

New Tool for SMPs Aims to Improve Digital Competency

Summary: A new tool by the European Federation of Accountants and Auditors for SMEs (EFAA) is launched to help small- and medium-sized practices (SMPs) rate and improve their digital competency.

Introduction

Small- and medium-sized accountancy practices (SMPs) often struggle with their digital competency. At its recent [2019 International Conference – Building the Digital Practice](#) the European Federation of Accountants and Auditors for SMEs (EFAA) announced the launch of a new tool, the Digital Competency Maturity Model - DCMM™, to help (SMPs) rate and improve their digital competency. EFAA appointed Noël De Rudder as project lead, enhanced the tool, adapted it for use in Europe, and created the online platform. The tool can be accessed from the [EFAA home page](#).

The image shows a screenshot of the EFAA website. At the top left is the EFAA logo, which consists of a blue circle with yellow stars and the text 'EFAA EUROPEAN FEDERATION OF ACCOUNTANTS AND AUDITORS FOR SMES'. To the right of the logo are links for 'Contact', 'Sitemap', and a search icon. Below the header is a large banner with a dark background and several light bulbs. One bulb is lit. A blue box over the banner contains the text 'Building the Digital Practice, 27.06.19' and 'Slides now available!'. A yellow button with 'more >' is in the bottom right of the banner. Below the banner is a grid of six tiles. The 'Digital Competency Rating' tile is circled in red. The tiles are: 'About the EFAA' (with a building image), 'Publications & Events' (with a document image), 'Digital Competency Rating' (with a hand pointing at a tablet), 'Accounting' (with a calculator and documents), 'Auditing' (with a hand pointing at a document), and 'SME and SMP issues' (with a hand pointing at a document).

This article explains the importance of digital competence, the role of the DCMM™, how SMPs and professional accountancy organizations (PAOs) can leverage it, and the next steps in its evolution and use.

Why is Digital Competence Important?

Digitalization has [profound implications](#) for SMPs. These implications will demand change, particularly as new digital technologies continue to emerge. SMPs must anticipate these changes and be prepared to respond. SMPs, however, are typically resource constrained and in need of guidance and direction on how best to respond to these implications. This is where the DCMM™ comes in.

What is the Digital Competency Maturity Model (DCMM™)?

The DCMM™ comprises a questionnaire that enables SMPs to rate their current level of maturity on digital competency, identify areas where competencies are strong or lacking, and then develop a road map for achieving a higher level of maturity. The tool was initially developed by [the Institute of Chartered Accountants of India \(ICAI\)](#). EFAA enhanced the tool, adapted it for use in Europe, and created the online platform.

Instructions for SMPs Completing the DCMM™ Rating

1. Click [here](#)
2. Complete practice profile at the top of the homepage.
3. Proceed to 'Start here' where you will see 'I am an Accountant', 'I am an Auditor' and 'I am a sole practitioner'. Tick all that apply.
4. Complete each section of the questionnaire. The questionnaire consists of the following sections:
 - **Section A** - The level of automation of the firms' internal processes
 - **Section B** - Availability of qualified resource pool and talent development relating to digital competencies
 - **Section C** - Level of automation relating to processes and nature of services being rendered - you will be prompted to answer C1 and / or C2 depending on whether you selected at Step 3 above whether the firm is an accountant, an auditor, or both.

We recommend the firm's leadership, preferably including someone with IT expertise, meet to form a collective response. Completing the questionnaire will demand the exercise of professional judgement. The questions in each section must be completed using the 'Answer' column. The answer options are given in each case.

5. Finally, click 'Calculate my score' to see the digitalization level for each section and overall. If you approve the use of your response data for benchmarking purposes then, with full anonymity and General Data Protection Regulation (GDPR) compliance guaranteed, your response gets consolidated with the other collected responses. You can then benchmark your practice, comparing where your practice stands as compared with other SMPs in your jurisdiction and elsewhere.

Read [here](#) more detailed information on the DCMM™ including how to interpret your results and determine your next steps.

Presently the DCMM is available in English, German, Portuguese, Slovenian and Spanish with Flemish, French and Italian coming soon. PAOs are welcome to host [the homepage](#) in the local language on

their own website, request to be included in the drop-down list of PAOs on [the landing page](#), and supply templates in their native language. Participating in these ways provides PAOs the opportunity to offer this tool to their SMP members, as well as to gain access to the results for their specific jurisdiction. **Please contact [Paul Thompson](#) for more information.**

What Next?

In 2020 EFAA plans to utilize the DCMM™ for practice benchmarking and to develop a feedback function. EFAA will share the results for each jurisdiction with participating PAOs. This market intelligence will help PAOs determine how they can best help their SMP community improve their digital competence.

PAOs may wish to disseminate the aggregate results for their jurisdiction to their SMP members so that they might benchmark their practice by seeing how they compare with other practices. EFAA will also publish summaries of the aggregate results so that PAOs can compare their jurisdictions with others and decide what action, if any, to take.

Finally, EFAA and ICAI will further develop the DCMM™ by updating the questions and providing automated feedback with recommendations on how to improve their digital competence.