Walking the walk

How accounting professionals can better serve the Millennial generation

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Accounting and bookkeeping firms that have an eye toward the future are adapting to a new generation of clients.

At the same time, firms that are also looking to grow are adapting to an entirely different kind of workforce. They are doing this not only to improve their firms, but to stay one step ahead of the competition.

What can we learn from Millennial clients and their approach to work, and how do we hire, engage, and do business with our next generation of leaders?

Millennials have surpassed baby boomers in the United States as the largest living generation, according to population estimates released in April 2016 by the U.S. Census Bureau.

Defined as those born roughly between 1983 and 2000, Millennials are a generation worldwide that are changing everything, from work and spending patterns to the adoption of new technology, innovation, and regulation.

Millennials are starting more businesses, managing bigger staffs, and targeting higher profits than their baby boomer predecessors, according to the 2016 BNP Paribas Global Entrepreneur Report. And Millennials are discovering entrepreneurship significantly earlier than the baby boomer generation did.

Millennials today may be the startup CEOs of the present, but they are putting themselves into positions to be the business leaders of the future.

The opportunity to foster a new economy, triggered by young entrepreneurs, has never been greater, and the way Millennials choose to operate in the business world is set to become the new normal.

In turn, accounting professionals need to adapt the ways they serve Millennial clients as these ways must be different from how accounting professionals are serving their more traditional business clients today. This also holds true for hiring Millennials to be a part of accounting and bookkeeping firms. But, in order for accountants and bookkeepers to support Millennials in the right way, accountants and bookkeepers need to understand what really makes the millennial generation tick.

What values do Millennials hold? How do Millennials like to work? What are Millennials’ common frustrations?
How can non-Millennial accounting professionals work most effectively, and enjoyably, with members of the Millennial generation? It’s well known that Millennial entrepreneurs and non-entrepreneurs alike have a strong preference for innovative mobile software products of all kinds. While building such products, Sage product developers quickly realized that Millennials are not all the same. So Sage has conducted detailed global research to reveal the key characteristics, attitudes, and behaviors of today’s young entrepreneurs, who are the cornerstone of our economic development. It delves into various areas including:

• **Values and motivations:** how views are changing.
• **Culture:** what global nuances might teach other countries.
• **Technology adoption:** how this is shaping the way we work.
• **Red tape:** how and why this needs to change.

The results, especially when it comes to their relationship to technology, are not what you might expect. Our in-depth research also uncovers the barriers—some already well known, others much less so—that entrepreneurs of this generation face daily around the world, and explores how these can be minimized, be that with help from bigger business or through simplified regulation.

Lastly, our research identifies some of the secrets to their success—which makes it a vital read for accountants and bookkeepers looking to keep abreast of the emerging Millennial generation.

The message is clear. Millennials have a huge role to play in the startup economy and are shaping the modern workplace at great pace. Moreover, the share of the nation’s wealth controlled by Millennials is set to rise to over $10 trillion by 2030. Accountants and bookkeepers will be advising a growing share of Millennials. Firms will be employing ever-rising numbers of Millennials. It’s crucial to take the time now to understand what drives this generation in terms of attitudes to technology, values, and motivation. Sage is pleased to present this study in the hopes of helping accountants and bookkeepers better prepare for Millennial-driven changes coming their way.
34% say they started their own business so they could be master of their own identity, 24% to turn their ideas into a reality, and 21% to make money.

62% of young entrepreneurs claim that despite technology constantly evolving, they do not worry about keeping up.

41% believe that technology will make the concept of “your desk” defunct and that, in the future, everyone will work through a mobile device.

63% of young entrepreneurs believe they will start more than one business in their lifetime.

62% say they have sacrificed profit to stay true to their personal values.
The five personas

At Sage, we conducted extensive research on the Millennial generation. This research helped us to uncover five dominant personas among Millennial entrepreneurs.

