



2025 Small to Midsize Business Report

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Navigating challenges to unlock potential

The Outsourced Accounting Services (OAS) team at Forvis Mazars helps small to midsize businesses (SMBs) grow by improving accounting operations and business processes. We work closely with our clients, often acting as an extension of their teams, so we are very familiar with the day-to-day challenges that they face.

Last year, we developed a webinar series to address several of these challenges and to gain insights directly from our participants. These webinars were designed to be industry-agnostic, communicating methodologies and various strategies that SMBs should be aware of while also asking participants to share their own experiences.

In our 2025 Small to Midsize Business Report, we analyze the many ways SMBs are approaching common challenges and their perceptions around business operations.

We hope you will explore the findings in this report, and that our key takeaways leave you with practical action items to bring value to your business.



Jim Ashley
Partner, Forvis Mazars



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2025 Small to Midsize Business Report

Methodology

More than 2,300 professionals across the U.S. and various other countries attended one or more of six webinars hosted by the OAS team at Forvis Mazars. Participants provided information through live polling questions asked during the webinars. Data was collected related to the following key areas:



Automation & technology



Talent



Month-end close



Preparation & planning in a new business environment



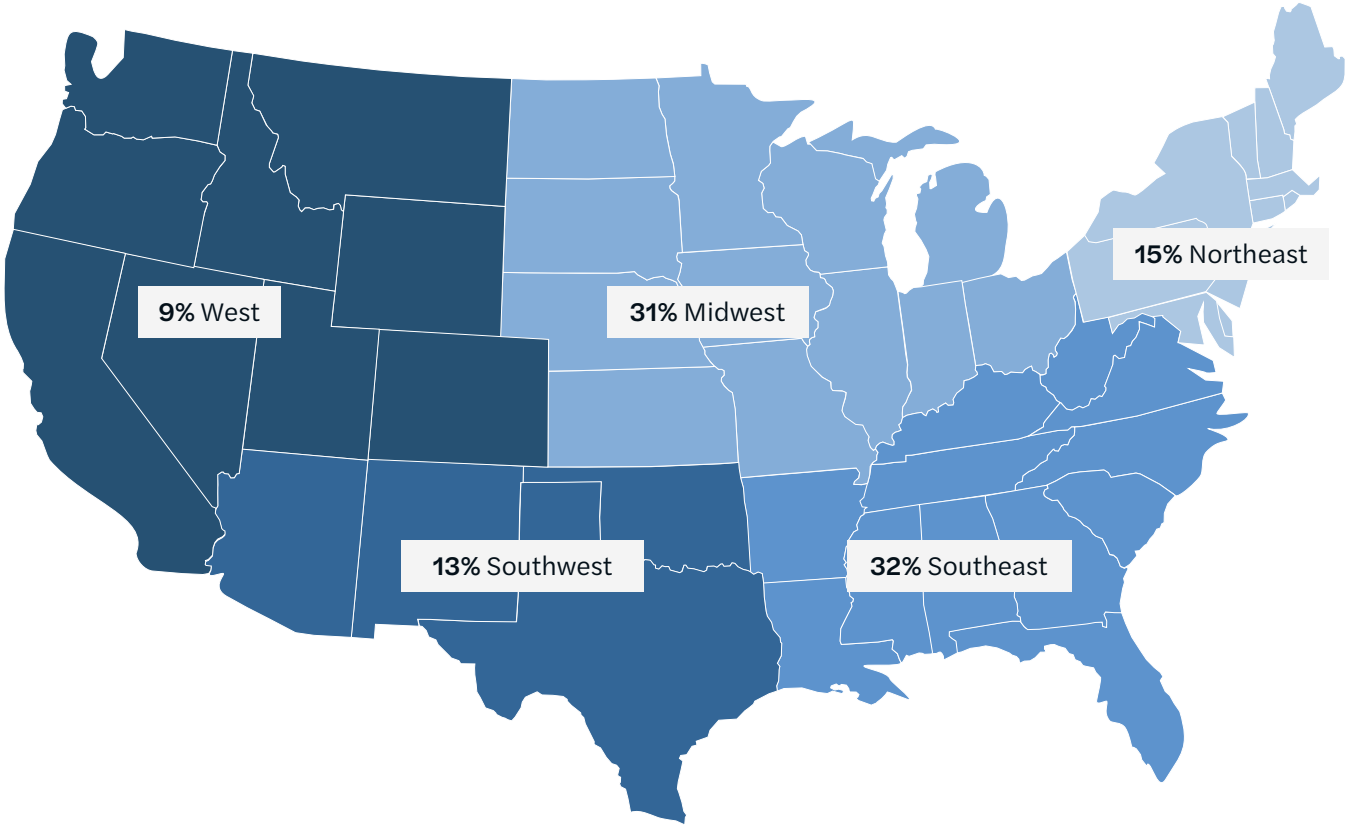
Forecasting & budgeting



Risk & fraud

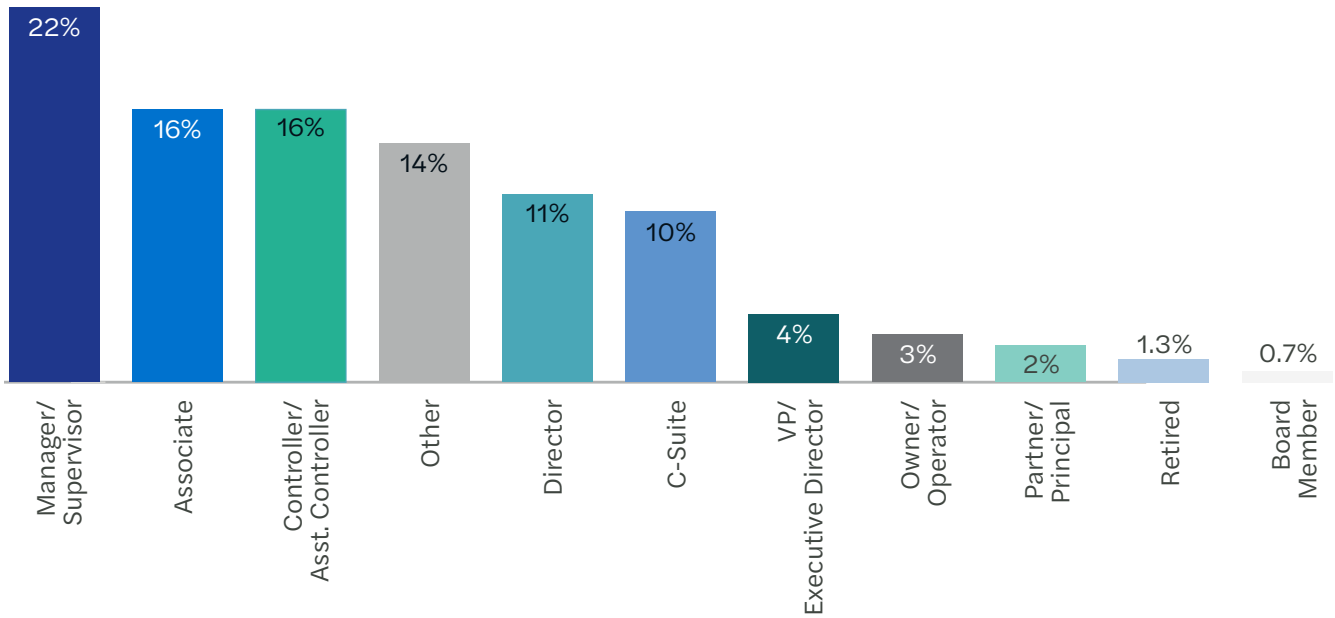
Location of Participants

Polling question respondents represented a wide variety of industries and were located across the nation and beyond. The highest concentration of respondents was in Texas, with others being well distributed across all regions and a handful of participants joining from other countries.



