



Accounting & Auditing in Sweden: Industry Report 2024

The future of accounting:
influencing factors and emerging trends
towards 2030

Summary

As an owner or partner in an accounting and auditing firm, it has historically been relatively straightforward to predict revenue and progress for the coming 1–3 years. Today, however, it is considerably more challenging due to numerous uncertainties. Global conditions, AI, consolidation, new regulations, and staff shortages compel many to think in longer time horizons and consider where they actually want to be in 3–5 years, preparing for various scenarios.

Regardless of whether you, as a partner, are younger or older, it is clear that strategic decisions must be made – not only about how the business should be run but also where you envision yourself and your accounting firm in five years. The future of a business is driven by a complex interplay of various factors that are difficult to predict but require a long-term perspective as well as the ability to act swiftly.

By 2030, we can expect a completely different Accounting industry than we see today. The willingness to digitize and modernize accounting and auditing firms has increased dramatically in recent years, a clear sign that industry players recognize that significant changes are round the corner.

This year's industry report does not provide definitive answers on which path is right to choose. However, it offers insights and a deeper understanding of the forces that may influence the accounting industry going forward. Analyses and conclusions are deliberately limited in the report, as many factors both interact and have the potential to completely reshape the industry.

One thing is almost certain: the industry we see today in Sweden will hardly look the same in 2030.

Special thanks to...

I would like to thank everyone who participated in interviews regarding economic crime:

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- **Tobias Adielsson**, Business Expert on crimes against entrepreneurs at Företagarna

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Thank you to all the owners and employees at accounting and auditing firms with whom I have daily contact with in my profession and from whom I learn a lot. You are the main reason I dedicate my time to understand your market.



Jan Söderqvist, *branschexpert*, *Visma Spcs*

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1. Introduction

Purpose

The purpose of this report is to provide partner firm owners with an overview of developments in the accounting, advisory, and auditing sectors, enabling strategic decisions that strengthen their operations. The report is primarily intended for decision-makers within the industry but also targets other stakeholders such as private equity firms, technology companies, and other interested parties. The aim is not to be strictly scientific but rather to present a relevant and practical analysis of the trends and challenges shaping the industry.

This Year's Report

Reflecting on the past, we can now distinguish between the industry before and after the pandemic. Before the pandemic, the industry was characterized by stability and a reactive adaptation to changes. Today, we observe a more proactive approach among partners, with strategic thinking becoming increasingly important. The industry is increasingly influenced by external factors. Adaptation and strategic thinking are becoming more crucial, firm owners can no longer stand by and watch.

Towards 2030

Previous reports have focused on projections up to 2025; however, this year's analysis extends further, looking towards 2030. The reason is the observation of profound changes structurally impacting the industry. Many of these changes are ongoing, initiated or even permanent, necessitating long-term forecasting despite the increased uncertainty.

Trends and Indicators

The industry has always experienced trends emerging, declining or just beginning. These trends often result from external circumstances or influencing factors. For instance, companies increasingly demand specific accounting services rather than continuous engagements, primarily due to the greater use of AI and automated systems. Here, AI and digitalization are influencing factors leading to a higher demand for specific services. This year's report focuses on influencing factors that will undoubtedly shape industry trends in the coming five years

Influencing factors

We have identified the following factors driving and influencing the Swedish industry in a new direction:

- Macroeconomic changes
- AI and digitalization
- Structural changes
- Regulations and competencies
- Shifts in demand for financial services



Brief Outlook on the Future – Globally

The accounting industry faces significant global changes in the coming years. According to the "Accounting Finance Market Report, 2032," continued growth is expected, with an average annual growth rate (CAGR) of approximately five percent globally between 2024 and 2032.

In 2023, the global market value was approximately USD 636.1 billion, and it is expected to reach nearly USD 998.7 billion by 2032. This growth is driven by increased adaption and demand for technology and AI services. The demand for cloud-based solutions and data analytics is expected to rise, particularly among smaller companies. Another contributing factor is the global increase in internet usage, from today's 75 percent to an estimated 90 percent by 2029.

Investments in AI for the Accounting Industry

Generative AI in the accounting and auditing sectors is seen as a vital future investment for various types of businesses. In a large survey conducted by Global Market Insights, approximately 10 percent of accounting firms stated that AI investments are a priority initiative moving forward

Footnote: In the auditing and accounting industry, the term "up or out" refers to a partnership model where junior employees are expected to work exceptionally hard to qualify for future partnership (ownership) in the firm. The goal is to reward the most driven and committed individuals with the opportunity to become partners—a prestigious and financially rewarding position that also entails significant responsibility. If employees are not deemed to have the "right stuff" or do not demonstrate sufficient perseverance and dedication, they are expected to leave the firm, hence "in or out."

Regulations Drive the Well-Being of the Agency Market

Revenue is also expected to increase for many firms due to growing demand for advisory services related to various regulations, such as ESG, anti-money laundering, and upcoming regulatory frameworks.

The Need of Competencies

In addition to these trends, the industry is undergoing a transformation that places high demands on skills development as new digital tools are introduced. One of the biggest challenges for the industry, especially in Western countries, is finding the right talent. In the U.S, where the title of CPA (Certified Public Accountant) is government-regulated, there is a significant labor shortage.

Several factors contribute to this shortage, but there is a consensus on certain points: an aging generation is retiring, while the younger generation is unwilling to work the long hours traditionally required, given the low pay and high educational demands. The industry appears to have one foot in a traditional partnership model and the other in a future where younger professionals reject the "up or out" model

"The accounting industry has been hit by a triple whammy: fewer graduates, an aging workforce, and an exodus of talent. It's also affecting the IRS."