These personas, although developed from an “entrepreneurial” perspective, also translate into the ways that many Millennials both think and act, in business and in their personal lives. By understanding these dominant personas, accounting professionals can A.) better interact with and serve their Millennial clients; and B.) make better hiring and personnel decisions.

The Principled Planners

The Driven Techies

The Instinctive Explorers

The Real Worlders

The Thrill Seekers

These five personas are defined by their views across three areas:

• Attitudes to technology (worriers vs. nonworriers)
• Attitudes to doing business (methodical vs. spontaneous)
• Social impact of business (important vs. overrated)
The Principled Planners
The Principled Planners are extremely methodical in their approach to work and enjoy carefully planning for success, in a structured way. They have an ambitious streak, never take anything at face value, and always ask a lot of questions.

However, the Principled Planners are also keen to make an impact on society and are careful to prioritize their own set of personal values over making a profit. They want to enjoy what they do and be masters of their own destiny.

They value people more than technology but rely on paid-for technology to ensure they stay ahead of the competition and to target their customers. In ten years, they see themselves saving money on office space and overheads, thanks to mobile working and employing more people from overseas.
Most likely to be found in Nigeria, South Africa, Canada

Profile
Plans carefully, has a methodical approach

Attitude
Wants to enjoy their work and be master of their own destiny

Challenges
Doesn't rate technology

Potential for starting more than one business
Medium

Male-Female ratio
66% Male, 33% Female

Goals
Values personal principles, yet is ambitious

Payment preferences
Annual license

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The Driven Techies
The Driven Techies love their work; they can’t bear the thought of sitting around twiddling their thumbs. They trust in the power and efficiency of innovative technology to keep them one step ahead of the competition and have a strong belief in its ability to accurately target their existing and future customers.

Suspicious of appearances, they value technology more than people for the smooth running of their business, strongly believe in the quality of free technology, and believe that digital networking is crucial to their success.

Driven techies are motivated by a desire to share their ideas with the world but get demotivated by their dependence on funding and the crowded marketplace. More than any other persona, they work best on their own but like to know what everyone else is doing, so they can stay in control.
Most likely to be found in South Africa, USA, Canada

Profile
Loves work, has a strong belief in the power of technology

Challenges
Worries about the price of technology, finding funding and the crowded marketplace

Potential for starting more than one business
Medium

Payment preferences
Monthly subscription

Male
Female
ratio

47%
53%

Attitude
Wants to share their ideas with the world

Goals
Values making a social impact

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The Instinctive Explorers
The Instinctive Explorers are cavalier and love the unknown as well as exploring uncharted territory. They trust their gut instincts and stick to their guns. Their modern image is extremely important to them, as is leaving a legacy behind to be remembered by.

The Instinctive Explorers are less likely than most to embrace flexible working; however, they love technology and rely on it heavily for networking, although they say it’s not crucial for their success. They claim they are resourceful enough not to have to rely on technology to succeed, so they are not concerned about being able to afford the latest gadgets.

For the Instinctive Explorers, making money is far more important than honoring personal and social values. Above all, they want to be famous and for their business to really make a splash. People who belong to this group are likely to be serial entrepreneurs, their plan being to work long hours, get rich quick and retire early. When it comes to work/life balance, they are more likely to choose work over life and for that reason value regular socializing with colleagues. They tend to leave employees to their own devices, trusting them to deliver.
Most likely to be found in Brazil, Australia, Singapore

Profile
- Loves the unknown and trusts their gut instinct

Attitude
- Prioritises work over life, socialises regularly with colleagues

Potential for starting more than one business
- High

Payment preferences
- Pay per use

Goals
- Wants to make money, raise their profile, grow their business

Challenges
- Hates working long hours

Male Female ratio
- 33%
- 67%

Gender ratio
- 67% Male
- 33% Female

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The Real Worlders
The Real Worlders are very resourceful but are likely to say they rely on technology—preferably free technology—in order to succeed. When it comes to their approach to work and making decisions, they tend to alternate between going on gut instinct and taking a more methodical approach.