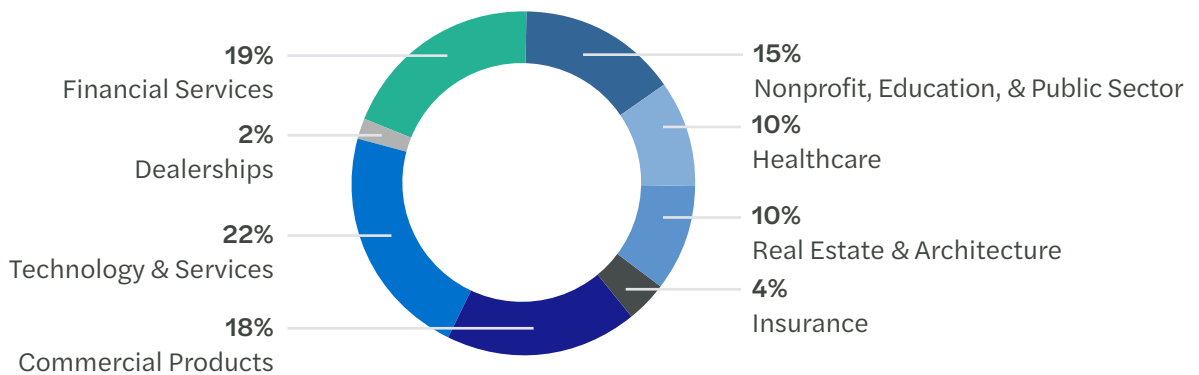
Participant Job Titles

A wide variety of individuals participated in our webinars and answered polling questions to help us build this report. The bulk of participants listed themselves as managers or supervisors at their organizations, with associates and controllers/assistant controllers following close behind.



Industries Represented

Polling question respondents attended from several prominent industries, including healthcare, technology and services, nonprofit, education, and the public sector. A few of the sub-industries represented within these larger groupings were professional services, finance, software, and hospitals and health systems.





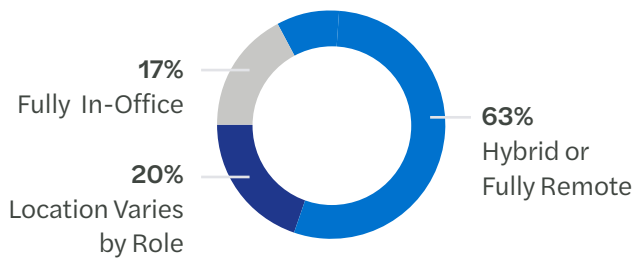
Rebuilding Your SMB: Preparation & Planning in a New Reality

Davy Parsons & Ryan Peterson

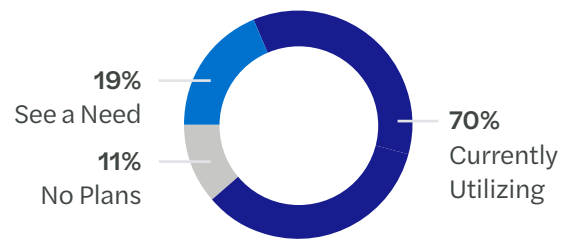
Is your SMB relying on older software systems that aren't helping move your business forward? Maybe you haven't invested in accounting and finance systems since 2019. Are your essential documents, employee files, and customer data housed in an old-fashioned tech stack rather than with cloud-protected services? **Moving your SMB's services into the cloud may seem like a leap into the unknown, but understanding your options through outsourced accounting services can help.**

Even though 63% of our webinar respondents said their employees are hybrid or fully remote, more than 11% of respondents noted that they had no plans to move to cloud-based systems. It is promising to see that 89% of our participants see the need for the cloud or already rely on cloud-based services in some form. Because of this cloud use, there is a strong need to make sure these services are well maintained and serving you effectively. Employees keeping sensitive information on their laptops while working remotely can lead to instances of theft, fraud, and cyberthreats due to a lack of adequate protection.

Work Locations



Adoption of Cloud-Based Systems



During the COVID-19 pandemic, SMBs had to be reactive, not proactive. Surprisingly, even as late as 2023, 69% of leaders polled by Pluralsight reported that they still didn't have a clearly defined cloud strategy.¹ Now that the pandemic is behind us, it is time to think of digital transformation, adaptability, building the proper team, and financial preparedness for what is next.

The OAS team at Forvis Mazars can review and recommend systems and processes you don't have the time to consider. By carefully comparing your existing systems with where you want to drive your business, an OAS team in your corner can help you build a growth strategy, acquire the right talent, keep the talented employees you already have, or perhaps help you consider what is next with succession planning. With OAS support, you can continue to grow your business. Don't get outpaced by being stagnant.

¹ "State of Cloud," pluralsight.com, June 2023.



Mitigating Big Risks

Neely Duncan & Brinn Serbanic

According to the Association of Certified Fraud Examiners' Occupational Fraud 2024 Report, "more than half of occupational frauds occur due to lack of internal controls or an override of existing internal controls."² What does it take to prevent fraud from happening? Do you have enough staff to segregate duties when it comes to your SMB's financial transactions? What would you do if you uncovered fraudulent activities in your small business? While you may have been going it alone for a while, now that your SMB is growing, isn't it time to consider your fraud prevention controls and processes?

