


**Please cite the Published Version**

Brickman, Karen, Hiebl, Martin RW, Quinn, Martin and Warren, Liz  (2024) Accountants as SME advisors: relevance lost? *Journal of Accounting & Organizational Change*, 20 (6). pp. 200-222. ISSN 1832-5912

**DOI:** <https://doi.org/10.1108/jaoc-10-2023-0171>

**Publisher:** Emerald

**Version:** Published Version

**Downloaded from:** <https://e-space.mmu.ac.uk/635956/>

**Usage rights:**  [Creative Commons: Attribution 4.0](https://creativecommons.org/licenses/by/4.0/)

**Additional Information:** This is an open access article published in *Journal of Accounting & Organizational Change*, by Emerald.

**Enquiries:**

If you have questions about this document, contact [openresearch@mmu.ac.uk](mailto:openresearch@mmu.ac.uk). Please include the URL of the record in e-space. If you believe that your, or a third party's rights have been compromised through this document please see our Take Down policy (available from <https://www.mmu.ac.uk/library/using-the-library/policies-and-guidelines>)

# Accountants as SME advisors: relevance lost?

Karen Brickman

*School of Business, Operations and Strategy,  
University of Greenwich, London, UK*

Martin R.W. Hiebl

*Johannes Kepler University Linz, Linz, Austria and  
University of Siegen, Siegen, Germany*

Martin Quinn

*Queen's Business School, Queen's University Belfast, Belfast, UK, and*

Liz Warren

*Department of Finance and Economics,  
Manchester Metropolitan University, Manchester, UK*

## Abstract

**Purpose** – Accountants are portrayed as important advisors of small and medium-sized enterprises (SMEs). However, increasing numbers of SMEs now use software for their transactional and compliance-related accounting work. This latter work is considered to be the “entry ticket” for accountants serving in advisory roles. This study aims to examine whether the relevance of accountants as advisors to SMEs has been lost.

**Design/methodology/approach** – Drawing on the resource-based view and applying a qualitative cross-sectional field study, interviews with small businesses in the European craft brewing/distilling sector are the data source.

**Findings** – The study's analysis paints a concerning picture of the use of external accountants by SMEs. While not suggesting that accountants are incapable of offering value-adding advice, the findings suggest that the involvement of potentially value-adding accountants by SMEs is rare. The interviewees note that they would not approach their accountants for advice due to the existence of more cost-attractive alternatives. The study finds that external accountants are not imperfectly imitable and can be substituted, particularly by social media and community groups.

**Originality/value** – To the best of the authors' knowledge, this study is the first to examine the role of accountants in the craft brewing/distilling industry and one of the first to assess empirically the importance of accountants as advisors to SMEs with audit exemptions and to consider the increasing threat of substitution by software. The findings suggest that accountants have lost relevance as advisors to the businesses studied, or have never had much relevance.

**Keywords** Small medium-sized enterprises (SMEs), Craft brewing, Craft distilling, Resource-based view (RBV)

**Paper type** Research paper



---

## 1. Introduction

Most firms worldwide are small and medium-sized enterprises (SMEs) and carry great economic importance for most countries (Beck and Demircuc-Kunt, 2006). These firms face several constraints, such as the need to raise sufficient capital and to find and retain qualified personnel (e.g. Aldrich and Auster, 1986; Najera Ruiz and Collazzo, 2021). It can be argued that constraints of this nature explain partially why many SMEs do not employ full-time internal accountants and instead turn to public accounting firms for help with compliance and regulatory tasks (e.g. Ali and Mustafa, 2023; Halabi *et al.*, 2010; Kirby and King, 1997; Moschella *et al.*, 2023; Jay and Schaper, 2003; Perry *et al.*, 2010). For instance, many SME owners either cannot or do not want to complete tax filings and instead engage external accountants for such compliance-oriented tasks (Ali and Mustafa, 2023; De Bruyckere *et al.*, 2020; Halabi *et al.*, 2010; Weigel and Hiebl, 2023; Ylä-Kujala *et al.*, 2023). Likewise, larger SMEs must have their financial statements audited and often use external accountants for their account preparation (Collis and Jarvis, 2002).

Despite their economic importance, literature concerning the use of accountants by SMEs is currently scarce (Ali and Mustafa, 2023; Weigel and Hiebl, 2023). Of those that exist, some studies argued that external accountants can use their intimate client knowledge and long-standing and trustful relationships to engage in non-compliance work and to offer business advice to their SME clients (Carey and Tanewski, 2016; Blackburn *et al.*, 2018; De Bruyckere *et al.*, 2020). Indeed, some concluded that accountants have great relevance for SMEs, as they are seen as the most frequently used professional advisors (for example, Kirby and King, 1997; Jay and Schaper, 2003; Berry *et al.*, 2006; Perry *et al.*, 2010; Watson, 2011). Most of these studies, however, did not distinguish between the role of accountants for larger SMEs, which are subject to audit requirements, and the role of accountants in smaller SMEs. In particular, there has been little focus by accounting research on small businesses that qualify for audit exemptions. In addition, for newly founded firms, such as those explored in this paper, a long-standing and trustful relationship is absent between the client and external accountant, and thus the basis for the successful offering of advisory services by accountants is also missing (Carey and Tanewski, 2016; Blackburn *et al.*, 2018; De Bruyckere *et al.*, 2020).

Raising doubts about the application of professional accounting services in such small firms, the extant management accounting literature largely concludes that such firms rarely apply many management accounting practices, even if they partner with external accountants (Lavia López and Hiebl, 2015; Moschella *et al.*, 2023; Pelz, 2019; Ylä-Kujala *et al.*, 2023). In addition, Blackburn *et al.* (2018) concluded that accountants' compliance services for SMEs may decline significantly due to their more extensive use of information technology (IT), with an increasing number of SMEs using software for transactional accounting work (Jarvis and Rigby, 2012; Ma *et al.*, 2021). In contrast, due to the fact that they are more individual and tailor-made, advisory services seem to be less endangered by new technology (Blackburn *et al.*, 2018; Ma *et al.*, 2021; Weigel and Hiebl, 2023). Thus, a relevant question in the context of both small businesses and larger SMEs is how accountants can retain their alleged role as the main source of advice for such enterprises if their compliance business continues to decline (Ali and Mustafa, 2023; Blackburn *et al.*, 2018; Weigel and Hiebl, 2023).

Against this backdrop, the objective of this paper is to explore whether or not accountants are relevant SME advisors. From this objective, two questions emerge. First, why and how do contemporary small business owners use accountants as relevant business advisors? Second, what drives the variation between SMEs using such services, a question that Blackburn *et al.* (2018) marked as relevant for deepening the knowledge of the use of accountants by SMEs.

The research objective is addressed using a resource-based view (RBV) lens and a qualitative cross-sectional field study (Lillis and Mundy, 2005) of small craft breweries and distilleries. According to Blackburn *et al.* (2018), the extant literature concerning accountants in SMEs lacks a theoretical underpinning. However, others argued that if accountants add value to SMEs, they and their services can be seen as resources that contribute to developing a competitive advantage (for example, Ali and Mustafa, 2023; Carey and Tanewski, 2016; De Bruyckere *et al.*, 2020; Weigel and Hiebl, 2023). Thus, these studies viewed the receipt of valuable advice from both external and internal accountants as a resource that is consistent with the RBV.

This paper offers insights into the ways in which external accountants can serve as advisors to small craft breweries and distilleries, even without conducting prior statutory work for these firms. Given the continued rise of self-service accounting software for small businesses (Ma *et al.*, 2021) and the likely decline of demand for accountants' statutory and bookkeeping services (Blackburn *et al.*, 2018; De Bruyckere *et al.*, 2020), the study provides insights regarding how far external accountants' advice remains relevant for SME owners today. This paper thereby contributes to the literature in this field in two primary ways. First, it is among few studies to focus on small businesses with audit exemptions within a traditional industry in which the value drivers and accounting practices have long been known. In this setting, accountants seem to have lost relevance or never had much relevance. Second, the study adds to the limited literature concerning accounting and accountants as resources in the sense of the RBV. This paper does not imply that external accountants are incapable of providing valuable advice; however, the empirical evidence suggests that such value-adding accountants in an RBV sense are uncommon in contemporary SMEs.

The remainder of the paper is organised as follows. The next section reviews literature concerning accountants and accounting in SMEs from an RBV perspective, the image of accountants and the literature on accounting in the brewing/distilling industry. It highlights how and why accountants can provide value-enhancing advice for SMEs. The methods used by this study are then outlined, followed by a presentation and discussion of the findings and concluding remarks.

## 2. Literature review

Given this paper's objective, the literature review covers two key areas. First, the previous literature regarding the RBV is explored, with a focus on accountants and accounting in SMEs and their relationship to small business owners. Second, some of the prior literature concerning accounting in the context of the brewing/distilling sector is reviewed. For the purpose of this paper, SMEs are defined in line with the European Commission (2003) as independent businesses with a maximum of 249 employees. Such SMEs are often headed by owner-managers who not only hold all, or a majority, of the equity in the firm but also manage the business on a daily basis (e.g. de Oliveira *et al.*, 2015). These actors are referred to as "SME/small business owners" or "owner-managers".