Keen to grow their business, as long as they can continue working for themselves, Real Worlders value people, more than technology, for the smooth running of their business. For this reason, they prefer to do business in the real world, as opposed to the virtual world.

They are most likely to choose life over work but pride themselves on doing a good job and believe strongly in people power.
Most likely to be found in Switzerland, Germany, Spain

Profile
Combines a methodical approach with gut instinct

Potential for starting more than one business
Low

Profile
Combines a methodical approach with gut instinct

Attitude
Prioritises life over work, values people power

Goals
Wants to grow their business, as long as they continue working for themselves

Potential for starting more than one business
Low

Population

Male
65%

Female
34%

Payment preferences
One-off payments

Challenges
Struggles to find like-minded staff

Male
Female

Ratio

Gender

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The Thrill Seekers
Easily bored and always on the lookout for the next challenge, the Thrill Seekers enjoy diving into the unknown and couldn’t care less about appearances. Over half say they lost passion for their business up to a year after starting up.

Thrill Seekers choose highly social ways of working, work best around others, and enjoy bouncing around with people. They are as likely to leave employees to their own devices as they are to know what’s going on.

The Thrill Seekers believe that making a social impact is overrated, treat the success of their business as their own, and work for the happiness of their employees, who tend to share their ambition and drive.

They are not in the least bit concerned about the evolution of technology and are indifferent to the extent that it could help their business. In fact, they feel they would be able to run their business with the technology that was available 20 years ago.
Most likely to be found in Switzerland, Belgium, Poland

Profile
Is indifferent to tech, enjoys the unknown

Attitude
Treats the success of their business as their own

Challenges
Gets bored easily, constantly needs new challenges

Goals
Wants to get rich quick and retire early

Payment preferences
Pay per use, one-off payments

Potential for starting more than one business
Low

Male
Female

Male
Female

72%
28%

55%
45%

20
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We’re all familiar with the stereotype of the Millennial: whiz kids, typing a mile a minute, with all the latest devices. But is it even true, and how are young entrepreneurs really using technology in the workplace?

How they see it

Mobile devices are the platform of choice for today’s entrepreneur, and, as you might expect from a generation that has been computer literate from an extremely young age, a large portion place huge emphasis on technology and are keen to be at the forefront of new trends. How does this translate when working with Millennial clients? It means it’s very important to have mobile accounting solutions to meet their needs.

More than a third of young entrepreneurs say the technology they use is the most important element when it comes to the smooth running of their business; they couldn’t prosper without it. When it comes to networking and new business, almost 75% of those surveyed say that they use technology rather than a face-to-face approach. Again, when it comes to Millennial clients, accountants and bookkeepers need to have the knowledge on how to use technologies to mitigate the need for face-to-face meetings.

However, according to our research, this constant thirst for the latest technology is not nearly as prevalent among young entrepreneurs as the stereotype would have us believe. Those we asked were divided, with almost half—many from the U.S. (51%) and Brazil (52%)—saying they believe they would have been able to run their business with the technology that was available 20 years ago, and 41% saying the opposite.

More interesting still, 59% of those surveyed say they are resourceful enough not to have to rely on technology to succeed. Many also rate free technology poorly, saying it’s never as good as the technology you have to pay for.

Sixty-two percent of young entrepreneurs claim that despite technology constantly evolving, they do not worry about whether they will be able to keep up. And 72% claim they do not worry about whether they will be able to afford the latest technology.

Looking to the future, in the next ten years, 41% of those surveyed believe that technology will make the concept of “your desk” defunct, that the workplace will have more virtual staff and that, in the future, everyone will work remotely and flexibly, over a mobile device. This again stresses the need to implement anywhere, anytime mobile technology as a part of better serving clients.
What’s standing in the way of the Millennial entrepreneur?

We know it takes blood, sweat, and tears to turn a dream business idea into a fully fledged reality. So entrepreneurs who are already time poor shouldn’t have to battle against practices created in an outdated business world. And they also shouldn’t have to adapt to antiquated ways of doing business when it comes to working with an accountant or bookkeeper.