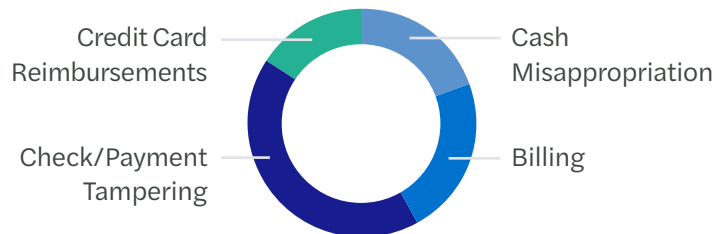
>50%

of occupational fraud is internally controllable²

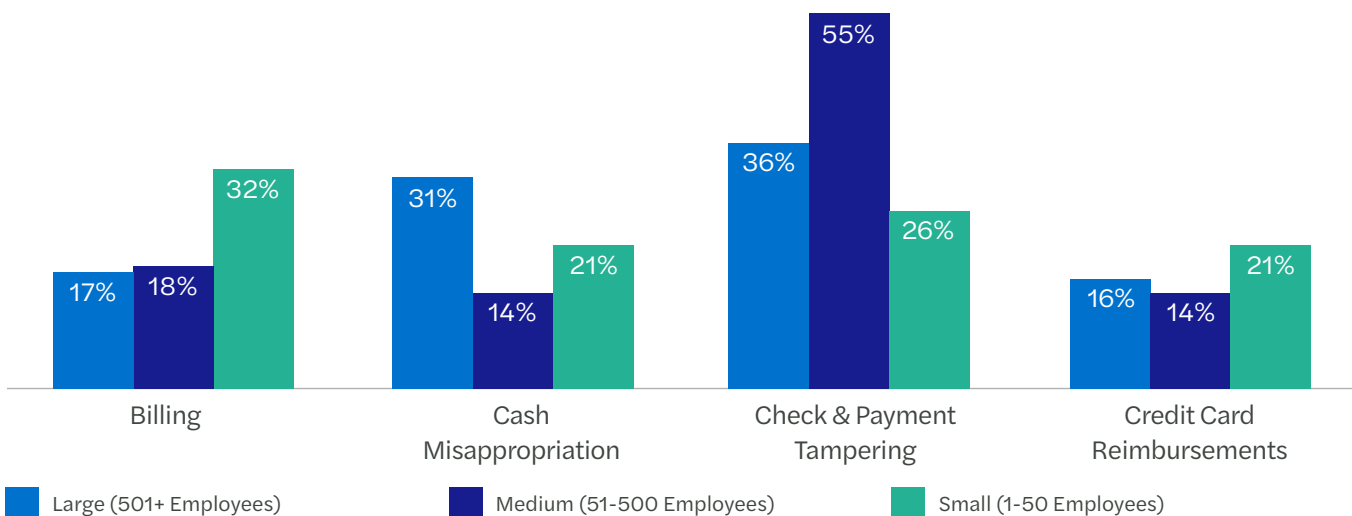
² "Occupational Fraud 2024: A Report to the Nations," acfe.com.

As noted by our webinar participants, check and payment tampering was the highest reported type of fraud. Further analysis of our poll results tells us that midsize companies were nearly three times more likely to experience check/payment fraud than any other type. Small companies should also take note that based on these responses, they have almost twice the instances of billing fraud as large/medium companies.

Participants' Fraud Types



Participants' Fraud Types by Business Size



As we shared in our webinar, segregation of duties is the best way to control fraud. Segregation of duties means that no single individual is responsible for receiving, recording, depositing funds, or writing and signing checks. Standing in the way of this strategy is the number of qualified on-site employees to handle these additional duties. Outsourcing is one way to mitigate fraud. Using an accounts payable platform limits the hand-to-hand transactions which can be harder to track. Platforms like this can also cross-check the payees to see if there are multiple addresses for payments or if the same address is being used for multiple payees so your SMB isn't unknowingly overpaying vendors.

