert 7 advocates for consulting that adds value to the business at an affordable cost. He suggests aligning fees with business size, increasing as the company grows. Expert 15 shared her experience of making advisory services feasible through group consultancies. A similar initiative was recounted by Expert 4, who organized Q&A sessions to address legal questions for businesses in an incubator, akin to a task force approach.

Managerial accounting and its tools were recurrently mentioned. Implementing managerial reports that help OMSBs set product prices, calculate contribution margins, determine costs, and assess real profitability was suggested by Expert 7 as a primary goal of accounting consultancy. Expert 6 highlighted the creation of prospective budgets to enable OMSBs to think long-term and prepare for market changes. This forward-looking perspective on accounting support is emphasized by Expert 3.

The language of reports should be simplified, recommend Experts 7 and 8, using graphics to facilitate reading and comprehension [Expert 7]. Reports should also be consolidated into a single, concise format that is easy to consult—akin to an airplane dashboard, enabling quick course corrections for those steering the business, as advised by Expert 14.

## 5. Final considerations

The research characterized accounting consultancy services to be provided by accounting professionals to OMSBs, focusing on the specificities of SBs and addressing a gap in the literature on the subject. Based on field experiences collected through interviews and analyzed through an extensive coding process, a set of characteristics was proposed, addressing aspects of the nature of accounting consultancy services, their environment, and the possibilities for economic viability. These characteristics are divided into three categories: tools, advisory services, and training. Although Grounded Theory focuses on field evidence, certain findings show convergence with existing literature.

The tools provided by accounting consultants—basic and essential reports or routines to assist OMSBs in management and decision-making—include a business plan, prospective cash flow and budget, cost accounting, working capital and inventory management, breakeven analysis, and the implementation of minimum administrative controls. The effectiveness of these tools depends on their acceptance by the OMSBs. To ensure this, it is crucial to deeply understand their needs and expectations, value their existing practices (De Bruyckere *et al.*, 2020), and adapt reports to a simplified language (Vaz & Espejo, 2015) that resonates with the business owner. Additionally, these tools should be consolidated in a single, straightforward, and accessible format.

Advisory services focus on helping OMSBs step out of operational tasks, at least temporarily, to reflect on their business, its strategy, and management while fostering entrepreneurial vision. Regarding strategy, accounting consultants can extend beyond planning, offering expertise in corporate structure and taxes to simulate and compare alternatives that provide a competitive advantage. They can also support the search for

financing options, drafting resource acquisition projects, and preparing for due diligence by potential investors.

Consultants should alert OMSBs, especially those with limited experience or administrative knowledge, to the importance of professionalizing management and planning with a long-term perspective. This includes formally organizing ideas and plans that are often informally “carried in the entrepreneur’s head,” enabling them to anticipate and adapt to market changes critical to business sustainability. Maintaining networks to share experiences, mistakes, and best practices among OMSBs should also be encouraged.

Training within the scope of accounting consultancy focuses on understanding and practical application (“how to do it”), aiming to foster OMSB autonomy. This involves supporting these entrepreneurs as they mature as managers. Four primary topics for small business training are: separating personal and business finances (Casa Nova, 1997), known in accounting as the “entity principle”; understanding government digitization and its impact on tax practices; distinguishing cash and accrual accounting, with an emphasis on the latter for evaluating business performance; and recognizing the potential of accounting to support business management, particularly the managerial accounting. These topics are typically urgent for this niche, though other issues may arise. Effective knowledge transfer between consultants and OMSBs, which promotes client autonomy, requires alignment of contexts and adaptability between the two. It is the responsibility of consultants to adapt (Dalley & Hamilton, 2000).

Accounting consultancy relies on a foundation of trust between accountants and clients (Bennett & Robson, 1999; Gooderham *et al.*, 2004; Oosthuizen, 2023). This trust encourages OMSBs to fully disclose information, enabling consultants to identify risks and propose solutions or alternatives. Consultants must ensure their solutions align with the small business’ reality and financial capacity, adopt simple and empathetic language, and carefully balance administrative demands to avoid overburdening entrepreneurs, particularly sole proprietors managing all business operations.

To deliver the described accounting consultancy effectively, accountants must develop expertise in multiple areas, particularly management. They should act as integrators—either combining various knowledge areas, particularly accounting and management, to support entrepreneurs lacking managerial skills, or coordinating internal and external consulting professionals to optimize resources for professionally managed businesses. Given the resource constraints typical of small enterprises, economic feasibility for accounting consultancy might involve group consultations or task force-style sessions. Specialization in specific sectors can also help accountants optimize resources.

Lastly, the intention is not to replace the services currently provided by accounting firms to small businesses—which OMSBs often see as accountants’ primary role (De Bruyckere *et al.*, 2017; Weigel & Hiebl, 2022)—but rather to complement them. The goal is to help entrepreneurs overcome the unique challenges of smaller businesses while allowing accountants to expand their service portfolios.

Study limitations include a concentration of respondents, particularly OMSBs, in São Paulo State, as well as the high educational level of the participating business owners. Future research should explore the applicability of these findings in different regions and industries, the adequacy of accountant training to meet small business needs, and the impact of accounting firm specialization in specific sectors on their performance.

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## Appendix 1

### Semi-structured interview guides

#### Targeted at owner-managers of small businesses (OMSBs)

- (1) Can you briefly introduce yourself? Please share your age, educational background, and professional experience.
- (2) Why and when did you decide to start your own business or become an entrepreneur? What motivated you to take this path?
- (3) How do you manage and control your business? Do you have any routines for administrative and financial controls? Do you use any management reports or tools? Which ones?
- (4) What challenges do you face or have you faced in running your business?
- (5) Have you sought or do you seek help from any professionals to overcome these challenges? Who is or would be this professional?
- (6) Do you currently have or have you ever had an accountant? [If yes] What services did they provide to you or your business? What is (or was) your relationship with them like?

#### Targeted at specialists

- (1) Could you briefly introduce yourself? Please include your age, educational background, and professional experience. If you are an accountant, how did you enter the field? Why did you choose it?
- (2) What is your experience with small businesses? How long have you worked with or did you work with this type of company?
- (3) In your interactions with small businesses, what are the main challenges these companies and their owners face, in your opinion? What are the causes of these challenges?
- (4) How can these businesses overcome these challenges? Can or could they be assisted?
- (5) Can or could accountants help them address and overcome these challenges? If so, how?

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