### 2.1 A resource-based view of small business accountants

Similarly to recent studies concerning accountants in SMEs and family firms (Barbera and Hasso, 2013; Carey and Tanewski, 2016; De Bruyckere *et al.*, 2020), this study uses the RBV as a method theory [1] (Lukka and Vinnari, 2014) to address the research objective, namely, to explore whether or not accountants are relevant SME advisors.

In general, the RBV assumes that an organisation's competitive advantage rests on the resources it controls (Barney, 1991). Such resources can be "anything which could be thought of as a strength or weakness" (Wernerfelt, 1984, p. 172) and thus include human

---

resources (Wright *et al.*, 1994), even if the actors who hold these resources are not employed by a firm full-time but are only hired for certain services, as is typical for external accountants (De Bruyckere *et al.*, 2020). To qualify as a resource that generates competitive advantage, Barney (1991) noted the need to meet four criteria:

- (1) A resource needs to be valuable so that drawing on the resource is in fact able to position the organisation favourably in its competitive environment;
- (2) A resource needs to be rare in the organisation's competitive environment;
- (3) A resource needs to be imperfectly imitable by the organisation's current and potential competitors; and
- (4) A resource should not be easily substituted by another resource that may be valuable but neither rare nor imperfectly imitable.

Not all human resources provide a basis for competitive advantage. In particular, Wright *et al.* (1994, p. 307) suggested that only human resources of "high quality" are likely to generate competitive advantage. While originally, RBV proponents focused on firms' internal resources to explain competitive advantage (Barney, 1991), a more contemporary understanding of the RBV has relaxed the condition that resources, and in particular human resources, must be strictly internal to generate competitive advantage (Weigel and Hiebl, 2023; Wright *et al.*, 2001; Zahra and Nielsen, 2002). For instance, Wright *et al.* (2001) argued that in the modern business landscape, an organisation's knowledge base, which is crucial for achieving and sustaining competitive advantage, is not built solely upon internal human capital but often rests on external knowledge and social capital shared with key stakeholders. In line with this, several recent applications of the RBV questioned how knowledge can be translated into competitive advantage and focused specifically on the role of external service providers, such as IT consultants, in this relationship (e.g. Ajgaonkar *et al.*, 2022; Henningsson and Ørngaard, 2016). In particular, such external service providers may be valuable for SMEs since small businesses often do not have the financial resources to employ such experts full-time. Concurrently, expert knowledge can enable SMEs to stay abreast of recent developments and to obtain the latest information and information processing capability, and thus be able to react to external developments in a timelier fashion than their competitors. Similarly, Moschella *et al.* (2023) found that accountants can help SMEs to build tailor-made systems, such as risk management, to gain a competitive advantage.

The current paper uses this line of thought, viewing external accountants as having the potential to contribute positively to an SME's competitive advantage. For external accountants, it seems challenging, but not impossible, to fulfil all four RBV criteria (Barney, 1991), or at least to fulfil them to a relatively high degree (Whittington *et al.*, 2019). In particular, statutory services, such as value-added tax declarations, bookkeeping, annual accounts or corporate tax declarations, are standardised services in most jurisdictions and thus do not equip external accountants to offer "rare" or "inimitable" services to their clients (De Bruyckere *et al.*, 2020; Weigel and Hiebl, 2023). Since these services are mandatory for most SMEs, they are also unlikely to be particularly valuable to these enterprises compared with their competitors (Hitchens, 1997; Blackburn *et al.*, 2018). Indeed, more sophisticated and powerful software may become, or already is, a substitute for accountants' services (Sarens *et al.*, 2015; Ma *et al.*, 2021; Goretzki and Pfister, 2022), which also makes it unlikely that external accountants' statutory services can equip SMEs with a basis for competitive advantage (Weigel and Hiebl, 2023). This concerns the research objective of the present study regarding whether or not accountants are relevant SME advisors.

The literature suggests that it is relevant for accountants to build on their often trustful relationship with existing clients and to venture into new fields (Blackburn *et al.*, 2018; De Bruyckere *et al.*, 2020; Moschella *et al.*, 2023). The previous studies in this domain concluded that accountants have substantial relevance for SMEs and remain used most often, and in many cases are the most trusted advisors for small business owner-managers (for instance, Kirby and King, 1997; Jay and Schaper, 2003; Ramsden and Bennett, 2005; Perry *et al.*, 2010). More recent studies indicated that accountants must increasingly position their services as valuable resources for their clients in order to avoid being substituted by less expensive competitors or by accounting software (Ma *et al.*, 2021; Weigel and Hiebl, 2023). However, whether such dynamics are present in contemporary SMEs with audit exemptions remains an open question and is thus the focus of the present research. While some previous authors reported that SME-serving accountants are shifting their role towards advisory services (for instance, Stergiou *et al.*, 2013; Sarens *et al.*, 2015; Carey and Tanewski, 2016; De Bruyckere *et al.*, 2020) or to new areas such as risk management (Moschella *et al.*, 2023), others expressed scepticism about whether accountants will depart from their traditional statutory services (Marriott and Marriott, 2000), as for many public accountants statutory services still comprise the core of their business (Halabi *et al.*, 2010; Sarens *et al.*, 2015; Tan *et al.*, 2016). Given these alternative viewpoints, clarity may be offered by addressing the research questions posed in the introduction of the present study.

As indicated earlier, the relevance of accountants servicing small and micro firms that are audit exempt may be less than for other businesses. Such small businesses usually have less demand for external accountants, given their lower compliance requirements than larger firms. The extent to which small business owner-managers view external accountants as relevant can be equated to whether accountants fulfil the four RBV criteria detailed previously. According to the RBV, it could be expected that only advisory services, not statutory services, can be “future-proof” and adhere mostly or fully to all four criteria. However, since many craft breweries and distilleries were founded in the past few decades (Lamertz *et al.*, 2016), and given their small size, they are unlikely to have established long-standing and trustful relationships with external accountants, a factor that was mentioned by several existing studies concerning the use of small business accountants as a prerequisite for entering non-statutory services (e.g. Carey and Tanewski, 2016; Blackburn *et al.*, 2018; De Bruyckere *et al.*, 2020; Moschella *et al.*, 2023). Why and how such SMEs may turn to accountants for advice remains to be seen and is discussed in detail in the context of the cross-sectional field study later in this paper.

While thus far studies in this field suggested that external accountants may be a valuable resource for SMEs, the literature also highlighted the negative image of accountants that in practice may preclude SME owners from employing them. A brief review of the key literature on this topic is useful. The work by Friedman and Lyne (2001) noted that the bean-counter image of an accountant continues to be the dominant stereotype and that it “is primarily negative” (p. 425), which may affect higher level accounting activities, such as the advisory services that might be offered to SMEs. Others, such as Warren and Parker (2009, p. 212) noted the bean-counter stereotype and the “boring image” of accountants, as did Jeacle (2008). Similarly, Miley and Read (2012) noted the negative and “boring” stereotype of accountants and how popular culture encapsulates it in jokes, also observing that the “accounting profession is aware that the stereotype is an inaccurate reflection that it would appear to serve both the profession and society to maintain the stereotype” (2012, p. 714). More recent research by Caglio *et al.* (2019) focused on the term “image” of accountants rather than “stereotype”, but also noted the persistence of the bean-counter stereotype. Interestingly, Caglio *et al.* (2019, p. 849) observed that “the greater the distance from the

---

profession, the less attractive the image of accountants”, noting the media as key perpetrator of the bean-counter image.

## 2.2 Accounting in brewing and distilling

In their overview of the economic history of beer, [Poelmans and Swinnen \(2011\)](#) highlighted the changing nature of the brewing sector, noting that the 21<sup>st</sup> century has brought a focus to speciality beers and witnessed the emergence of a craft beer sector (see also [Lamertz et al., 2016](#)). While there is some interest in the economics literature regarding the sector, this is not the case for accounting, although the following accounting history studies are relevant.

From a historical perspective, [Kristandl and Quinn \(2018, p. 207\)](#) suggested that “the brewing industry [...] adds potential value for accounting history researchers”. The Guinness brewery in Dublin was the subject of several historical studies ([Quinn, 2014](#); [Quinn and Jackson, 2014](#); [Hiebl et al., 2015](#); [Martínez Franco et al., 2017](#); [Martínez Franco and Hiebl, 2018](#); [Moreno et al., 2019](#); [Cleary et al., 2019](#); [Moreno and Quinn, 2023](#)). Other breweries also received attention. For instance, [Kristandl and Quinn \(2018\)](#) explored the British Whitbread brewery, and [Moreno and Cámara \(2014\)](#) reported how accounting at the Spanish *El Alcázar* brewery worked. There is also a limited amount of literature regarding accounting and distilling, such as that by [Quinn and Oliveira \(2018\)](#) and [Jackson et al. \(2012\)](#).

