The digital products SMEs use

Findings from the 2016 survey of SMEs’ compliance costs

Overview

The 2016 survey of SMEs’ compliance costs continued a time series established in 2004 and carried out in 2009 and 2013. The findings below offer a snapshot of which digital products SMEs use in their businesses, which has bearing on their ability to meet their tax obligations in a cost-effective way. Other snapshots are available, as well as a report of all findings.

Key findings

All SMEs

- 76% of SMEs use digital products for day-to-day accounting, overall
- 29% of SMEs use spreadsheets for day-to-day accounting
- 33% of SMEs use PC-based software for day-to-day accounting
- 31% of SMEs use web-based software for day-to-day accounting

Employers

- 60% of Employer SMEs use digital products to manage their payroll
- 16% of Employer SMEs use spreadsheets to manage their payroll
- 28% of Employer SMEs use PC-based software to manage their payroll
- 19% of Employer SMEs use web-based software to manage their payroll

Additional insights

The focus groups which supported the 2016 survey found a number of small business owners were unaware of the cost of web-based accounting services but assumed they were too expensive for their business.

The complexity of the business – the number of tax types and the number of transactions (i.e., returns to complete and file) – affected the time and money SMEs spent to meet their tax obligations.

Most survey respondents reported the stress of complying with their tax obligations was low and that this had remained the same since 2015. Focus group participants credited this to better service from Inland Revenue, less paperwork, and improved online services.