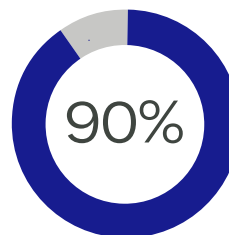
The OAS team at Forvis Mazars can help set up internal process controls, supplement existing processes and controls, and enhance strategic accounting and finance functions. You know your business. We know accounting, so you won't have to train us. Having an OAS team on your side lets you do what you do best ... **run your business.**



Advances in Accounting Automation & Technology for SMBs

Maya Cernotova & Brian Singleton

As a business owner, you may be wearing many hats and sifting through a plethora of information each day, so it can be challenging to keep up with the latest technology trends. For example, did you know that 90% of workers say they are burdened by administrative tasks that can be automated?³ This is a staggering statistic that highlights the need for creative approaches and new technologies for the way we work today.



of workers say they are burdened by administrative tasks that can be automated.³

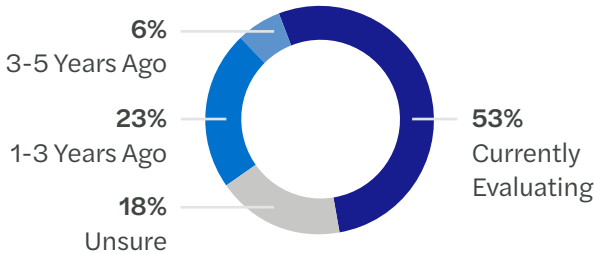
³ “22+ Business Automation Statistics: A Must Know in 2024,” businessdasher.com, October 25, 2024.

For SMBs faced with tedious manual financial entries, outdated systems, and reporting limitations, technology and automation can provide new opportunities for accounting teams to help streamline key functions—like accounts payable—to increase operational efficiencies and get reliable financial data faster. No matter which industry you work in—technology, financial services, commercial products, healthcare, and more— automation may offer benefits to help your teams unlock potential, including increased accuracy, compliance, and scalability, and decreased processing time and personnel costs for companies of all sizes.

Take, for example, Quest Diagnostics,⁴ which reduced its annual accounting costs by \$565,000, or Red Wing Shoe Company,⁵ which achieved an astonishing \$1.2 million annual reduction in accounting expenses—all due to automating processes.

In our webinar, more than 50% of participants reported that they are currently evaluating their technology tools for accounting automation, with an additional 20% conducting a technology assessment within the last one to three years. While the prospect of accounting automation may be daunting, there are a number of low-cost technologies that can be used to transform the data to feed better into your financial system and help alleviate the burden on your administrative teams in practical ways such as:

Participants’ Technology Assessment Frequency



- Cash visibility and forecasting
- Payroll processing
- Procurement
- Receipts and collections

The OAS team at Forvis Mazars can provide access to these tools for a fraction of the cost and can offer advisory services to help you explore best practices in automation. Reach out to an advisor today to learn more about how we can help assess automation processes in your accounting department.

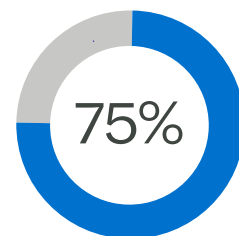
⁴ “BlackLine ROI Case Study: Quest Diagnostics,” <https://nucleusresearch.com>, September 16, 2019.
⁵ “BlackLine ROI Case Study: Red Wing Shoe Company,” <https://nucleusresearch.com>, September 17, 2020.



Overcoming Talent Challenges: Strategies for SMBs

Corinna Creedon & Maya Cernotova

In the current economic climate, SMBs face an increasingly competitive landscape for recruiting top talent and employee retention. Job misalignment, manual workflows, and a fear of automation are some of the obstacles that today's teams encounter on a near-daily basis.