In contrast, little contemporary literature explored accounting in the brewing or distilling sector, the latter sector being particularly absent. A search of abstract, title and keywords of the Scopus [2] database using the term “craft brewing” and filtered to “Business and Management” papers only revealed 85 papers, none of which concerned accounting. A similar search that employed the term “craft distilling” and/or “craft distillery” yielded 32 and 17 papers, respectively, with none from the accounting discipline. One reason for the scarcity of research in the field may be the lack of accounting research in general concerning SMEs (e.g. [Najera Ruiz and Collazzo, 2021](#); [Lavia López and Hiebl, 2015](#)). Even specialised SME journals, such as the *Journal of Small Business Management*, revealed few studies concerning the craft brewing/distilling sector. A search conducted in late 2023 that employed the search term “craft brew\*” yielded seven results (e.g. [Biraglia and Kadile, 2017](#)), and a search of the term “craft distill\*” yielded six results (e.g. [Hlady-Rispa and Blancheton, 2020](#)). Again, none were from the accounting discipline.

To summarise, the existing accounting history literature shows that accountants/accounts have long played an important role in breweries. When contemporary craft breweries are compared with long-standing breweries, the basic underlying operations, namely, the brewing process, have not changed ([Lamertz et al., 2016](#)). It can be inferred that the accounting profession has had many decades to develop specialised knowledge regarding how best to service and advise breweries. In addition, the extant accounting history literature shows that specialised accountants for breweries and educational formats for such accountants exist ([Walkden, 1891](#); [Kristandl and Quinn, 2018](#); [Quinn and Gibney, 2018](#)). In contrast, the contemporary accounting literature has not had such focus. Since most craft breweries are small, it can be assumed that many experience similar phenomena to that noted in the literature concerning accountants in SMEs, if they use accountants at all. A particular challenge for small business accountants may be lower, or no, demand for their advisory services by SMEs, with business potentially lost due to an increasing number of small businesses employing accounting software rather than external accountants ([Carey and Tanewski, 2016](#); [De Bruyckere et al., 2020](#); [Sarens et al., 2015](#); [Weigel and Hiebl, 2023](#)). The question of whether audit-exempt small businesses still employ external accountants for such advice remains to be seen and is explored below. The craft brewing sector constitutes a well-suited research site for the examination of this dynamic, since many craft breweries are

likely to be audit exempt, and accountants can build upon their extant knowledge to advise these businesses.

### 3. Context and method

This section first provides context regarding the craft brewing/distilling sector and then outlines the research methods employed by this study, together with a discussion of the application of the RBV.

Although referring to the USA, the following quotation by [McLaughlin et al. \(2014, p. 131\)](#) captures the explosive growth in the craft brewing sector:

[...] aggregate beer production in the US has increased modestly, per capita beer production has decreased steadily since the early 1980s, dropping 26% from a record 26.2 barrels per person in 1981 to a low of 19.5 barrels per person in 2011. However, the number of brewing establishments increased substantially during the same period, expanding from 48 breweries in 1981 to nearly 1,700 by 2011.

The global turnover of the craft brewing market is currently estimated to be approximately \$100–120bn annually, with a cumulative annual growth of around 10% expected [3]. The study by [Van Dijk et al. \(2018, p. 264\)](#) provided a general definition of craft brewing, describing a craft brewery as:

[...] an independent brewing organisation established after 1980 that produces beer according to its own recipes, which typically rely on top-fermenting yeast rather than the bottom-fermenting yeast that is used to produce lager, and at a relatively small scale (<25,000 hectolitres per year).

This definition includes both organisations that have their own brewing capacity as well as organisations that rent brewing capacity; so-called contract breweries. For the purpose of the present study, the key elements of this definition are that the brewery/distillery was owned independently at the time of the research and that their scale was small. What constitutes “small” varies by jurisdiction. For instance, a microbrewery in Ireland is one that brews less than 50,000 hectolitres, while in the United Kingdom (UK) it is one that brews less than 60,000 hectolitres [4] (see also [Garavaglia and Swinnen, 2018](#)). Smaller brewers often also pay lower alcohol taxes that offset their higher scale-related costs. When discussing the nature of independent ownership, [Garavaglia and Swinnen \(2018, p. 4\)](#) defined an independent as a brewery that is “less than 25% owned or controlled by an alcohol industry member that is not itself a craft brewer”. While craft brewers brought the consolidation trend to an end, in some cases larger non-craft brewers and distillers reacted to the growth of the craft sector through acquisition ([Garavaglia and Swinnen, 2018](#)).

One final point that is worthy of mention is that some definitions of craft beer use the word “traditional”. According to [Garavaglia and Swinnen \(2018\)](#), this refers to the type of beer produced, which typically implies that more than 50% of the beer derives its flavour from “traditional” rather than “innovative” brewing ingredients and methods. In the context of the various elements of definition thus far, the focus of the present study was small, independently owned brewers and distillers, namely, SMEs, that typically produce low volumes of beer/spirits that are sold primarily in a defined region. This is not to exclude any breweries/distilleries that export, but to emphasise the type of firm deemed suitable for this study. In line with this working definition of craft breweries and distilleries, recent research concerning these types of businesses found that they often source their ingredients locally but also sell the majority of their products in a nearby, and usually not very large, region ([Ramjaun et al., 2024](#)). This has important implications for the current study, as craft breweries and distilleries cannot be expected to compete with large-scale breweries and



distilleries on a national or international scale but can only do so at the local, and potentially regional, level. When competitive advantage is noted hereafter, such advantage can, if at all, usually be found at the local or regional level. However, as evidenced by previous research concerning craft breweries and distilleries, at this level many such ventures have been able to gain an advantage, for instance through specific taste, style, and superior quality and novelty of product (Duarte Alonso *et al.*, 2016; Ramjaun *et al.*, 2024).

In order to examine the role of accountants in SMEs' endeavours to achieve a competitive advantage, using the craft brewing/distilling sector as representative, the present study conducted a cross-sectional field study informed by interviews between 2019 and 2021. As the review of the extant literature review revealed, there is currently little previous research that examined accountants and SMEs; therefore, a broad examination of this sector was determined to be the best approach to avoid bias. As Lillis and Mundy (2005, p. 9) stated, "cross-sectional field studies differ from more common approaches to survey and case methods in that they are less structured in their data collection than surveys, and involve shorter, less intensive data collection on site than in-depth case studies". They are thus useful when examining specific issues where doubt regarding empirical interpretations may arise. Therefore, an exploration of different companies in several countries was deemed to provide a broad and useful base for the examination of the use of accountants by SMEs. A semi-structured interview method was adopted, and outline questions were developed that were based on accounting, SMEs and the RBV literature. The interviews were conducted with SMEs and accountants within the sector from four European countries: Finland, Germany, Ireland and the UK. The individuals interviewed were located via various channels. Some were identified as being knowledgeable in the area; for others, cold interview requests were sent; a number were identified via the researcher's contacts; and others from interviewee recommendations. In total, 20 semi-structured interviews were conducted, as summarised in Table 1. This number of interviews is similar to the average number of interviews conducted by recent interview-based accounting research (Dai *et al.*, 2019) and provided sufficiently deep insights regarding how SMEs in the craft brewing/distillery sector view the role of accountants. Most of the interviewees were the founders/owners/chief executive officers (CEOs) of their respective brewery or distillery. An accountant who offered services to several craft brewers/distillers was also interviewed. No full-time accountants were employed by any of the firms interviewed, but when these firms engaged external accountants, the respective accountants were publicly registered/certified.

The secondary sources used by the study included legislation and industry publications. The interviews and secondary data collection took place over a three-year period; the COVID-19 pandemic created a break in the primary data collection. The interviews were conducted in person, by phone and online, the latter due to the public health restrictions in force at the time. In addition, due to the distance between the researchers and interviewees, the interviews with German craft breweries/distilleries were conducted via phone. All of the interviews were recorded and transcribed.

The RBV posits that companies achieve competitive advantage by leveraging their unique resources and capabilities. In accordance with this, the analysis sought to identify and categorise the resources and capabilities mentioned by the participants and to understand their role and significance in achieving competitive advantage in the craft brewing/distilling industry. At the outset of the data analysis, the interview transcripts were read thoroughly to achieve familiarisation with their content. The initial codes were generated by noting the patterns of meaning and potential themes related to facets of the RBV. NVivo software was used to aid the data organisation and coding process. The initial codes were then grouped into potential themes, and each theme was reviewed in the context of the data set to ensure its

**Table 1.** Interviewee details

Identifier	Role	Country	SME type	Interview type
1	Founder/CEO	United Kingdom	Small	In person
2	Founder/CEO	Ireland	Small	In person
3	Founder/CEO	Ireland	Small	In person
4	Founder/CEO	United Kingdom	Start up, micro	In person
6	Founder/CEO	Finland	Small	In person
7	Founder/CEO	Finland	Start up, micro	In person
8	Founder/CEO	United Kingdom	Small	Online
9	Founder	Ireland	Small, startup	Online
10	Co-Founder/CEO	Germany	Startup, micro	Phone
11	Co-Founder/CEO	Germany	Startup, micro	Phone
12	Co-Founder/Co-CEO	Germany	Startup, small	Phone
13	Wife of founder and CEO	Germany	Startup, micro	Phone
14	Founder/CEO	Germany	Startup, micro	Phone
15	Co-Founder/CEO	Germany	Startup, micro	Phone
16	Owner/CEO	Germany	Startup, micro	Phone
17	Founder/CEO	Germany	Startup, micro	Phone
18	Co-Founder/CEO	Germany	Startup, micro	Phone
19	Founder/CEO	United Kingdom	Startup, micro	Online
20	Founder/CEO	United Kingdom	Startup, micro	In person
5	Accountant	United Kingdom	N/A	In person

**Notes:** The EU SME definition is adopted in this paper – see [https://single-market-economy.ec.europa.eu/smes/sme-definition\\_en](https://single-market-economy.ec.europa.eu/smes/sme-definition_en) and [European Commission \(2003\)](#)

**Source:** Authors' own creation

relevance to the RBV framework. Subsequently, the themes were refined and defined to ensure that they provided a clear representation of the insights regarding the resources and capabilities derived from the data. Throughout the analysis, constant comparisons were made by comparing the data within and across themes to ensure comprehensive and consistent interpretation. In order to enhance the reliability and validity of the findings, two researchers coded a subset of the transcripts independently, then met to discuss and resolve any discrepancies in the coding.