"The accounting podcast"

Global Figures

The total global revenue for the entire industry in 2023 was estimated at USD 636.1 billion. Various business areas and their share of services globally in USD billion

Tjänst	Marketvalue (2023, USD Billion)	% of total (2023)	Marketsvalue (2032, USD Billion)	% aof total (2032)
Accounting services	170,2	26,8%	241,2	24,2%
Auditing & Assurance	154,4	24,3%	279,3	28,0%
Tax advisory	113,9	17,9%	189,6	19,0%
Financial advisory	88,5	13,9%	135,4	13,6%
Payroll services	45,1	7,1%	60,1	6,0%
Other services	63,9	10,0%	93,2	9,3%
Total	635,9	100%	998,7	100%

Source: Accounting Finance Market Report

Growth in European Countries

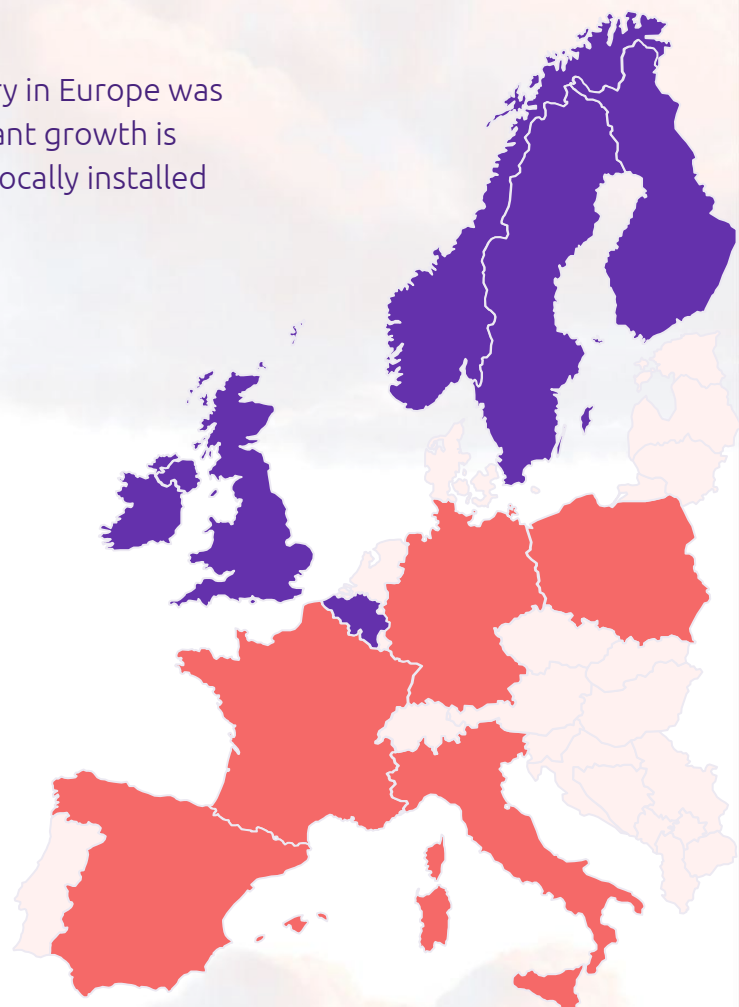
In 2023, the total revenue for the accounting industry in Europe was estimated at approximately USD 177 billion. Significant growth is anticipated by 2030, particularly in countries where locally installed software is prevalent.



Strong Growth in Poland, Germany, France, and Italy (Digitalization).



Good, but not as strong growth in the UK, the Netherlands, and the Nordic countries. However, Sweden is behind in terms of e-invoices.



The total revenue for the accounting industry in Europe in 2023 was estimated at approximately \$177 billion. By 2032, the revenue is projected to be \$255 billion, with an annual growth rate of 4.1 percent. The expected distribution is as follows:

Business area	Percentage (2023)	Revenue (2023, Billion USD)	Percentage (2032)	Revenue (2032, Billion USD)
Accounting	26,7%	47,3	26,7%	68,0
Auditing & Assurance	24,3%	43,0	24,3%	61,9
Tax	17,9%	31,7	17,9%	45,7
Financial services	13,9%	24,6	13,9%	36,7
Payroll, HR etc	7,1%	12,6	7,1%	17,9
Total	100%	177,0	100%	255,0

Source Accounting Finance Market Report

Sweden

If we perform the same calculation based on Sweden's industry revenue, we start with the total revenue. However, using allocation keys and service classifications from FAR's 2022 market report, the growth figures in Sweden up to 2032 appear as follows (in billions). It should be noted that firm-related services have had an average growth of approximately 10 percent since 2018. The table below shows figures in Swedish billions

Services	2023	%	2025	2030	2032
Accounting	21,3	40%	22,9	27,7	30,7
Auditing	16,5	31%	17,8	21,5	23,8
Tax	3,7	7%	4,0	4,8	5,4
Advisory	7,5	14%	8,0	9,7	12,8
Other services	4,3	8%	4,6	5,5	6,1
Total	53,3	100%	57,3	69,3	76,8

The number of sole proprietors- and partnerships proprietor (8,409) is not included in this table

Note: This represents the estimated demand for accounting-related services. The table does not indicate who will earn this revenue

Ownership of Technology

The "Accounting Finance Market" report for the period 2024-2032 indicates that the transition to cloud technology has led to a shift from technology ownership to a model where technology is increasingly provided as a service (SaaS). This shift enables companies to reduce the direct burden of owning and managing complex infrastructure, as facilitated by several major players. In North America, there is a strong demand for flexible technological solutions, with companies preferring access to technology without the need to own and maintain it locally.

"Today, I'm thrilled to share that we've raised a \$9M Seed round with participation from OpenAI Startup Fund and General Catalyst to automate all the boring stuff."

Conrad Wadowski, CEO of the AI-driven bookkeeping startup Kick



Custom-Developed Applications

There are trends regarding the in-house development of platforms. In Sweden, we can see how Private Equity firms acquire various business systems, such as Wint, Bflow, and Inbooks. Similarly, there are accounting firms developing their own systems, like Voitto and the Finnish accounting firm Talenom. It is challenging to find similar examples outside the Nordic region. Internationally, the trend seems to be the development of AI applications that leverage existing ERP systems. These applications focus on utilizing AI for advanced advisory services connected to various data sources.

The largest firms – such as Deloitte, PwC, EY, and KPMG – often collaborate with or use technology from leading tech providers to strengthen their market position and meet the increasing demand for data-driven and automated advisory services. Thus, a form of symbiosis emerges, where the accounting industry relies on technologies to enhance their services while tech companies set the pace for technological innovations and new solutions. In Sweden, there are tendencies for independent actors to develop tools that use APIs to access various data sources, including business systems.

The Security Issue is Central

Cyber security also plays a significant role in accounting services and the choice of standardized platforms. Outsourcing security is likely an easy choice for many businesses, according to Accountant Finance Market. An increased focus on cybersecurity is driving growth in the market for cloud-based accounting services, as companies can offer cybersecurity assessments to identify risks in a business's systems and processes and develop plans to improve security.