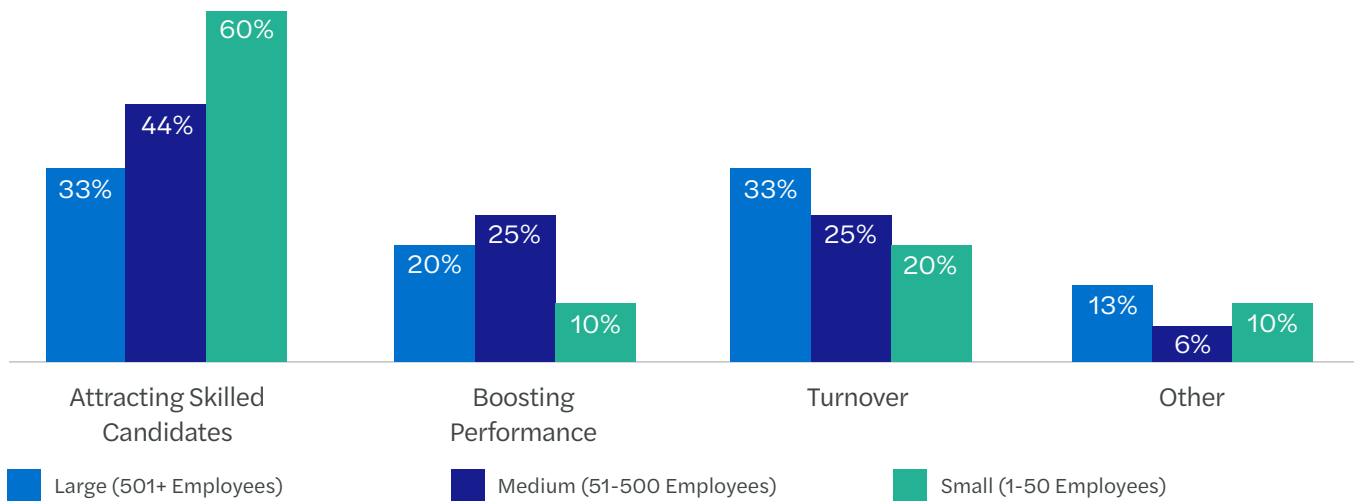


of employers report difficulty in filling job roles.⁶

⁶ "2024 Global Talent Shortage," [manpowergroup.com](https://www.manpowergroup.com).

Since the Great Resignation began in early 2021, finding the right people for the right jobs has become increasingly difficult. According to ManpowerGroup, more than 75% of employers report difficulty in filling job roles.⁶ SMBs in particular face a unique set of talent challenges, including a lack of resources for hiring top candidates and high turnover rates. Notably, in our recent webinar, more than 40% of attendees shared that their biggest talent challenge was difficulty attracting skilled candidates.

Participants' Talent Challenges by Business Size



How can businesses proactively plan for turnover while creating a fulfilling workplace culture that encourages employee retention and attracts prospective candidates?

Through a combination of business continuity planning, recognizing high performers, and leveraging nontraditional resources—like alternative talent pools, technology, internships, and outsourcing—SMBs can demonstrate a commitment to the future that creates a culture of retention and nurtures employees' professional development.

The OAS team at Forvis Mazars can help you understand your business, your strategic plan, and how you want to grow so that you can get the right people in the right roles, which sometimes looks like a mix of internal and external players.

Case Study

Problem: A small business has remained at a set growth point for the last 20 years. The owner's brother-in-law handles the books, but as the company has grown, he no longer has the technical aptitude for accounting. The owner of the company is great at sales, but does not have the skill set, bandwidth, or desire to handle finance tasks.

Solution: The business decides to layer in a part-time CFO over its clerks to take care of financial data and turn it into real information to share with the company's owner and senior leaders for them to digest in a way that's meaningful and accurate.



Budgeting & Forecasting: Creating a Vision for Financial Success

Davy Parsons

A fundamental, industry-agnostic element of all organizations is the budget. This comprises more than numbers on a spreadsheet; a budget provides companies with a road map to achieve goals and requires immense attention to detail. When it comes to the budget, does your organization have comprehensive reforecasting and understand the value of the forecasting process? Is the month-end close function aligned with your budget?

When it comes to SMBs, budgeting and forecasting are critical for understanding how operations are running. Our team can help you address challenges related to these processes and assist in building a solid foundation for ongoing financial success.

Having that solid foundation informed by forecasting is top of mind, as small businesses remain optimistic about the future.⁷ According to data from the U.S. Chamber of Commerce, nearly three quarters of small businesses (73%) say they expect revenue to increase in the next year, unchanged from last quarter, and also like Q2 and Q3 2023 (71% for each).⁸

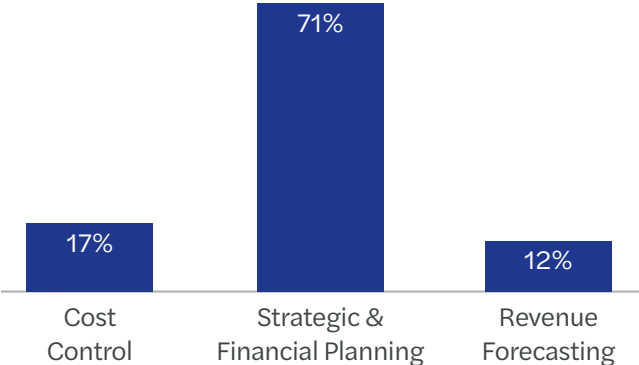
This reiterates the value of strategic and financial planning and preparing for the upcoming year. Based on polling in our recent webinar, over 70% of participants named strategic and financial planning as their top focus when it comes to budgeting. Having accurate and current data is essential for effective strategic planning and helps you avoid outdated information.