#### 4. Findings

As noted earlier, this paper sought to explore the question of whether or not accountants are relevant SME advisors. The first question within this objective investigated why and how contemporary small business owners employ accountants as relevant business advisors, while the second question asked what promotes variation between SMEs' use of such services. Specifically, the lens of the RBV was used to examine the extent to which small business owner-managers view the advice given by external accountants as a resource, in line with the RBV. The findings presented below are therefore structured around the four RBV criteria. As stated in Section 3, and reflecting the findings of the extant research in the field, such as that conducted by [Kirby and King \(1997\)](#), [Jay and Schaper \(2003\)](#) and [Perry et al. \(2010\)](#), due to financial constraints, none of the interviewees employed full-time internal accountants. Instead, they used public accounting firms to help with statutory tasks and to obtain advisory services. As noted previously, external accountants can use their intimate knowledge of their clients' finances and their long-standing and trustful relationship with them to engage in non-compliance work and to

---

offer business advice. However, most of the interviewees in the present study were engaged in start-up enterprises and had not yet built a long-standing and trustful relationship with their accountants, thus did not seek their advice.

#### 4.1 Accountants generally viewed as valuable

According to the RBV, resources must be valuable in order that employing the resource positions an organisation favourably in its competitive environment. The present study's ability to address this matter when so few of the interviewees used accountants for advice was difficult and may explain the lack of opportunities that accountants can offer SMEs in the brewing sector. However, it was apparent from the interview findings, which reflected those of the extant literature (Ali and Mustafa, 2023; Lavia López and Hiebl, 2015; Pelz, 2019; Weigel and Hiebl, 2023), that many of the interviewees viewed accountants as a mere "extension of the tax system" (Marriott and Marriott, 2000, p. 483) and used them solely for statutory purposes, as exemplified by the following observation by one of the present study's participants:

Most accountants are just glorified bookkeepers, and they just follow the rules as according to Her Majesty's Revenue and Customs. So I see financial advisors move into a different class of person then. Once again, they're trying to keep up with the latest policy that Treasury's pushed our way. (ID 20, Founder/CEO)

When questioned about why accountants are not used for advisory services, most of the interviewees agreed that accountants could potentially play a role in helping a business to move forward but claimed that the financial constraints of SMEs mean that they cannot afford such services. The following quotation captures this sentiment:

We have an accountant, like a day-to-day bookkeeper. He also helps us with my P&L analysis and all that kind of stuff. But we've not gone to him and said we need help with financial forecasting. We do all that ourselves at the moment, and I think one of the reasons being is we are, we're still very focused on our day-to-day financial costs or overheads. We're still in a period at the moment where we're very overhead sensitive, because although our sales are really picking up month on month, we're not hitting our target every week that I've set us. Until we get to that position, I don't really want to be using an accountant which is going to cost us quite a lot of finance, if it's going to add a hefty overhead to us every month, until we're in a position where we're kind of financially able to sustain that. (ID 8, Founder/CEO)

This, along with similar comments made by other interviewees, suggested that cost is a key reason why accountants are not approached for advice. Put another way, the interviewees did not "value" their accountants' advisory services enough to pay for them; hence, from a cost-benefit viewpoint, the cost of employing an accountant in this capacity was apparently considered to outweigh the benefits. This reflected the findings reported by Greenhalgh (2000) that SMEs calculate the costs and benefits of employing accountants meticulously and that the value of accountants' advice is not always deemed to outweigh the cost involved (see also Weigel and Hiebl, 2023). However, the interviewees in the present study who did use an accountant for advisory services found them to be very valuable (see Section 4.2). However, in terms of a cost-benefit analysis, the majority of the interviewees did not believe this to be the case. Those who did not employ accountants for advice at early stages of their business, in hindsight, believed it would have been valuable to do so, as captured in the following comments:

Yes, I could have integrated him [the public accountant] more in the beginning. So now it is simply a learning process. You get to see more and more naturally how it goes, what is sensible. If you make a product, if you make a bigger purchase, maybe you even finance it right away, which is more marketable or economically more sensible. (ID 10, Founder/CEO)

We would probably look for a closer exchange at the beginning, because we had some complications in the accounting allocation, for example in the cash management we also worked with simplified accounting records, but have now switched to the full one in order to be able to charge empties sensibly, for example. This means that we would look for a closer exchange at the beginning. (ID 14, Founder/CEO)

Another interesting finding was that not only did most interviewees not find accountants valuable, some also held a very negative view of them, to an extent invoking the persistent stereotype noted earlier. For instance, one interviewee viewed accountants as individuals who could not be trusted and who endeavoured to serve their own needs in terms of the fees they charged. The following comment highlights this point:

You can't trust an accountant. Any time I gave an accountant money to invest for me I lost money [...] they were honest, but you see, all they're after is fees [...] So, I left them again and went back down to my [previous accountant] and they're on standby now, and if they perform, I'll be with them next year, and if they don't, I'll leave again. Because people are afraid to change accountants, they're nervous, but if you have everything so correct like we are, I don't have a problem with that. You see, I always remember the revenue. I say this to all of them, they're all partners, whether they like it or not, they can't change that and if we make money, they make money. But if we lose money, they don't get anything, but they don't understand that. (ID 2, Founder/CEO)

The evidence gathered in the interviews therefore suggested that the participants did not use accountants for advice primarily for cost-benefit reasons, as they did not perceive the advice to be worth the cost of obtaining it. A second, but lesser, potential reason for this perception is that the owners/managers of SMEs in the sector are remote from the accounting profession and thus retain a negative image of accountants (Caglio *et al.*, 2019).

#### 4.2 Accountants viewed as valuable in an advisory context

Although this study's interviewees mainly used accountants for their statutory services, those who employed them for advisory services found those services to be valuable. The participants reported that this was for a variety of reasons, such as freeing up time to focus on their business, facilitating appropriate understanding of cost to price and helping to secure finance for business growth. However, only three of the 20 individuals interviewed believed that accountants' advisory services were valuable, as exemplified by the following quotations:

They relieve you of a lot of work and above all they do it right. I think that this is another point where many brewers make a mistake and say, "I do it myself on the side". Yes, you can, but then you can also concentrate better on other things. (ID11, Founder/CEO)

Just looking back and trying to get a handle on prices, but about 18 months in, you look at it and go, actually, I've got no idea what my cost base is here. And that is when I started to think, "Right, we need to bring in a management accountant to really help us through the process of deciding how to price products" and knowing that your underlying metrics are okay. (ID 4, Founder/CEO)

He was able to advise us at least a little bit about the funding track. He brought a little bit of his experience to the table. In that respect, he helped [...]. This funding story is very opaque; nobody really knows how it works. Those who promote this do not really know how it works, so it is quite good to get experience from several sources. (ID 14, Founder)

Moreover, some of the interviewees who had not yet used accountants for their advisory services mentioned that they may turn to them in future:

I think that's something you should look at in the future, because there are just so many details that you know/should know. So, I think it makes a lot of sense to bring this into the company at some point. Or that a professional company is brought in, where the cooperation is even closer. I mean now it's just the billing and the taxes. (ID13, Wife of founder and CEO)

To conclude, the majority of this study's interviewees did not use accountants for advisory services, as they did not perceive them to be of "value" at present, although they did see a potential value in employing these services in future, suggesting that the owners were focused on short-term goals rather than looking forward. However, the few who did use accountants' advisory services found them valuable, and one interviewee claimed that employing accountants to help with pricing decisions gave their enterprise a competitive edge.