Creating Competitive Advantages

The critical question rarely asked in conducted surveys is how larger accounting organizations can gain competitive advantages. Standard technologies commonly used are accessible to all players, making it harder to create direct competitive advantages based solely on the technology itself. However, after reviewing released reports, one can identify actions taken by various industry players that could summarize how to establish a unique market position, even with standardized tools:

1. **Customization and Specialization:** Companies can adapt standardized solutions to better match the specific needs of their target audiences. For example, they can develop tailored processes and reporting formats for specific industries or business types, making their services more appealing and relevant to customers within those sectors.
2. **Efficient Implementation and Training:** How well companies train their staff and integrate technology into workflows can create a more efficient organization. Companies that invest in quickly familiarizing employees with new technologies and ensuring seamless workflows gain an advantage by delivering services faster and with greater accuracy.
3. **Data Analytics and Advanced BI:** While data tools are standardized, companies' ability to leverage them effectively varies significantly.

Those with strong data analytics capabilities, organizations with robust data analytics capacity, can transform raw data into valuable insights and make proactive decisions that enhance client outcomes. For instance, companies can develop dashboards or reporting tools that visualize data in a way that supports strategic decision-making for their clients.

4. **Integration with Advisory Services:** Technology enables the automation of many fundamental tasks, but firms can create value by combining these with insightful advisory services. Using data from automated processes to provide deeper financial advice or identify potential improvement areas in the client's business can position the firm as a valuable strategic partner.
5. **Cultural Adaptation and Customer Service:** While technology is available to all, a company's internal culture and approach to customer interaction can be decisive. Firms that prioritize proactive customer service and foster a strong internal culture supporting innovative use of technology are often better positioned to deliver a positive and valuable client experience.

These strategies show that, even though technology is standardized, accounting firms can build competitive advantages. By strategically adapting and optimizing how they use technology, they can create added value for their clients and differentiate themselves in the market.

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2. Macroeconomic Changes



Macroeconomic Impact on the Swedish Accounting Industry

The Swedish accounting, advisory, and auditing industry (AA&A) is increasingly influenced by global macroeconomic factors. Historically, the connection between the accounting industry and macroeconomics was less pronounced, but this has shifted significantly after the pandemic. In a world shaped by geopolitical threats, economic uncertainty, and rising protectionism, the AA&A sector faces new challenges and opportunities.

Recovery and Growth Opportunities

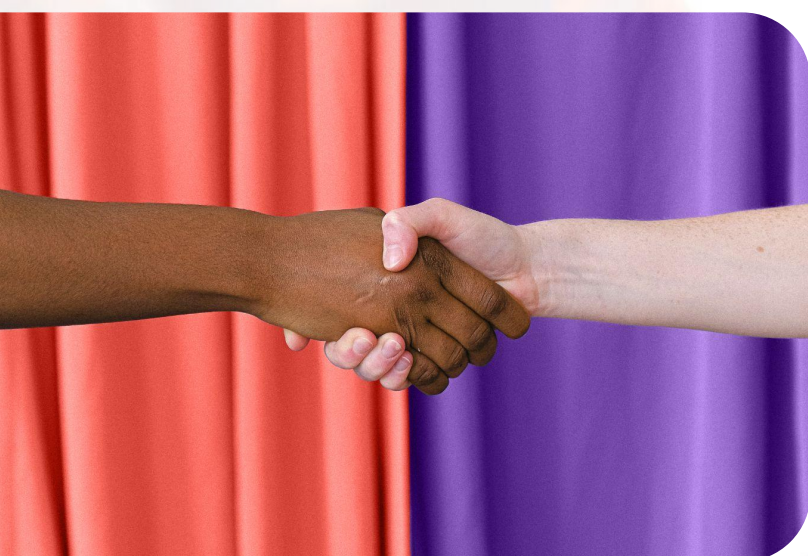
The global economy appears to be recovering from the Covid-19 pandemic and inflation, but the recovery is expected to remain weak worldwide. However, for Sweden, the outlook seems slightly more optimistic, particularly in 2025 and 2026, due to a competitive industrial sector and expansive fiscal policies. Several analysts believe that Sweden has the potential to grow faster than the rest of Europe. The major risks, however, include potential trade barriers with the U.S. and Germany's continued economic lag. Both countries are crucial for Swedish exports and Swedish business

Start-ups and Bankruptcies

The threats of inflation and economic downturn are impacting Swedish businesses. Rising costs and declining revenues are also affecting the accounting industry. Although the AA&A sector is relatively stable during a recession, a deepening downturn poses a significant threat to the industry. According to Syna (experts in credit reporting and market information), the number of new companies started during the first three months of 2024 decreased by 7 percent compared to the same period in 2023. A total of 13,222 new companies were established, compared to 14,273 during the same period in 2023. From January to June 2024, 5,872 companies, employing a total of 14,675 people, filed for bankruptcy. This represents a 38 percent increase in the number of business bankruptcies and a 65 percent increase in affected employees compared to the same period in 2023.

Inflation Threats and Stable Investments

Global uncertainty, according to the Financial Times, is driving capital away from high-risk sectors such as technology, ESG, and retail toward more stable and predictable industries, making the accounting sector increasingly attractive. Private Equity (PE) investments have become a clear trend within the AA&A sector, where predictable revenue streams from recurring services like accounting, taxation, auditing, and advisory attract investors seeking stability amidst global turbulence. PE interest has also risen due to new regulatory requirements that boost demand for specialized accounting services, creating a resilient and long-term growth potential for the industry.



Macroeconomic Risk Factors

The looming threats can be summarized into several points involving reduced entrepreneurship, slowed technological development, and inflationary pressures.

Increased Protectionism

Globalization is receding as more countries impose trade barriers and tariffs to protect their domestic industries. This trend drives up costs and complicates international trade, which, in turn, impacts Swedish businesses. Sweden, as an export-dependent nation, relies heavily on key trade partners like Germany, Norway, and the United States.

Geopolitical Tensions

Conflicts such as the war in Ukraine, tensions in the Middle East, and China's growing ambitions are creating uncertainty about the future. One example is a potential escalation in the Strait of Hormuz in the Persian Gulf, controlled by Iran, through which one-third of the world's oil is transported. Experts predict that a conflict with Iran could drive oil prices up by several hundred percent, causing global inflation.