Forty-three percent of Millennial entrepreneurs say they find bureaucracy demotivating. Meanwhile, 36% of those surveyed say receiving late payments and worrying about cash flow is disheartening. Solving late payment issues and resolving cash flow concerns are just the types of pain points that a good accountant or bookkeeper, one that speaks the same “language” as a Millennial client, can help solve.

Of all the personas, the Driven Techies are the most demotivated by bureaucracy and red tape, while 41% of them become demotivated by late payers.

Almost a third also say they struggle to get funding, and over a quarter, more than any other persona, say they suffer from increasing competition in the workplace, as more and more people get the startup bug. One key aspect in arranging funding is having a clear business plan. As a trusted financial partner, today’s “next-gen” accounting professionals are well equipped to provide assistance with the numbers and insights required to develop a superstar business plan.

Principled Planners meanwhile have voiced a different challenge, with almost a third saying they struggle to find like-minded staff with the right skills to hire into their business.

One of the ways that governments across the globe can support these entrepreneurs is by minimizing their challenges. In the UK, for example, business rates condemn expanding businesses to an early grave. While, in the age of Internet banking, businesses all over the world are still not getting paid on time.

Small businesses need government support to reach their full potential, which will also significantly benefit the wider economy.

This generation of entrepreneurs wants to build a culture of innovation. They’ve grown up with the technology at their fingertips to make processes efficient and allow instant access to real-time information, whenever and wherever they are. They are therefore less accepting of outdated practices that slow things down and hold them back. It’s the job of next-gen accounting professionals to tap into the power of today’s advanced real-time accounting solutions and technology to help their entrepreneurial clients really fly.
It’s clear from our research that Millennial entrepreneurs have a huge role to play in the startup economy and are transforming the way we all work. Millennial entrepreneurs are in many ways an amazing untapped market that accounting professionals can cultivate not in the future, but in the now.

But they need to be given the tools and direction to flourish and make the journey from startup to successful business.

Entrepreneurs across the globe are seeing the business world through a new lens. They have great ideas and are starting their businesses because they want to share those ideas with the world. Millennial entrepreneurs are in many ways an amazing untapped market that accounting professionals can cultivate not in the future, but in the now.

They are shaking things up, rejecting established patterns of working and making technology work, for them. Optimistic, they put in the hours but want flexibility over when, where, and with whom they do business, determined to surround themselves with people who share their ambition and drive.

Maintaining their work/life balance and staying true to their personal values is a high priority for many.

The right technology is a fundamental part of this evolved way of working. Using mobile devices allows entrepreneurs to work remotely, stay in contact with coworkers and run their business from wherever they are. Millennial entrepreneurs are in many ways an amazing untapped market that accounting professionals can cultivate not in the future, but in the now.

When working with Millennial entrepreneurs, it’s crucial to remember that they demand to have the power to control their business from the palm of their hand. Eighty percent of time spent on mobile is concentrated in the user’s five favorite apps, and young entrepreneurs want personalized, instant, friendly experiences.

At Sage, we’re developing products like a smart personal assistant for your business. It lets you manage your finances via your favorite messaging apps—Facebook, Slack, Kik, and more—so entrepreneurs can run their business through a conversation.

Smart technology like this creates efficiencies that help them to stay one step ahead of their rivals.

The biggest challenge for this generation is the bureaucracy and red tape that holds them back and stops them, and their businesses, from being agile and competitive.

In a crowded marketplace, Millennial entrepreneurs want the best chance of getting funding, efficient ways of managing their cash flow, and access to the right skills and talent to really push their businesses forward. These needs align perfectly with the skills and services that accounting professionals can provide.