#### 4.3 Accountants as a rare resource

According to the RBV, a resource must be rare in an organisation's competitive environment. Typically, statutory accounting services are standardised in most jurisdictions. Thus, external accountants cannot offer "rare" or "inimitable" services to their clients (De Bruyckere *et al.*, 2020). However, most of the interviewees in the present study reported that it was difficult to find accountants who offered advisory services in the field of craft brewing/distilling, potentially making this a "rare" resource. They noted that the accountants they engaged offered only generic advice and were unable to give quality information that would help with their decision-making, as exemplified by the following quotation:

If I could find an accountant who specialises in the brewing sector, I'd probably benefit from it. The accountant we're currently using is very good, but we're his only client in this sector. He's got other clients in hospitality, but I think we probably could have benefited from having insights about pre prep and preparation period advice from someone who's been working with other brewers. (ID 8, Owner)

Only one interviewee used an accountant with knowledge of the craft sector and had specifically sought an accountant with this expertise to help to secure finance for business growth:

We've recently switched accountants from X to Y, and part of the reason for that is that Y have been very proactive in the market, in terms of bringing together investors and brewers. So, that is an area that I think will become more and more prevalent in accountancy practices where there will be dedicated individuals whose job it is to actively go out and look at specific sectors and bring together people who need fundraising with the people who have money. That was my primary reason for moving from one accountancy firm to the other, is that I could see that they were much more help and much more proactive in the brewing and distilling sector. (ID 4, Founder/CEO)

Due to this comment, a search [5] was conducted to locate accountants with specialist knowledge of the brewing sector. Only one such accountant was identified in the UK, and he was one of the interviewees (ID 5). He noted that he became an expert in this field by chance, due to his interest in the sector:

I happen to be working with a brewer quite by chance, rather than by design. It was a client of the firm. There was no expertise directly attributed to why that relationship started, and that relationship was just one that was sort of your business. I'm an accountant and we can work together. I picked that relationship up from a retiring partner who worked with our business, took an interest in what they were doing above and beyond just sort of "I like that product". (ID 5, Accountant)

At the end of the project, the researchers searched again for improvements in the availability of accountants in the UK who could provide services beyond compliance work for specialist craft brewers/distillers. For example, general searches and a search via contacts in the Society of Independent Brewers revealed that only 11 such advisers were listed, all but two of which were insurance companies. Moreover, one of the two was the accountant interviewed for the purpose of this study, and they did not provide any sector-specific information on their website. While another company was found that specifically noted that they supported local brewers, this was with a focus on taxation and basic financial accounting support. This suggested that while over a century ago (Walkden, 1891), accountants had significant experience in this area, there may since have been a loss of such skills, at least in the UK. Therefore, from an RBV perspective, accountants with specialist craft brewing/distilling are a rare resource.

#### 4.4 Accountants as imperfectly imitable and easily substituted

Although the RBV separates the criteria of “imperfectly imitable” and “easily substituted”, this study found that they are interwoven, thus this sub-section discusses them in tandem. According to the RBV, a resource must be imperfectly imitable by the organisation’s current and potential competitors. In the case of the firms considered by this study, only one interviewee (ID 4) was found to have a close trusting relationship with an accountant who provided specific sector advice. As discussed in the previous section, this was because the existence of accountants with knowledge of the intricacies of the craft brewing sector was found in practice to be a rare resource. However, as the number of enterprises interviewed for the purpose of this study was small, conclusions regarding this cannot be generalised.

According to the RBV, a resource should not easily be substituted by another resource that may be valuable but neither rare nor imperfectly imitable. In agreement with Blackburn *et al.* (2018), the present study found that the compliance services that accountants provide to SMEs are currently in decline due to their clients’ increasingly extensive use of IT and software that performs transactional accounting work (Jarvis and Rigby, 2012; Ma *et al.*, 2021) [6]. Thus, accountants who offer compliance services are substituted easily by IT/systems, and it is anticipated that there will be a significant further decline in future, due to the increasingly extensive use of IT by SMEs for transactional accounting work (Jarvis and Rigby, 2012; Ma *et al.*, 2021). The following observations made by interviewees in the present study highlight this point:

We use Xero, pretty much for everything. (ID 8, Founder/CEO)

I don’t need any advice from them [accountants], I don’t take any advice from them, but the fact is that we use Lexoffice as a system and it’s an online tool and the accountant has access to it. So, he sees the numbers live too. (ID 17, Founder/CEO)

Furthermore, many of the interviewees had some accounting or business knowledge that substituted the need for them to engage an external accountant. For example, when questioned whether their firm used accountants for advisory services, Interviewee 18 commented:

No, not from tax consultants. The only thing we did, we talked to our distiller, who sells his own brands on the market. We talked to him about our different prices or the percentage differences in the different trade levels. We did that, but only with the distiller, not with a tax consultant, not with any other consultants. We don’t need to, because we have enough for that, we think it sounds a bit arrogant that we have enough know-how on board, due to our different professional backgrounds. That is simply our added value, that we can save ourselves these consulting costs, because we have

the know-how ourselves. I have accompanied enough start-ups as a consultant, or sometimes as an investor, in the past. I know the problems that exist, of course from a different perspective, but as a founder I can now make this professional perspective my own. That's why I know what a problem in pricing is, what pitfalls exist, how to observe the market, which methods I use to look at and analyse the market, and how to find your way around. (ID 18, Founder/CEO)

Similarly, Interviewees 4 and 11 highlighted their use of their own skills as a substitute for employing an accountant:

But I do all the preparatory accounting, because I also learned wholesale and foreign trade. Because I already said before that I just enjoy numbers and I think accounting is the easiest thing in the world. (ID 11, Founder/CEO)

My background was in marketing and sales and science. So, I had written business plans, I had written grants, I've written all sorts of stuff beforehand, so I knew what had to go into the business plan. So, I pretty much did it all myself. (ID 4, Founder/CEO)

In addition, the interviewees reported that they substituted the use of advisory services with other sources of such information, such as social media platforms where individuals share information and support. Examples of this type of online social media support are evident in the form of groups on Facebook, for example, the "Craft Beer Professional" group, which has typical online panels that cover accounting subjects, such as the following:

Example 1: Understanding Brewing Economics for Production Profitability. The topics covered will include helping owners and CFOs understand: (1) their brewery's COGS with a breakdown of materials, labour, and losses, (2) process changes to improve efficiency for greater yields and decreased costs, (3) different methodologies of accounting sync between brewery management systems and your accounting platform, (4) ways to use brewery data management systems to help increase your bottom line.

Example 2: This presentation focuses on giving a deeper dive into an often times misunderstood and undervalued part of the brewing process – the grist [7]. Endless input cost increases and supply shortages have forced breweries to the difficult decision of (A) Accepting reduced margins in an already thin margin game, (B) Raising prices and risking fallout from customer base and (C) Taking a look at internal processes to improve efficiency.

Example 3: Understanding the current economic environment and your brewery– what do you need to do now to position your brewery in the best position. In this session we will talk through the macroeconomic environment and what that means for your brewery and what things you need to look at in your own brewery to ensure you handle any adverse economic events. In this session we will look at pricing, cost behaviours, and strategies you need to implement in order to best handle whatever the economy throws at you.

The individuals who run these groups and give educational talks are not professionally qualified accountants; rather, they are business owners who seek to support other business owners. These panels and business owners' expertise can be valuable substitutes for the skills of accountants. According to [Suddaby et al. \(2015\)](#), the domain of accounting expertise among the so-called "Big 4" accounting firms has been reconstituted on social media platforms, such as Facebook, LinkedIn and Twitter, and in the context of the present study, the interviewees themselves reported that they substituted the role of the accountant with the resources available on social media. This supported the finding of previous studies, such as that by [Kirby and King \(1997\)](#), [Jay and Schaper \(2003\)](#), [Ramsden and Bennett \(2005\)](#) and [Perry et al. \(2010\)](#), that accountants may experience competition in their perceived role as

the most important advisors for SME owners. An example of the specific areas in which this is the case is product pricing, as reported by one of the present study's interviewees:

The brewing industry is pretty friendly, to be honest, [...] you can actually talk to other people about what they charge [...] and you know roughly what other breweries are charging. And the bottom line is, you can't charge more because you won't sell your goods, people will just go elsewhere, regardless of how good your product is. And if you go too low then the other brewers get the hump with you so, you know roughly. At the start, I didn't know that, so I had to literally just scratch around for as much information as I could out of publicans, out of other brewers, out of wholesalers, and it's really just a pricing exercise to try and find out as much as possible. (ID 4, Founder/CEO)

While individuals with an accounting background believe that conducting business without an awareness of the cost of your product is both risky and creates lost opportunities in terms of good decision-making, this approach was found to be common among those interviewed for this study. For example, Interviewee 19 also explained that they sought knowledge from "certain people in the industry that I'd trust enough to know, who know what they're actually on about". The individual they referred to was also interviewed as part of this project, and he explained that he often represented the industry in lobbying the government. This person was a brewer with no accounting background who had acquired some management and financial accounting knowledge from working with previous business partners. One example of this knowledge they referred to was as follows:

There was a levy change coming which only affects about 150 breweries in the UK. I'm one of them [...] and our argument was always that reform shouldn't hurt any brewer, and that wasn't really getting listened to. And up until Tuesday this week it was looking like it was going to cost me £30,000 a year on extra duty. The crux of the matter is that it's not just to say £2,000 on extra duty that I'd be facing. It's that at the same time players that are twice my size, which is still small, but twice my size, would be reducing their prices. So we'd be coming under price pressure, we'd be paying extra duty. And all I could foresee was that, you know, £30,000 is my sort of CapEx budget for the year. So all I could see was just a slow sub-decline of the business, in terms of its efficiency and any chance of being profitable. Yeah. And they were up until Tuesday, they were going to do this and then while I managed to get to see the Treasury a couple of weeks ago, the usual roundtable, it was the usual chat. I'd done a case study on myself, showing how their proposed changes would impact. My capability to compete with players twice my size and multinational players. It was quite stark and it worked, (ID 19, Founder, CEO)

In summary, this study found that an accountant's work is substituted easily by a range of sources, including IT/systems, business owners' own knowledge and expertise, social media platforms where business owners share knowledge and contacts, and community groups. These substitutes were deemed by the interviewees to be more accessible and valuable than employing accountants for the work. In addition, these substitute sources are related more closely to the brewing sector than accounting professionals and are therefore more likely to be perceived positively than accountants by SMEs (Caglio *et al.*, 2019).