In Asia, China's relationship with Taiwan presents a significant risk. According to Taiwan Insights, Taiwan accounts for over 90 percent of the world's production of advanced semiconductors. A conflict in this region would severely disrupt global supply chains, particularly in the tech industry, potentially triggering a global economic crisis and a complete shortage of semiconductors, critical components for driving digitalization.

European Stagnation

Low growth and economic stagnation characterize several of Europe's largest economies, including Germany, France, and the United Kingdom. Germany, the economic engine of Europe, has been heavily reliant on Russian energy, which has weakened its economy, with low growth expected to persist. For Swedish businesses, this could mean a weakened export market, leading to slower growth.



In a low-growth Europe, the AA&A Industry is an Alternative for Private Equity.

In an interview specifically about the AA&A industry, Johan Nord, Senior Partner at CUBERA, highlighted the industry's advantages: stable, relatively high growth, recurring revenue streams, and loyal customers.

Recommendations for Swedish Accounting Firms

Most agree that the future is uncertain. In his presentation at the Ekonomi Trade Fair, Anders Borg (former minister of finance, Moderaterna) emphasized several measures for firms to help Swedish businesses navigate global uncertainty and the threat of inflation

- **Restore Profitability:**
Businesses should focus on cost control and margin improvement to build a buffer against future economic challenges. Accounting consultants can play a key role in identifying cost savings and efficiency improvements for their clients.
- **Strengthen the Balance Sheet:**
A strong balance sheet with good liquidity and well-managed debt is crucial for companies to weather economic fluctuations in an uncertain future. Accounting consultants can assist their clients in optimizing their capital structure and planning for long-term financial stability.
- **Enhance Customer Relationships:**
By maintaining close relationships with clients and understanding their specific needs, accounting consultants can provide tailored solutions that build client trust and help them navigate uncertainty.



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3. Technology and Digitalization (AI)



AI and Digitalization

Since OpenAI launched ChatGPT and generative AI in November 2022, AI development has progressed at a breakneck pace. Every day, we read articles and news about how various applications are streamlining operations for firms. Here are some examples of how AI is being used and where SaaS services within AI are serving the AA&A industry:

- **Standard Services** (Automation of standard business systems)
- **Administrative Services** (Administrative tasks within a firm)
- Tax Advisory (Advanced consulting)
- **Fraud Detection and Risk Management** (Assisting in identifying fraud)
- **Financial Analysis**, Forecasting, and Predictive Analytics
- **Audit Automation** and Enhanced Data Analysis
- **Document Review and Analysis**
- **Customer Service and Advisory**

These AI services are used not only to automate routine tasks but also to provide highly specialized services, such as advanced tax advisory and financial consulting. Today, it is possible to find nearly everything a firm needs to perform its tasks through AI-powered solutions.

What Lies Ahead?

It is evident that AI will transform the accounting industry. Looking ahead to 2030, it is impossible to predict exactly where AI and digitalization will take the AA&A industry. However, according to all forecasts, the firm market is expected to grow steadily until 2030. The AA&A industry will continue to adapt and evolve as AI reshapes its operations and services.

Strive for Economic Stability

This likely means implementing new technology at a measured pace. However, sooner or later, larger players will also need to transform their business models and offerings, such as adopting fixed pricing. Additionally, they must explore collaboration models and revenue-sharing agreements with partners and tech providers.

Who profits from AI?

"During the Gold Rush, most would-be miners lost money, but people who sold them picks, shovels, tents and blue-jeans (Levi Strauss) made a nice profit."

Peter Lynch, Manager at Fidelity Investments

Automated Systems Lead to Changing demand

The rise of the "do-it-yourself" model among business owners is a logical consequence of AI and automation. The demand for traditional ongoing assignments, where a firm handles everything, is already shifting. Instead, the demand for specific services, such as year-end reporting or tax return reviews, is becoming increasingly common.

AI Drives Efficiency

A study conducted by Vintti surveyed over 500 small and medium-sized enterprises (SMEs) using both manual and automated accounting methods. The companies, with 5 to 250 employees, were randomly selected from various industries to ensure an unbiased sample. The study revealed that businesses implementing AI in their accounting processes reduced payroll costs for accounting staff by an average of 30 percent. AI tools automated many repetitive tasks, driving efficiency.

What AI is in Demand among Business Owners?

Visma Spcs conducted a survey, detailed in Microsoft's article:
Customer Case Study: Visma Spcs Improves Customer Experience with Semantic Kernel.

After conducting customer surveys, the following common needs were identified among Visma's clients:

- Quickly and easily finding the right information.
- Being able to ask questions and receive accurate answers.
- Locating references to the correct documents and information.

Interview with Roger Andersson, Head of Technology at Visma Spcs

Visma Spcs is working on implementing AI both internally to assist and train their organization and in their systems to support their customers.

"We want to help customers as quickly and efficiently as possible, and we believe the best way to do that is through our products. Customers can get direct assistance in asking questions and accessing information about how the program works, whether it's related to accounting, payroll, or other topics. Customers receive immediate help, and a positive effect of this is that it eases the workload on our support team, allowing them to focus even more on personal advisory services," says Roger Andersson.

When asked what we see in the near future, Roger responds:

"It could be about wanting to know how your own business is doing. For instance, being able to compare figures and quickly get an overview. But it could also involve taking actions, such as sending emails or invoices, or even creating new invoices. There are many different aspects and opportunities to consider going forward."



Roger Andersson, *Head of Technology*
Visma Spcs

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4. Structural Changes in the Industry

Is the Partner Model an Old Dinosaur on Its Way Out?

In United States, there is a growing trend questioning the traditional partner model. According to a widespread opinion, it is either on the brink of extinction or in need of reform. It is evident that the traditional partner model has significantly declined among firms in the U.S. and the U.K.

At an event titled "International Accounting Profession," Mark Koziel, former CEO of Allinial Global and current head of the AICPA (, American Institute of Certified Public Accountants) delivered a widely discussed speech in which he stated:

“The partnership model is dead and the reason is that partners can not be managed.”

In summary, the partner model is described as impractical for making rational economic decisions. Many partners with differing agendas and a poor understanding of technological developments contribute to making the industry less attractive to younger talents.

Rob Brown, host of the "Accounting Influencers Podcast," describes the model as individual-centric. It's a model where individuals manage their own clients and revenues, focusing on short-term gains rather than long-term strategic thinking.