The OAS team at Forvis Mazars helps review industry benchmarks and define revenue projection factors to develop strategic plans and help make more accurate predictions. This can support the creation of clearer goals that can be communicated across several departments to finalize the budget. In addition, this work encourages better collaboration, which was noted as the biggest challenge for nearly 42% of our webinar participants during their budgeting and forecasting (often due to a lack of clear goals and transparency in the budgeting process).

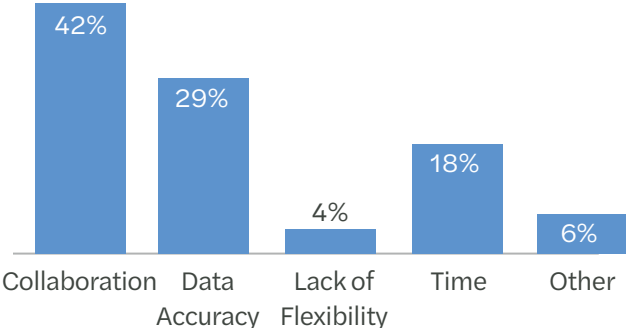
Our last finding covered software used for budgeting and forecasting. Although 68% of participants utilize Excel, leveraging up-to-date technology can help reduce the time spent on month-end closing, improve your data accuracy, and enhance budgeting and forecasting.

The OAS team at Forvis Mazars can offer more than just bookkeeping—we provide tailored financial approaches for SMBs and strategic financial insights and support for each step of the budgeting and forecasting process.

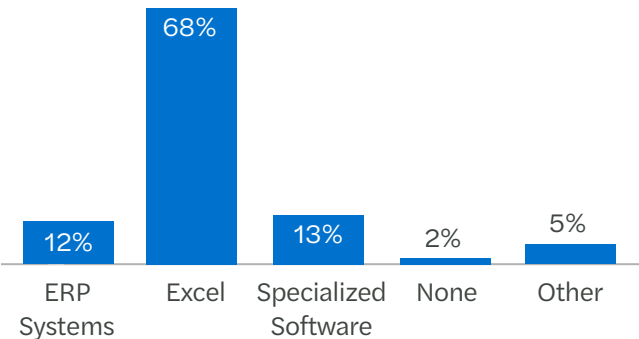
Participants' Budgeting Focus



Participants' Budgeting Challenges



Participants' Budgeting Tools



7 "Small Business Operations: Small Businesses Stable Business Health, Hiring, and Cash Flow," uschamber.com, Q3 2024.
 8 "Small Business Operations: Small Businesses stable Business Health, Hiring, and Cash Flow," uschamber.com, Q3 2024.



Enhancing Month-End Close With Advanced Reporting

Jim Ashley & Brian Singleton

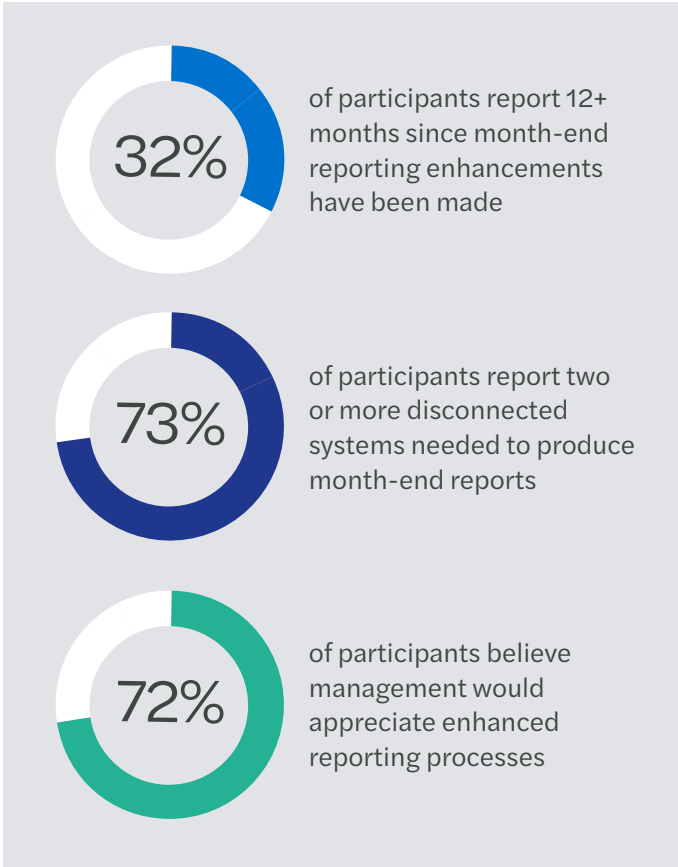
Does month-end close feel like an inescapable stressor? This doesn't have to be your reality. Innovative approaches to review, record, and reconcile finances can help month-end reporting run smoothly. All it takes is an open mind and an opportunity to consult!