## 5. Discussion

This paper sought to analyse whether and how external accountants are seen as a valuable advisory resource by SMEs, particularly in the context of small audit-exempt firms founded relatively recently in the craft brewing and distilling industry. The rationale for the use of this setting was that small business accountants could not use a long-standing relationship with their clients, but rather could only be employed as an advisor if they were perceived to add value to the craft brewing/distilling firm concerned. The RBV was used as the theoretical framework to explore this potentially value-adding role of accountants, a framework that has



---

not yet been extensively used to study small business accountants (Carey and Tanewski, 2016; De Bruyckere *et al.*, 2020), but which is promising as a potential unifying framework for this stream of literature (Ali and Mustafa, 2023; Weigel and Hiebl, 2023).

In general, the analysis using the four desirable attributes of resources listed by the RBV did not present an overly optimistic view of the use of external accountants by small craft breweries and distilleries. The RBV criteria provided a clear framework to address the first research question regarding why and how small business owners employ accountants as relevant business advisors. According to the findings, the participants perceived accountants to be valuable primarily when they offered advisory services that free up time for business owners, helped with pricing strategies and secured financing, thereby positioning the SME more favourably in their competitive environment. However, this perceived value was often outweighed by the cost involved, leading many SMEs to limit the role of their accountants to statutory, rather than advisory, functions. However, those who did use accountants for advisory services found them to be valuable, suggesting a potential under-utilisation of a valuable resource by the other SMEs.

While many of the interviewees in this study agreed that accountants could potentially add value to their SME (see also Carey and Tanewski, 2016; De Bruyckere *et al.*, 2020; Halabi *et al.*, 2010), they provided little specific evidence of how they might achieve this, beyond the use of their compliance-orientated services. Therefore, through an RBV lens, from a cost-benefit viewpoint, the majority of the interviewees did not consider accountants to comply with the first of the four RBV criteria, namely, being *valuable*. However, the small number of participants who did employ accountants with specialist knowledge and employed their advisory services selectively found the advice to be *valuable*, thus portraying such an accountant in this light.

In the context of the second research question, which concerned the drivers of the variation between SMEs in their use of these services, the criteria of a resource being rare and imperfectly imitable were key. Accountants with specific expertise in the brewing sector were considered a rare resource. This rarity meant that the SMEs that did locate and use such specialised accountants gained unique insights and advantages that were not imitated easily by their competitors who only engaged general accountants. The notion of non-substitutability explained the variation further, since many of the SMEs substituted accountants' advisory role with IT, internal expertise and social media networks, which were perceived to be more accessible and equally, or more, valuable. This substitution was influenced by both cost considerations and the negative perception that some business owners held towards accountants.

To summarise, the findings of this study did not suggest that external accountants are incapable of providing value-adding advice to small business owners, even in the absence of long-standing and trusting relationships. However, such potentially *value-adding* accountants seemed to be *rare*, and most of the interviewees reported that they would not use their accountants for such advice due to the anticipated high financial cost involved and to the existence of more cost-attractive alternatives. These alternatives suggested that for many of the SMEs, external accountants were not *imperfectly imitable* and could be *substituted*, which constituted two additional RBV criteria. In particular, this study suggested that the use of social media platforms and community groups as a substitute for accountants' advice is a potential threat to the accounting profession. The quotations included above illustrate how the brewers themselves shared advice concerning pricing strategies and how to control and understand costs. This was an interesting finding that warrants further research to explore whether social media platforms are also used by other industries to replace the advice of the accountant. Reflecting those of Blackburn *et al.* (2018), the findings also suggested that

accountants' compliance services for SMEs are at risk of significant decline, or have declined, due to the extensive use of IT/systems by SMEs to conduct the transactional accounting work, as discussed in Section 4.4. While only two quotations were provided in the relevant section, many other interviewees also reported that they used such systems.

In addition, this study's findings supported those of earlier research, which suggested that advisory services are rarely applicable for small firms, even if they partner with external accountants (Lavia López and Hiebl, 2015; Pelz, 2019). In contrast to previous research, which suggested frequently that accountants are the most important advisors for SME owners (e.g. Kirby and King, 1997; Jay and Schaper, 2003; Ramsden and Bennett, 2005; Perry *et al.*, 2010), no support for this was present among the participants in the present study. Instead, it was found that social media platforms, personal contacts and community groups were the key sources of financial advice for the SME owner-managers interviewed.

## 6. Conclusion

The findings of this paper in addressing its research questions offer two contributions to the literature in the field. First, this study is one of few to focus on small and newly founded businesses within a traditional industry, in which the key value drivers and accounting techniques have been known for a century or more (Walkden, 1891). In terms of why and how small business owners employ accountants as relevant business advisors, this study, which focussed on the craft brewing/distilling sector, demonstrates that without the presence of a long-standing relationship with their clients, accountants seldom act as advisors and are primarily employed for statutory purposes. Instead, the study's findings suggest that, due to financial constraints, such newly founded businesses use less expensive advice from their peers and from social media platforms and increasingly experiment with self-service accounting software to understand their costs and value drivers. The study's findings indicate that external accountants have largely lost relevance within the businesses concerned, or have never had much relevance, and are used mainly for statutory work. Thus, contradicting the findings of previous research (for example, Kirby and King, 1997; Jay and Schaper, 2003; Berry *et al.*, 2006; Perry *et al.*, 2010; Watson, 2011), their role as the main advisor for newly-founded businesses with audit exemptions is absent. Indeed, reflecting other recent research (Blackburn *et al.*, 2018; Ma *et al.*, 2021), this paper confirms the threat for accountants represented by self-service accounting technology and adds the fact that feedback from peers, for example, offered on social media platforms, represents an additional alternative to the advisory services offered by accountants. However, it should be noted that the empirical findings of this study only apply to external accountants and cannot be generalised to internal accountants employed by SMEs. Such internal accountants have recently been shown to bear significant relevance, for instance when supporting SME owners with advice and for introducing new accounting-related systems, such as risk management (Moschella *et al.*, 2023).

As a second contribution, this paper is among few thus far to employ the RBV to aid understanding of the role of external accountants for small businesses. It therefore adds to the small pool of RBV-based accounting literature (e.g. Henri, 2006; De Bruyckere *et al.*, 2020; Weigel and Hiebl, 2023). The findings suggested that the accountants of most of the newly-founded businesses involved in the present study did not meet the four RBV criteria, and thus offered a theoretical explanation regarding why they are not employed widely. In summary, when viewing these findings through the lens of the RBV criteria, it was evident that the variation in the participant SMEs' use of accountants was driven by the cost-benefit analysis of their perceived value, the rarity of their specialised accounting knowledge and the availability of easily substitutable resources. The use of the RBV framework enriched the

understanding of the factors that influenced the participants' engagement with accountants as business advisors.

In contrast to a century ago (cf. [Walkden, 1891](#); [Kristandl and Quinn, 2018](#); [Quinn and Gibney, 2018](#)), alternative advice concerning business matters is more easily accessible for modern SMEs, which may explain why the role of accountants as “gatekeepers” of industry-specific accounting knowledge and as a source of advice continues to erode. However, the findings also implied that many of the participants were not able to assess the RBV criteria fully, based on their own experience, since many of the interviewees noted that they had never considered using accountants for advice, due to the fear that such advice may be costly or that accountants do not possess the relevant industry knowledge. These dynamics suggested a potential explanation why the extant RBV-based accounting literature depicts accountants and accounting practices more generally as failing to comply with the RBV criteria and thus failing to offer a basis for realising competitive advantage ([De Bruyckere et al., 2020](#); [Weigel and Hiebl, 2023](#)). These findings suggested that many SMEs cannot fully assess the potential value of accountants and accounting more generally as they lack experience and potentially understanding of these benefits. This addresses the second research question regarding what may drive the variation between SMEs' use of the services of accountants as advisors. It is therefore suggested that future RBV-based accounting research examines more closely the extent to which business owners or line managers are able to assess the potentially value-enhancing role of accountants and accounting practices before attempting to assess the extent to which they meet the RBV criteria.