Many partner-led firms deplete their cash reserves at the end of the year through distributions, leaving little room for investments and long-term planning. Rob Brown argues that to run an accounting and auditing business successfully today, you must adopt a "corporate thinking" approach, making decisions that benefit the entire organization rather than just individual partners. The world is changing in ways that demand long-term strategies and quick decision-making, which can be quite challenging in a traditional partner model.

The primary reason cited for the decline of the partner model is the rapid advancement of technology and the generational conflict between older and younger professionals. The younger generation is less inclined to work the extensive hours required to potentially, and only eventually, become a partner. Additional reasons include:

- A significant portion of the current owners (partners) are nearing retirement. The challenge of finding new, younger talent willing to buy into the business is substantial. In a rapidly changing world, this entails significant risks.
- Many traditional partner organizations are lagging in development, posing a substantial risk of declining growth over time, particularly if a large number of partners retire and their clients choose alternative providers.
- Adapting to new technology requires fresh thinking, new skills, and rapid decision-making.

New Models Introduced

All of this contributes to the emergence of new models in the market. Several new approaches are being adopted. One example is BDO in the United States, which launched a new partner model in the fall of 2023, offering participation to 10,000 employees. The goal was to attract younger individuals and talent to remain within the organization. This model also allows the company to operate with faster decision-making processes.

Private Equity Offers Opportunities in a Changing World

Private Equity (PE) has identified the challenges of the partner model within the industry, including in Sweden. PE firms provide financial resources that enable investments in new technology and service development while offering the younger generation quicker career advancement opportunities. PE investments also offer an attractive exit strategy for founders looking to retire. It is clear that Private Equity can drive organizations to accelerate their pace of development.

Today, we see several Private Equity firms in Sweden targeting accounting firms at an early stage—firms with younger owners where the business has not yet peaked. This presents an opportunity for many firms to scale up and grow beyond what they could achieve independently. Most Swedish firms are only able to grow by one to two employees per year, and many plateau in growth after reaching 15-20 employees

Consolidation

One structural factor transforming the industry is the consolidation of the sector.

Globally, in the Western world, the AA&A industry is experiencing a significant wave of consolidation. Private Equity and other players are active across most Western countries. EQT AB, a Swedish public company listed on Nasdaq, recently made an indicative bid for parts of Grant Thornton's operations in the UK, highlighting the substantial interest in the sector. The starting point for the consolidation wave in Sweden came in 2018 when IK Invest acquired the accounting division of Swedish PwC, followed by the acquisition of the accounting division of Swedish KPMG. This was followed by Altor acquiring 75 percent of LRF Konsult, now known as Ludvig & Co.

At the time of writing, approximately 130 acquisitions have been identified since 2018, representing a combined revenue of roughly SEK 5.5 billion—an estimated 25 percent of the total turnover of the accounting industry in Sweden



Consolidation Is Here to Stay

Initially, the effect of consolidation was that employees at acquired firms left to start their own businesses. This resulted in relatively modest organic growth within the acquired entities. However, acquisitions have continued and even accelerated. At the same time, we observe a decline in the number of new accounting firms being established and indications that fewer employees are leaving.

The top acquirers since 2018 include:

- **Aspia** – Owned by Vitruvian Partners
- **Ludvig & Co** – Owned 25% by LR and 75% by Altor
- **Accru Partners** – Partly owned by Axcel
- **Freedom Group** – Owned by MVI
- **Talenom** – Publicly listed
- **VIEW Ledger** – Part of VIEW Group, co-owned by the Norwegian private equity firm Explore Equity
- **Azets** – Owned by HG Capital and PAI Partners
- **Rantalainen** – Owned by Norvestor
- **ECIT** – Publicly listed

In addition to these major players, smaller firms are also actively acquiring. Examples include Sundsvall-based Contrado, Finnish firms Balanco and Greenstep, among many others.

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What Drives Consolidation?

Through various interviews with international and Swedish experts, including those specializing in Private Equity, it becomes clear that the consolidation of the RR&A industry can be attributed to several key factors. These insights highlight the characteristics of businesses within this sector:

- **Global uncertainty**—capital needs a safe place to invest.
- Firms exhibit stable growth and strong profitability over time.
- **Satisfied clients and a trust-based industry**—no other industry has clients as satisfied, according to the Swedish Quality Index.
- **Resilience to economic cycles**—the industry is not volatile and maintains stable growth even during economic fluctuations.
- **Significant potential for efficiency** improvements and price increases.
- **Older ownership structure**—with a high average age among owners, many established firm owners are looking to exit soon.
- **Younger employees** are unwilling to take over using the traditional partner model—many firms are lagging behind and face significant challenges with transformation.
- **Opportunity for owners** to experience a growth journey and enhance the value of reinvested capital.
- **Larger firms** achieve higher multiples.
- **Risk diversification**—acquiring different types of firms reduces risk and increases valuation multiples for a consolidated operation.

What Are Their Challenges?

Organic growth and improved margins will be the key challenges for consolidated firms in the coming years. While it is relatively easy to raise prices in a time-billing business, this will eventually impact demand, especially in a competitive market where 66 percent of all accounting services are provided by firms with fewer than 10 employees. Many of these smaller firms are highly digitalized, automated, and significantly ahead in terms of offerings and production at lower costs.

Looking at accounting firms established since 2020, we see they are often run by a younger generation that has embraced technology and new business models.

The table on the right shows the average age of firms started after 2020. It should be noted that many sole proprietorships are operated by senior consultants who have acquired clients and run their businesses as so-called "bread & butter" firms.

Today, many private equity firms view acquiring a firm with a younger owner in a growth phase as a less risky investment.

This approach reduces the risk of owner disengagement or departures, as these younger owners become integral to the firm's future growth journey.

Learning Curve for Acquirers

One approach is, of course, to acquire younger firms that have progressed significantly and have a promising future, a strategy now being implemented on a larger scale. A few years ago, acquisitions primarily involved firms with older partners looking to exit. Today, we see younger firm owners selling their businesses during a growth phase while continuing to be part of the firm's growth journey.

The firm's brand and its location still play a significant role for their clients, where the owner remains central to growth. Another advantage of acquiring at an early stage is that the acquirer can gain knowledge and experience on how to run a modern firm effectively.

Number of employees	Average age
20-99	51
10-19	44
5-9	43
2-4	44
1	45
Sole practitioners	64

Previously, firms at this stage were acquired when they had reached their peak or were in decline.