In our webinar, we covered ways to enhance month-end close by emphasizing data accessibility, integrating systems, and navigating the reliability of key performance indicators (KPIs).

During this webinar, we polled participants on three main areas: how frequently they update their financial reporting, the total sources of information used for reporting, and their management’s view of enhanced reporting.

Through our findings, it became clear that strategies to reduce time to close and simplify the overall month-end process are needed now more than ever for SMBs.

To start with, nearly a third of the audience infrequently updated their month-end reporting process—more than 12 months ago. Potential hurdles to this, specifically for SMBs, are time constraints and lack of resources. This is where a trusted partner can assist; Forvis Mazars professionals offer broad industry experience and the ability to implement strong systems to guide your team toward a more meaningful month-end close.



Automation is another opportunity that should not be ignored. According to the IBM Global AI Adoption Index, 37% of small businesses are using AI tools for various business functions, a 12% increase from 2023.⁹ Moreover, we found that more than 50% of our participants reportedly use two to four disconnected systems to produce month-end reports to management. In addition, more than 17% of respondents reported using five or more disconnected systems. This reveals a potential area where businesses can join the AI tool trend; they can consolidate by automating data from one system into another or seek out third parties to assist with these changes.

This insight, coupled with over 72% of respondents believing their management team would appreciate enhanced month-end reporting if they understood the rationale behind it, unveils the value in a third party such as OAS. The OAS team at Forvis Mazars can be a collaborative resource to help gain more buy-in from management through proposed enhancements. We understand the pain points of SMBs and focus our efforts on areas where you need more resources for month-end close. Our professionals can help facilitate integrations so that

they aren’t disconnected and result in the least amount of friction possible.

A simpler, streamlined month-end close process is possible by utilizing a more consolidated approach. Forvis Mazars is here each step of the way.

9 “Data Suggest Growth in Enterprise Adoption of AI Is Due to Widespread Deployment by Early Adopters, But Barriers Keep 40% in the Exploration and Experimentation Phases,” newsroom.ibm.com, January 10, 2024.

Conclusion



Thank you for reviewing our 2025 Small to Midsize Business Report. We know that SMBs are inherently unique to other enterprises. Their size, revenue, and resources call for specific needs met and processes in place for success.

The OAS team at Forvis Mazars can assist with each strategic step of the way for SMBs, such as:

- **Rebuilding Your SMB.** Build a growth strategy, acquire the right talent, keep the current workforce, or consider success planning for the future.
- **Mitigating Big Risks.** Set up internal process controls, supplement existing processes and controls, and boost strategic accounting and finance functions.
- **Budgeting and Forecasting.** Review industry benchmarks and define revenue projection factors to develop strategic plans and help make correct predictions.
- **Enhancing Month-End Close With Advanced Reporting.** Utilize a more consolidated approach with possible AI tools, integrations, and report writers to automate some of the work and help decrease stress surrounding the month-end process.
- **Using Advances in Accounting Automation and Technology.** Determine technology solutions that can help streamline key functions.
- **Overcoming Talent Challenges and Strategies.** Identify a plan for business continuity and turnover and use a combination of in-house staff and outsourced individuals to create a culture of retention.

As a consultant and collaborator for your SMB, the OAS team at Forvis Mazars can help set up these outlined internal processes and much more.

For more information on how OAS can help your business, please reach out to a professional at Forvis Mazars.

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