The greatest chance of success, for those looking to hire, engage, and do business with this generation, lies in forgetting the stereotypes and responding instead to their specific needs, concerns, and requirements. They are hungry to create a new wave of businesses. It’s the responsibility of this generation to remove the barriers to growth.
Appendix: Methodology

Usually referred to as Millennials or Generation Y, our research is based on 7,400 online surveys with entrepreneurs aged between 18 and 34, in 16 countries, during April 2016.

How young entrepreneurs approach work

This generation entered the workforce during the global recession that began in 2008 or postrecession. With increased pressure on those in employment, managing their workload, family, and personal responsibilities has been difficult for this generation, greatly affecting their outlook and approach to doing business.

Values

Unlike for the generations came before, work/life balance or integration is an important consideration for young entrepreneurs. A whopping 66% say they prioritize life above work, and 62% of those surveyed say they have sacrificed profit to stay true to their personal values and ethics. Meanwhile, 69% say that doing social good is an important part of what they do – this is especially important to entrepreneurs in South Africa (80%) and Brazil (81%) compared to other countries.
The vast proportion of those surveyed are still as excited about their business as they were when they started it up; however, the majority don’t see themselves running it forever. In fact, a quarter of those surveyed say they find the amount of hours they have to work demotivating; this is particularly true of those in the USA (29%), Australia (30%), Singapore (30%), and Switzerland (32%).

A quarter of those surveyed, across Brazil (71%), Australia (70%), Belgium (70%), Singapore (73%), and Switzerland (70%) especially, also say that reducing the amount of hours they spend working and retiring early is a key focus for them.
Motivation

Entrepreneurs of this generation start their own business for three key reasons; a desire to be master of their own lives, to turn their ideas into a reality and to make money.

Being their own boss is particularly important to those living in Brazil (46%), the USA (40%), Portugal (40%), France (38%) and the UK (36%). While in Poland, making money is the overwhelming reason to work for yourself, as opposed to someone else (32%).

With integrating work and life being so key, it makes sense that 37% of entrepreneurs surveyed see their business as a reflection of themselves and measure their own success by the success of their business. They take pride in their work, with many wanting their businesses to grow and for them to be famous off the back of its success.

This is particularly true for those working in Brazil (54%) and Nigeria (72%), while those in Belgium (25%) and Switzerland (24%), more than in any other country, work instead for the happiness of their employees.

However, entrepreneurs of this generation don’t just want to be successful; they want their work to be fulfilling too. They see working for themselves as a way to stay true to their values; over a third say they started their own business so they could be master of their own identity.

This notion has proved so alluring that 63% of entrepreneurs believe they will start more than one business in their lifetime, and of those, over half are motivated by the ideas they want to share with the world. This is particularly true of Brazilians (72%), while in Spain, enjoying what they do is the greatest motivation for small business owners (24%).
Ways of working

What’s clear from the research is that Millennial entrepreneurs greatly value flexibility and want to have freedom over when, where, and how they work, as well as with whom. A third of those surveyed say they want their business to grow, but only as long as they continue to work for themselves and can be autonomous.

The same number say they strive to recruit staff who share their personal values, and another third want employees to share their ambition and drive. While those in Poland and Belgium say this is typical of them, those in Nigeria prefer instead to recruit people who challenge their thinking and bring a fresh perspective.

Two-thirds of the entrepreneurs surveyed say they enjoy bouncing ideas off team members; this is particularly high in Switzerland (78%) where entrepreneurs say they work best around others.

It’s perhaps no surprise then that 61% also say they socialize with coworkers at least once a week, no matter what, and almost a quarter say that when it comes to the smooth running of their business, company culture is the most important element of their business.

Entrepreneurs in the USA (73%), Spain (71%), and Brazil (74%) especially, say they socialize with their team at least once a week, while those in Nigeria (39%) tend to do this less often—perhaps once a month.

Alongside identifying the numerous trends helping us to define the next generation of entrepreneurs, our research also uncovered five dominant personas. Each group has unique ambitions and attitudes, and faces distinct challenges. Understanding more about each can help us to dispel the myth that all Millennials are the same and enables us to support these entrepreneurs and their businesses better.