At that point, the owner was often ready to step away from the business, which frequently reflected in their level of engagement post-acquisition. This posed a significant risk for acquirers, as they often lost both clients and staff.



How Much of the Market will be Acquired by 2030?

If acquisitions continue at the same pace, it is estimated that roughly 50–60 percent of the accounting market itself will be acquired by 2030. Naturally, we also see acquisitions within auditing, but that sector is more challenging to estimate moving forward. It is reasonable to assume that we will see very few independent firms with more than 10 employees. Perhaps there will also be fewer firms with 5–10 employees. Most firms that grow to a certain size will, sooner or later, receive an offer attractive enough to accept.

Smaller firms with fewer than 5 employees, currently around 8,500 in number if we exclude single-person firms, are a group that might face more challenges due to increasing regulations and digitalization requirements. The risk is that their numbers could decrease significantly, benefiting the consolidated firms.



The Birth of Accounting Giants and a New Competitive Landscape

In June 2024, Aspia acquired Accountor, becoming the largest accounting firm in the Nordics. Prior to this, Accountor had acquired Deloitte's accounting and payroll division in 2023. Over the years, Accountor has acquired several other firms. According to an article in Balans (June 2024), Aspia gained 1,700 more employees, now operating in multiple European countries, including Finland, Sweden, Norway, Denmark, Ukraine, and the Netherlands. It is likely that we will see further consolidation of larger accounting and auditing entities with a focus on Europe in the future. This may also give rise to strong competitors to the Big 5, who have already experienced stagnating revenues, workforce reductions (primarily in the U.S.), and an aging generation of partners struggling to keep pace with new, fast-growing firms.

Acquisitions Since 2018

Since 2018, approximately 130 acquisitions have been identified. These acquisitions are predominantly carried out by larger players, such as publicly traded companies and private equity firms. However, many other acquisitions, particularly smaller ones by other firms, remain unidentified due to their lower visibility. Most often, these acquisitions have involved smaller firms. Among the identified acquisitions, the initial valuation is estimated at approximately SEK 5.5 billion and includes nearly 8,000 full-time employees.

How Many Firms Remain?

Most firms being acquired fall within the revenue range of SEK 5–20 million. It is interesting to analyze how much of the market remains and what portion of it is at risk of being acquired within the next five years.

The image below illustrates the number of independent accounting firms that have not yet been acquired. Three key parameters indicate the likelihood of acquisition within five years:

- Revenue
- Year of establishment
- Age of the CEO/Partners

Startup year	Accounting offices	Revenue Million SEK	Average age CEO
1980-1989	54	444,9	53
1990-1999	59	558,0	52
2000-2009	116	1,055,0	52
2010-2014	127	1,072,4	48
2015-2019	124	988,4	45
2020-2024	39	309,	40
Totalt	519	4,428,5	49

The image shows the number of independent accounting firms with revenues between SEK 5–20 million as of fall 2024.

The image below displays the number of independent firms divided by auditing. The risk of acquisition is primarily determined by the following factors:

- Age of the CEO/partners
- Age of the firm
- Number of auditors
- Size relative to revenue accounting versus auditing

Startup year	Auditing firms	Revenue Million SEK	Verage age CEO
1980-1989	27	267,1	67
1990-1999	36	407,0	56
2000-2009	55	568,0	52
2010-2014	50	465,7	56
2015-2019	28	305,2	58
2020-2024	22	181,4	52
Totalt	218	2,194,6	55

The image shows the number of independent auditing firms with revenues between SEK 5–20 million as of fall 2024

Independent Firms with 0–5 Employees

The image below shows accounting firms with 0–5 employees that are at a lower risk of acquisition due to their size. Some of these firms will eventually grow and become attractive for acquisition. However, the older they are, the more likely it is that they will never grow beyond five employees.

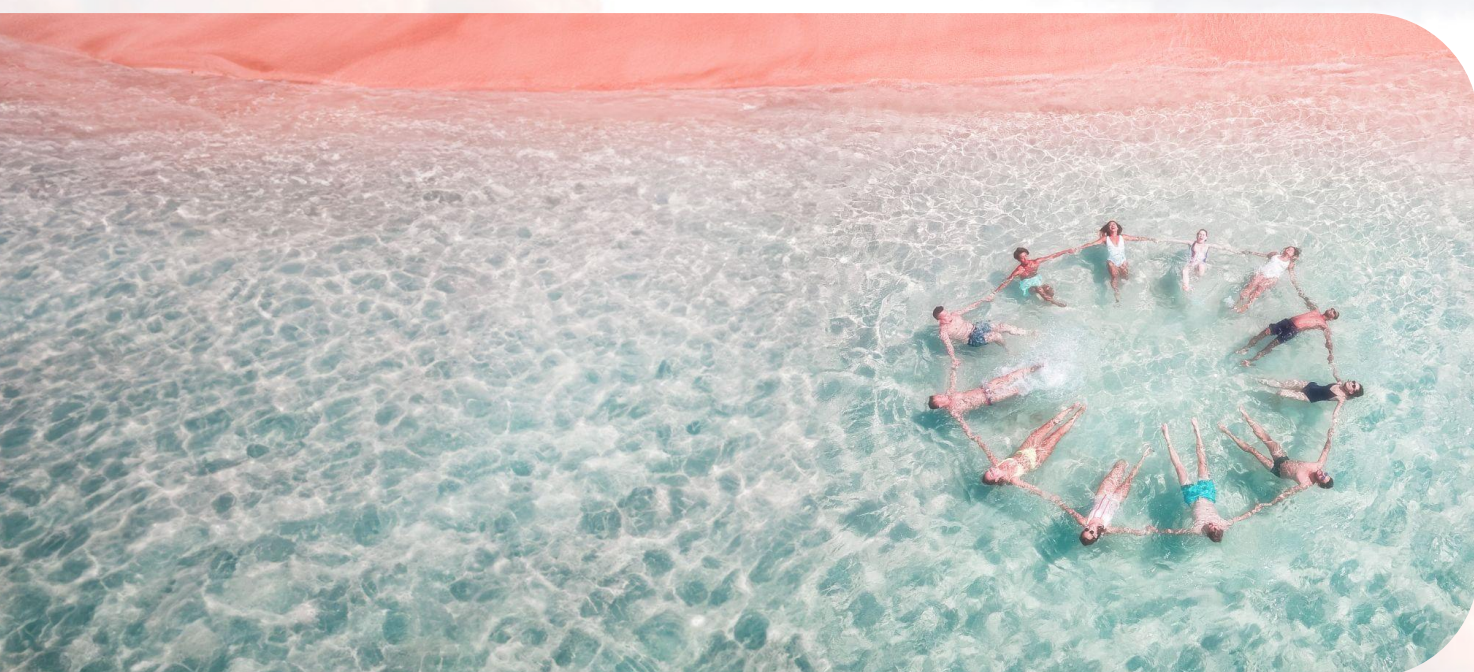
The high average age of firms started after 2020 is due to a sharp increase in newly established single-person firms since 2020, where the average age is 64. For other firms started after 2020 with employees, the CEOs have a much lower average age.