This study involves certain limitations, key of which is that the findings may not be generalisable to all SMEs; hence, studies of other sectors are encouraged. A second limitation is the method chosen, and it may be useful for future studies to employ wider data-gathering methods. Beyond these limitations, several questions arise for future research concerning the practices of small business accountants. First, given the increasing role of the self-service technology used by SMEs to produce financial statements and to understand costs, a relevant question for accounting practices is how they can maintain their role as advisors for SMEs if their “bread and butter” compliance business ([Blackburn et al., 2018](#), p. 360) declines. More generally, this raises the question of how accountants can safeguard the future of the profession and position accounting services as a valuable resource that lends their clients a competitive edge. It may be that the future of accountants' work lies in specialising in sectors in which they can give their clients a competitive edge, as indicated by some of the present study's interviewees. It seems this gap is currently filled by SMEs in the craft sector themselves via the use of social media, which is accessible and seen as a valuable and trustworthy resource. The question of how accountants who service SMEs can address these challenges remains an interesting field for future research.

## Notes

1. [Lukka and Vinnari \(2014\)](#) distinguished between “method theories” and “domain theories” in accounting research. According to their classification, domain theories represent the existing knowledge within a certain domain, such as the collective knowledge of accountants in SMEs. Meanwhile, method theories are borrowed from other fields, such as sociology and management, and are used as a theoretical lens to study and further understanding of accounting phenomena. The current paper borrows a theory from strategic management to analyse why and how accountants can serve as a valuable resource for contemporary small businesses in the craft brewing and distilling sector, which renders the RBV of this paper's method theory.
2. The search was conducted in September 2021 during the term of the present research project.

3. See, for example, [www.fortunebusinessinsights.com/industry-reports/craft-beer-market-100736](http://www.fortunebusinessinsights.com/industry-reports/craft-beer-market-100736) or [www.alliedmarketresearch.com/craft-beer-market](http://www.alliedmarketresearch.com/craft-beer-market)
4. See [www.gov.uk/government/publications/excise-notice-226-beer-duty/excise-notice-226-beer-duty-2#small-brewery-beer](http://www.gov.uk/government/publications/excise-notice-226-beer-duty/excise-notice-226-beer-duty-2#small-brewery-beer)
5. Search engines, such as Google and Yahoo, were used, as were social media platforms like Facebook and LinkedIn. The interviewees were also asked whether they knew of any.
6. Interviewee 1 was a qualified accountant who had both accounting and software skills.
7. Grist or “ground grist” refers to malt/cereal that is ground (milled) at the beginning of the brewing process.

### References

- Ajgaonkar, S., Neelam, N.G. and Wiemann, J. (2022), “Drivers of workforce agility: a dynamic capability perspective”, *International Journal of Organizational Analysis*, Vol. 30 No. 4, pp. 951-982.
- Aldrich, H.E. and Auster, E. (1986), “Even dwarfs started small: liabilities of age and size and their strategic implications”, *Research in Organizational Behavior*, Vol. 8, pp. 165-198.
- Ali, Z. and Mustafa, G. (2023), “On accounting firms serving small and medium-sized enterprises: a review, synthesis and research agenda”, *Australian Accounting Review*, Vol. 33 No. 3, pp. 313-332.
- Barbera, F. and Hasso, T. (2013), “Do we need to use an accountant? The sales growth and survival benefits to family SMEs”, *Family Business Review*, Vol. 26 No. 3, pp. 271-292.
- Barney, J. (1991), “Firm resources and sustained competitive advantage”, *Journal of Management*, Vol. 17 No. 1, pp. 99-120.
- Beck, T. and Demirguc-Kunt, A. (2006), “Small and medium-size enterprises: access to finance as a growth constraint”, *Journal of Banking and Finance*, Vol. 30 No. 11, pp. 2931-2943.
- Berry, A.J., Sweeting, R. and Goto, J. (2006), “The effect of business advisers on the performance of SMEs”, *Journal of Small Business and Enterprise Development*, Vol. 13 No. 1, pp. 33-47.
- Biraglia, A. and Kadile, V. (2017), “The role of entrepreneurial passion and creativity in developing entrepreneurial intentions: insights from American homebrewers”, *Journal of Small Business Management*, Vol. 55 No. 1, pp. 170-188.
- Blackburn, R., Carey, P. and Tanewski, G. (2018), “Business advice by accountants to SMEs: relationships and trust”, *Qualitative Research in Accounting and Management*, Vol. 15 No. 3, pp. 358-384.
- Caglio, A., Cameran, M. and Klobas, J. (2019), “What is an accountant? An investigation of images”, *European Accounting Review*, Vol. 28 No. 5, pp. 849-871.
- Carey, P.J. and Tanewski, G. (2016), “The provision of business advice to SMEs by external accountants”, *Managerial Auditing Journal*, Vol. 31 No. 3, pp. 290-313.
- Cleary, P., Quinn, M. and Moreno, A. (2019), “Socioemotional wealth in family firms: a longitudinal content analysis of corporate disclosures”, *Journal of Family Business Strategy*, Vol. 10 No. 2, pp. 119-132.
- Collis, J. and Jarvis, R. (2002), “Financial information and the management of small private companies”, *Journal of Small Business and Enterprise Development*, Vol. 9 No. 2, pp. 100-110.
- Dai, N.T., Free, C. and Gendron, Y. (2019), “Interview-based research in accounting 2000–2014: informal norms, translation and vibrancy”, *Management Accounting Research*, Vol. 42, pp. 26-38.

- 
- De Bruyckere, S., Verplancke, F., Everaert, P., Sarens, G. and Coppens, C. (2020), "The importance of mutual understanding between external accountants and owner-managers of SMEs", *Australian Accounting Review*, Vol. 30 No. 1, pp. 4-21.
- de Oliveira, J., Escrivão, E., Nagano, M.S., Ferraudo, A.S. and Rosim, D. (2015), "What do small business owner-managers do? A managerial work perspective", *Journal of Global Entrepreneurship Research*, Vol. 5 No. 1, pp. 1-21.
- Duarte Alonso, A., Bressan, A. and Sakellarios, N. (2016), "A resource based approach in the context of the emerging craft brewing industry", *European Business Review*, Vol. 28 No. 5, pp. 560-582.
- European Commission (2003), "Commission recommendation of 6 may 2003 concerning the definition of micro, small and medium-sized enterprises", *Official Journal of the European Union*, Vol. 46 No. L124, pp. 36-41.
- Friedman, A.L. and Lyne, S.R. (2001), "The beancounter stereotype: towards a general model of stereotype generation", *Critical Perspectives on Accounting*, Vol. 12 No. 4, pp. 423-451.
- Garavaglia, C. and Swinnen, J. (2018), "Economics of the craft beer revolution: a comparative international perspective", *Economic Perspectives on Craft Beer*, pp. 3-51. Palgrave Macmillan, Cham.
- Goretzki, L. and Pfister, J.A. (2022), "The productive accountant as (un-) wanted self: realizing the ambivalent role of productivity measures in accountants' identity work", *Critical Perspectives on Accounting*, Vol. 95, p. 102504.
- Greenhalgh, R.W. (2000), "Information and the transnational SME controller", *Management Accounting Research*, Vol. 11 No. 4, pp. 413-426.
- Halabi, A.K., Barrett, R. and Dyt, R. (2010), "Understanding financial information used to assess small firm performance: an Australian qualitative study", *Qualitative Research in Accounting and Management*, Vol. 7 No. 2, pp. 163-179.
- Henningsson, S. and Ørregaard, C. (2016), "IT consultants in acquisition IT integration: a resource-based view", *Business and Information Systems Engineering*, Vol. 58 No. 3, pp. 193-212.
- Henri, J.F. (2006), "Management control systems and strategy: a resource-based perspective", *Accounting, Organizations and Society*, Vol. 31 No. 6, pp. 529-558.
- Hiebl, M.R., Quinn, M. and Martínez Franco, C. (2015), "An analysis of the role of a chief accountant at Guinness c. 1920–1940", *Accounting History Review*, Vol. 25 No. 2, pp. 145-165.
- Hitchens, D.M.W.N. (1997), "The adequacy of the supply of professional advisory services to manufacturing firms in rural mid Wales", *The Service Industries Journal*, Vol. 17 No. 4, pp. 669-689.
- Hlady-Rispal, M. and Blancheton, B. (2020), "The diamond model: a French luxury cluster model embedded in regional heritage", *Journal of Small Business Management*, Vol. 60 No. 2, pp. 420-446.
- Jackson, W.J., Paterson, A.S., Pong, C.K. and Scarparo, S. (2012), "How easy can the barley brie': drinking culture and accounting failure at the end of the nineteenth century in Britain", *Accounting, Auditing and Accountability Journal*, Vol. 25 No. 4, pp. 635-658.
- Jarvis, R. and Rigby, M. (2012), "The provision of human resources and employment advice to small and medium-sized enterprises: the role of small and medium-sized practices of accountants", *International Small Business Journal: Researching Entrepreneurship*, Vol. 30 No. 8, pp. 944-956.
- Jay, L. and Schaper, M. (2003), "Which advisers do micro-firms use? Some Australian evidence", *Journal of Small Business and Enterprise Development*, Vol. 10 No. 2, pp. 136-143.
- Jeacle, I. (2008), "Beyond the boring grey: the construction of the colourful accountant", *Critical Perspectives on Accounting*, Vol. 19 No. 8, pp. 1296-1320.
- Kirby, D.A. and King, S.H. (1997), "Accountants and small firm development: filling the expectation gap", *The Service Industries Journal*, Vol. 17 No. 2, pp. 294-304.

