

Morison Global's trusted advisers support recovery of SMEs across the globe

Perspectives from India, Malta and Qatar

In May 2021 ACCA UK and The Corporate Finance Network (CFN) published an SME tracker revealing that a total of 77.8% of accountants' small business clients are not expecting to return to pre-Covid levels of production and turnover for at least a year. According to the World Bank, SMEs play a major role in most economies. SMEs account for the majority of businesses worldwide and are important contributors to job creation and global economic development. They represent about 90% of businesses and more than 50% of employment worldwide.

Against this backdrop, we spoke to some of our member firms to understand how their role as a trusted adviser is more important than ever for SMEs, how these firms are supporting their clients, and what changes they are making for the future as a result of the pandemic.



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INDIA

In India, the SME segment has faced the pressure of Covid-19, with businesses operating at limited capacity, adding to financial burdens. The top five sectors experiencing severe distress are hospitality, tourism, aviation and travel, automobile and real estate and construction. To boost the sector, the Indian Government revised the definition of SMEs recently and bumped up investment limits. Vaibhav Jain, Partner at Mehra Goel and Co, one of Morison Global's member firms in New Delhi, India, outlines the instrumental role the firm has played in helping its clients during this period of stress.

How are you helping clients navigate challenges and uncertainties?

- We have advised the clients in the real estate sector to pivot their projects from the premium housing plans to plans under low-cost affordable housing schemes. This enabled the completion of projects in a shorter time frame and a cost-effective manner, helping them navigate the tough times of the pandemic.
- We have helped our stressed clients in the hospitality sector to design an easy exit package for almost 70% of their workforce.
- In order to cater to the liquidity needs of clients, we assisted with speedy disbursement of loans and credit lines.
- Employee Stock Option Scheme is a very commonly used mechanism in start-ups to incentivise the employees. However, we helped our clients with conventional businesses to use this as part of the compensation plans. In this manner, the amount of working capital required was reduced. Also, it helped in boosting the morale of staff.

- A senior partner was proactive in counseling stressed clients from time to time, helping them to keep their stress levels in check and re-strategising. This helped such organisations strengthen their business and aided us in building better relationships with the clients.

A number of published surveys suggest digital transformations are strategically important for companies to stay resilient and be competitive during and after the pandemic. How are you assisting your clients in pivoting towards a future of digitalisation?

We enabled our clients to shift from a brick-and-mortar model to an e-commerce model by helping them to get listed on e-distribution platforms. One of our architectural and interior design clients capitalised on this by acting as an aggregator by providing a sector-focused platform to various material suppliers. We believe the SME sector has the potential to emerge as one of the crucial means of inclusive growth, so are positioning ourselves to be a trusted adviser in assisting with this acceleration.

MALTA

In Malta, nine out of every ten businesses are ranked as small or medium sized. An SME Growth Grant Scheme is available, for which KSi Malta offers professional support. As a firm they are acutely aware of the issues and challenges that owner-managed businesses and SMEs regularly come up against, so carefully calibrate their services to focus on delivering the benefits the client is looking for. Joseph Gauci, Managing Partner, has explained how KSi Malta adds value to their clients' business.

How important is your role as a trusted adviser to your clients during this period of uncertainty?

What is essential to clients is that they know we will not let them down in their hour of need. In fact, we are always a step ahead of the game, particularly when it is going badly for them. This and the above-mentioned elements augur well for KSi Malta's future. Through hard work and dedication, we have grown to be one of the sector's leading players. Above all, sowing the seeds of trust and nurturing them is at the heart of what we do and who we are – this is why clients who enter our door are so reluctant to leave due to the bond we built over the years.

How are you helping clients navigate challenges and uncertainties?

- We work with our clients on a broad range of issues – meeting statutory requirements, growing and improving business performance and value, achieving the set goals, taking sound retirement decisions as well as enhancing accumulated wealth. In this process, we actively liaise and cooperate with the client's professionals and consultants to deliver the best outcomes.
- It is normal for SMEs to suffer from lack of liquidity and expert knowledge. We therefore assist them to tap into sources of finance as well as to plug into other clients' networks. We introduce them to government officials, experts, lawyers, bankers and to the right type of business contacts. Such clients are also invited to our events and activities.



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“ *Sowing the seeds of trust and nurturing them is at the heart of what we do* ”

- Good management is another critical factor for us. Quite simply, without it our firm couldn't have grown as it did and could not have assisted such clients at optimal levels. We also give high priority to widening the suite of services we offer. Indeed, we are now a one-stop shop.



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“ *As a fellow SME we understood the need to digitise by adopting cloud, paperless technology, collaborative tools and online marketing* ”

QATAR

Like the rest of the world, the pandemic has had an adverse impact on Qatar and the scores of SMEs that reside within it. Companies in the hospitality, logistics, tourism and retail sector bore the brunt of the blow. Managing Partner of Morison Menon Qatar, Kurian Kuriakose, looked to digitalisation to fight the fight and support their clients.

What were some of the tougher decisions that your clients have had to make as a result of the pandemic?

The sharp reduction in top lines due to restrictions imposed forced SME owners to focus on cost reduction or sink, with not only business models but the very existence of companies being brought into question. There were major organisation restructuring initiatives, bids to retrench and outsource operations, and a need to communicate and collaborate with labour with the lockdown eventually trimming down the number of employees that can gather in offices.

How are you helping clients navigate challenges and uncertainties?

- During the pandemic we focused primarily on the following trio of client needs: capital, cost containment and cost deferrals.
- We supported a host of clients in their bid to attract investors by preparing valuation reports and investor pitch decks. Furthermore, we prepared business feasibility studies for clients who were attempting to obtain bank funding.
- For cost reduction we tailored our internal audit programs for clients to put a greater emphasis on cost containment and assisted our clients in the implementation of our recommendation.

With respect to cost deferral, we as tax representatives represented and obtained approved deferrals for tax payments to the General Tax Authorities which reduced the burden on liquidity.

How are you looking to the future?

As a fellow SME we understood the need to digitise by adopting cloud, paperless technology, collaborative tools and online marketing. Looking towards the future we have established strategic partnerships with ERP service providers and have also developed internal competency to implement and service cloud-based solutions. We aim to use these alliances and competencies developed to assist our clients in their digital transformation journey which will ensure business continuity in the face of the pandemic.

Morison Global - in support of SMEs

Mehra Goel & Co, KSi Malta and Morison Menon Qatar are just a few of the many Morison Global professional services firms who have embraced their roles as trusted advisers in helping companies navigate their way through the current uncertainties and emerge stronger in the post pandemic world. It's abundantly clear Morison Global firms are keenly aware of the importance of staying ahead of the curve and looking to the future to closely support business leaders and their teams on the opportunities and challenges that await them.

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