Startup year	Accounting firms	Revenue Million SEK	Average age CEO
1980-1989	765	538,7	66
1990-1999	988	798,5	64
2000-2009	1601	1,465,8	59
2010-2014	2843	2,560,6	55
2015-2019	3258	2,869,8	49
2020-2024	3966	2,187,1	60
Total	13.421	10,420	58

The Impact of Large-Scale Retirements

Most agree that the Western world faces demographic challenges, and this is also a ticking time bomb for the Swedish accounting, payroll, and auditing (AA&A) sector. The large number of small firms with fewer than five employees, along with all sole proprietorships likely to wind down within the next decade, poses a significant risk of acute resource shortages in the next 5–10 years.

Simply training new consultants and auditors will not be enough. Technology and increased efficiency will likely become some of the most critical methods to meet the demand for RR&R services. Additionally, introducing a government certification for accountants could further exacerbate the risk of a larger resource shortage





New 3:12 Tax Rules Could Structurally Impact the Industry

In 2014, new 3:12 regulations were introduced, restricting the calculation of wage-based income to shareholders owning at least 4% of the company's capital. The government's primary rationale for the change was to address what it perceived as overcompensation to shareholders in large closely held companies with many owners and employees. The criticism was mainly directed at large auditing firms, where the compensation was the most substantial. This was also tied to the major auditing firms' ability to pay damages (e.g., HQ Bank case).

A proposal for new regulatory changes is now under consideration, with the updated 3:12 rules expected to take effect on January 1, 2026. The removal of the 4 percent threshold introduced in 2014 could prove advantageous.

For organizations with many shareholders and large payrolls, the changes also benefit shareholders with small ownership stakes, allowing them to utilize the wage-based calculation. The new rules will also be applicable to private equity-owned companies. Naturally, this could lead to the emergence of larger firms with significant payrolls that can take full advantage of the 3:12 regulations. Smaller firms with few employees and lower payrolls may struggle to generate a sufficiently large wage base to benefit from the rules.

In summary, this could result in less interest among smaller firms to activate multiple shareholders, while benefiting larger firms by enabling them to offer small ownership stakes to key personnel. The advantage lies in attracting more shareholders and retaining staff. However, there is a risk that the focus could shift toward hiring more personnel instead of improving operational efficiency.

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5. Regulations and Competencies



Regulations and Resources

In a stagnating Europe, we observe an increasing number of regulations affecting entrepreneurship, making it more challenging for Europe to compete, particularly with China and the USA. Despite this, forecasts indicate steady growth in the Accounting, Auditing, and Advisory (AAA) industry in Europe. This growth is expected to be partly driven by regulations that increase the demand for various services from the AAA sector. Companies will need to seek assistance with regulatory matters.

In July 2024, the Tidö government presented a directive to 27 authorities. The directive aimed to reduce the regulatory burden and administrative costs for companies to strengthen Swedish competitiveness and reverse the trend of increasing costs.

Regulations Affecting the AAA Industry

Data Protection and Security

The General Data Protection Regulation (GDPR) continues to impact the accounting sector in Europe. To comply with the law's requirements, accounting firms need to implement strict data security measures and conduct regular audits, leading to higher administrative costs.

Sustainability Reporting

The new Corporate Sustainability Reporting Directive (CSRD) requires companies to report sustainability data according to specific standards. For the accounting industry, this means increased demand for services to support clients in reporting, verifying, and accounting for sustainability information.

Digitalization and Electronic Invoicing

In several EU countries, the introduction of mandatory e-invoicing aims to streamline tax collection and reduce VAT fraud. For accounting firms, this entails an obligation to assist their clients in adapting to the new digital systems.

Anti-Money Laundering and Economic Crime

Legislation regarding money laundering has tightened, and firms are now expected to conduct risk assessments and report suspicious transactions. FAR (member organization for auditor) emphasizes the industry's crucial role in combating economic crime and underscores the need for transparency and collaboration with authorities.



Economic Crime – A Growing Challenge

The criminal economy in Sweden is estimated to have a turnover between 100 and 150 billion SEK annually. Swedish companies are both victims of and instruments in economic crimes, such as company hijackings and fraudulent invoices. Organized economic crime is high on the political agenda, and the Accounting, Auditing, and Advisory (AAA) industry should play a key role in combating it.

Small Actors Pressured by New Requirements

Approximately 66 percent of all accounting is managed by small firms with fewer than ten employees. Many of these small businesses struggle to meet the demands of new regulations, such as the Anti-Money Laundering Act. They report unreasonably high workloads, complex processes, and the need for more resources to comply with documentation requirements.

Increased Responsibility for Authorities

To strengthen oversight, the Swedish Companies Registration Office (Bolagsverket) and the Swedish Tax Agency (Skatteverket) have been granted expanded powers.

Bolagsverket

Effective from January 1, 2025

- Granted the authority to summon the beneficial owner to appear in person to verify their identity. This also applies to senior executives in legal entities lacking a beneficial owner.
- Enhanced control capabilities, including conducting on-site inspections and requiring registrants to provide information and access to documents.
- Strengthened sanctioning powers, including the ability to decide on compulsory liquidation of limited companies and economic associations, as well as deregistration of partnerships that do not comply with Bolagsverket's directives.
- Mandated to more actively verify the information in the register of beneficial owners.
- Assigned responsibility for maintaining a register of traders conducting business involving large cash payments (related to the new cash prohibition limit of 10,000 euros).

Tax Authority (Skatteverket):

Effective from April 1, 2024

- Expanded authority to disclose information to law enforcement agencies, including matters related to money laundering.
- Becomes one of the agencies granted access to more information from other authorities, municipalities, regions, and schools to combat crime, including money laundering.