- Kristandl, G. and Quinn, M. (2018), "Internal accounting practices at Whitbread and company, c. 1890–1925", *Accounting History*, Vol. 23 Nos 1/2, pp. 206-230.
- Lamertz, K., Foster, W.M., Coraiola, D.M. and Kroezen, J. (2016), "New identities from remnants of the past: an examination of the history of beer brewing in Ontario and the recent emergence of craft breweries", *Business History*, Vol. 58 No. 5, pp. 796-828.
- Lavia López, OHiebl and M., R.W. (2015), "Management accounting in small and medium-sized enterprises: current knowledge and avenues for further research", *Journal of Management Accounting Research*, Vol. 27 No. 1, pp. 81-119.
- Lillis, A.M. and Mundy, J. (2005), "Cross-sectional field studies in management accounting research – closing the gaps between surveys and case studies", *Journal of Management Accounting Research*, Vol. 17 No. 1, pp. 119-141.
- Lukka, K. and Vinnari, E. (2014), "Domain theory and method theory in management accounting research", *Accounting, Auditing and Accountability Journal*, Vol. 27 No. 8, pp. 1308-1338.
- McLaughlin, R.B., Reid, N. and Moore, M.S. (2014), "The ubiquity of good taste: a spatial analysis of the craft brewing industry in the United States", *The Geography of Beer*, pp. 131-154, Springer, Dordrecht.
- Ma, D., Fisher, R. and Nesbit, T. (2021), "Cloud-based client accounting and small and medium accounting practices: adoption and impact", *International Journal of Accounting Information Systems*, Vol. 41, p. 100513.
- Marriott, N. and Marriott, P. (2000), "Professional accountants and the development of a management accounting service for the small firm: barriers and possibilities", *Management Accounting Research*, Vol. 11 No. 4, pp. 475-492.
- Martínez Franco, C.M. and Hiebl, M.R. (2018), "The introduction of accounting machines at Guinness", in Quinn, M. and Oliveira, J. (Eds), *Accounting for Alcohol: An Accounting History of Brewing, Distilling and Viniculture*, pp. 11-27. Routledge, London.
- Martínez Franco, C.M., Feeney, O., Quinn, M. and Hiebl, M.R. (2017), "Position practices of the present-day CFO: a reflection on historic roles at Guinness, 1920–1945", *Revista de Contabilidad – Spanish Accounting Review*, Vol. 20 No. 1, pp. 55-62.
- Miley, F. and Read, A. (2012), "Jokes in popular culture: the characterisation of the accountant", *Accounting, Auditing and Accountability Journal*, Vol. 25 No. 4, pp. 703-718.
- Moreno, A. and Cámara, M. (2014), "Evolution of information content from an institutional perspective: El Alcázar brewery (1928–1993)", *Accounting History*, Vol. 19 No. 3, pp. 360-398.
- Moreno, A. and Quinn, M. (2023), "The impact of socioemotional wealth on corporate reporting readability in a multinational family-controlled firm", *Revista de Contabilidad*, Vol. 26 No. 2, pp. 229-240.
- Moreno, A., Jones, M.J. and Quinn, M. (2019), "A longitudinal study of the textual characteristics in the chairman's statements of Guinness: an impression management perspective", *Accounting, Auditing and Accountability Journal*, Vol. 32 No. 6, pp. 1714-1741.
- Moschella, J., Boulianne, E. and Magnan, M. (2023), "Risk management in small-and medium-sized businesses and how accountants contribute", *Contemporary Accounting Research*, Vol. 40 No. 1, pp. 668-703.
- Najera Ruiz, T. and Collazzo, P. (2021), "Management accounting use in micro and small enterprises", *Qualitative Research in Accounting and Management*, Vol. 18 No. 1, pp. 84-101.
- Pelz, M. (2019), "Can management accounting be helpful for young and small companies? Systematic review of a paradox", *International Journal of Management Reviews*, Vol. 21 No. 2, pp. 256-274.
- Perry, J., Badger, B., Lean, J. and Leybourne, S. (2010), "Taking over the reins: the needs of individuals who purchase small established enterprises", *The International Journal of Entrepreneurship and Innovation*, Vol. 11 No. 1, pp. 57-67.

- 
- Poelmans, E. and Swinnen, J.F.M. (2011), "A brief economic history of beer", *The Economics of Beer*, in Swinnen J. (Ed.), pp. 3-28. Oxford University Press, Oxford.
- Quinn, M. (2014), "Stability and change in management accounting over time—a century or so of evidence from Guinness", *Management Accounting Research*, Vol. 25 No. 1, pp. 76-92.
- Quinn, M. and Gibney, D. (2018), "Accounting at an Irish Maltster—the accounting practices of Bennetts of Ballinacurra in the 1920s and 1930s", *Accounting History Review*, Vol. 28 Nos 1/2, pp. 61-84.
- Quinn, M. and Jackson, W.J. (2014), "Accounting for war risk costs: management accounting change at Guinness during the first world war", *Accounting History Review*, Vol. 24 Nos 2/3, pp. 191-209.
- Quinn, M. and Oliveira, J. (2018), *Accounting for Alcohol: An Accounting History of Brewing, Distilling and Viniculture*, Routledge, London.
- Ramjaun, T.I., Pullman, M., Kumar, M. and Sanchez Rodrigues, V. (2024), "Strength in numbers: collaborative procurement and competitiveness of craft breweries", *International Journal of Operations and Production Management*, Vol. 44 No. 3, pp. 643-665.
- Ramsden, M. and Bennett, R.J. (2005), "The benefits of external support to SMEs: the benefits of external support to SMEs: 'hard' versus 'soft' outcomes and satisfaction levels", *Journal of Small Business and Enterprise Development*, Vol. 12 No. 2, pp. 227-243.
- Sarens, G., Everaert, P., Verplancke, F. and De Beelde, I. (2015), "Diversification of external accountants serving small and medium-sized enterprises: evidence from Belgium", *Australian Accounting Review*, Vol. 25 No. 2, pp. 155-174.
- Stergiou, K., Ashraf, J. and Uddin, S. (2013), "The role of structure and agency in management accounting control change of a family-owned firm: a Greek case study", *Critical Perspectives on Accounting*, Vol. 24 No. 1, pp. 62-73.
- Suddaby, R., Saxton, G. and Gunz, S. (2015), "Twittering change: the institutional work of domain change in accounting expertise", *Accounting, Organizations and Society*, Vol. 45, pp. 52-68.
- Tan, L.M., Braithwaite, V. and Reinhart, M. (2016), "Why do small business taxpayers stay with their practitioners? Trust, competence and aggressive advice", *International Small Business Journal: Researching Entrepreneurship*, Vol. 34 No. 3, pp. 329-344.
- van Dijk, M., Kroezen, J. and Slob, B. (2018), "From pilsner desert to craft beer the rise of craft brewing in The Netherlands", *Economic Perspectives on Craft Beer*, pp. 259-293. Palgrave, Macmillan: Cham.
- Walkden, C.H. (1891), "The accounts of a brewery", *The Accountant*, Vol. XVII, pp. 458-464.
- Warren, S. and Parker, L. (2009), "Bean counters or bright young things? Towards the visual study of identity construction among professional accountants", *Qualitative Research in Accounting and Management*, Vol. 6 No. 4, pp. 205-223.
- Watson, J. (2011), "Networking: gender differences performance", *International Small Business Journal: Researching Entrepreneurship*, Vol. 30 No. 5, pp. 536-558.
- Weigel, C. and Hiebl, M.R. (2023), "Accountants and small businesses: toward a resource-based view", *Journal of Accounting and Organizational Change*, Vol. 19 No. 5, pp. 642-666.
- Wernerfelt, B. (1984), "A resource-based view of the firm", *Strategic Management Journal*, Vol. 5 No. 2, pp. 171-180.
- Whittington, R., Regnér, P., Angwin, D., Johnson, G. and Scholes, K. (2019), *Exploring Strategy Text and Cases*, 12th ed., Pearson, Harlow.
- Wright, P.M., Dunford, B.B. and Snell, S.A. (2001), "Human resources and the resource based view of the firm", *Journal of Management*, Vol. 27 No. 6, pp. 701-721.

Wright, P.M., McMahan, G.C. and McWilliams, A. (1994), "Human resources and sustained competitive advantage: a resource-based perspective", *The International Journal of Human Resource Management*, Vol. 5 No. 2, pp. 301-326.

Ylä-Kujala, A., Kouhia-Kuusisto, K., Ikäheimonen, T., Laine, T. and Kärri, T. (2023), "Management accounting adoption in small businesses: interfaces with challenges and performance", *Journal of Accounting and Organizational Change*, Vol. 19 No. 6, pp. 46-69.

Zahra, S.A. and Nielsen, A.P. (2002), "Sources of capabilities, integration and technology commercialization", *Strategic Management Journal*, Vol. 23 No. 5, pp. 377-398.

**Corresponding author**

Martin R.W. Hiebl can be contacted at: [martin.hiebl@jku.at](mailto:martin.hiebl@jku.at)