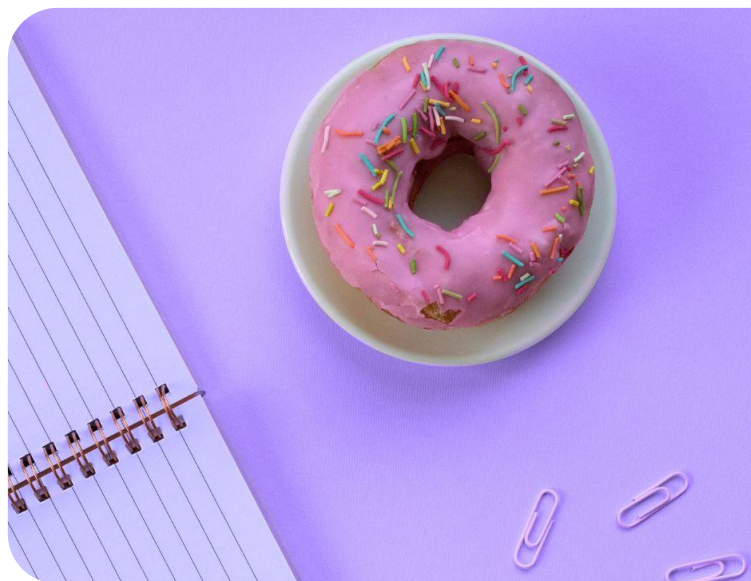
The Swedish Bankers' Association and FAR's Proposal for State Authorization of Accounting Consultants

The Swedish Bankers' Association and FAR propose that Sweden introduce a state authorization system for accounting consultants, similar to the regulations already in place for auditors under the EU Auditing Directive (2006/43/EC).

Unlike the auditing profession, the regulation of accounting consultants and advisors is a national matter, leading to significant differences between countries regarding protected titles, registration, membership in professional organizations, and public oversight.

In Sweden, the title "accounting consultant" is not state-protected. A 2023 survey showed that there were approximately 4,200 authorized accounting consultants working at 1,900 firms, of which 1,300 firms had only one authorized consultant. At the same time, there are around 25,000 entities offering accounting services without any requirements for authorization, education, or quality control.

This has created an unregulated market where anyone can start a business without meeting formal qualifications. As a result, the industry lacks uniform standards and is not regulated to the same extent as the auditing sector. The turnover for firms without an authorized accounting consultant is estimated at SEK 8–10 billion, representing nearly 50 percent of the total turnover in the accounting industry.



The table below shows the number of specialists and authorizations in Sweden as of May 2023.

Category	Quantity
Authorized Business Advisor	432
Authorized Payroll consultant	835
Authorized accountants	4161
Authorized Auditor	2816
Authorized Tax Advisor	371
Approved auditor	237
Licensed – Financial companies	88
Specialist accounting	17
Grand Total	8957

The table below shows the number of firms with the highest number of authorized accounting consultants in 2023.

Firms with the highest number of authorized accounting consultants	
Ludvig & Co AB	257
Aspia	217
Grant Thornton Sweden AB	138
Ernst & Young AB	109
BDO	67
Modern Ekonomi Sverige AB	36
Rådek Redovisning & Revision AB	32
Deloitte AB	28
Accountor Ekonomi & Rådgivning AB	27
ICA Sverige AB	25
VIEW Ledger AB	23
ECIT Services AB	16

Advantages and Challenges of Authorization

The introduction of mandatory state authorization would bring significant changes to the industry:

- **Growth Potential:** Many small and unregulated actors would likely discontinue parts of their operations, creating growth opportunities for firms with authorized personnel.
- **Price Adjustments:** Companies previously using cheaper, unregulated services would likely face higher costs for accounting services from authorized firms.
- **Improved Quality and Security:** Authorization would help raise quality standards and increase trust in the industry.

According to the police report "Professional Money Launderers – Industries, Methods, and Connections to Criminal Networks," accounting consultants are one of several professional groups at risk of being exploited for money laundering as so-called enablers. Individuals with access to financial systems may be subjected to threats and pressure to assist criminal actors.

One way to prevent individuals from facing threats and extortion is to distribute responsibilities and tasks within the organization, which should be the employer's responsibility. This also aligns with general risk assessments aimed at reducing the risk of individual consultants being exposed to threats and extortion.

Criticism and Alternative Perspectives

Criticism has been raised from parts of the industry regarding the emphasis on individual accountability for compliance and regulations, rather than placing the responsibility on the organizations where these individuals operate.

Critics argue that a systemic approach, where responsibility and oversight are distributed at the corporate level, would be more effective and provide greater protection for individual employees. In other words, the responsibility should rest with the employer rather than with the individual.





The Future Role of Accounting Consultants and the Skills Shortage

International experiences indicate that the role of the accounting consultant is becoming increasingly complex. In the United States, there is a reported acute shortage of CPAs (Certified Public Accountants) and accounting consultants, which is partly due to:

- High demands for education and expertise in areas such as accounting, taxation, sustainability, and technology.
- Significant responsibility in relation to compensation.
- Low remuneration and heavy workloads, including many overtime hours.
- Reduced attractiveness of the profession due to increased regulations and expectations.

The same trend risks emerging in Sweden. Advances in technology and the introduction of new regulations place increasingly high demands on accounting consultants, which may reduce interest in the profession. The accounting consultant of the future must not only manage traditional accounting services but also navigate a highly regulated environment and act as an advisor in business development, technology, and sustainability.

The need for diverse expertise within firms will become more evident going forward. Assuming that a single accounting consultant can cover all these competencies alone is unrealistic. This suggests that, in the future, only larger firms will be able to deliver a comprehensive service offering.

“It’s time to stop practising and start to to build companies instead”

Rob Nixon, CEO, Profitable Partners

FAR, Srf Konsulterna, and Företagarna

Interview with FAR, Företagarna, and Srf Konsulterna

To understand the measures that key stakeholders (FAR, Företagarna, and Srf Konsulterna) wish to see implemented to reduce financial crime, we interviewed representatives from these three organizations and asked them a series of straightforward questions.

Interviews: Karin Apelman, Secretary General and CEO of FAR

FAR is a professional organization in accounting, auditing, and advisory services, focusing on developing clear regulations, the right competencies, and reliable information for businesses and society. FAR has approximately 5,000 members and around 1,000 affiliated member companies employing about 16,000 people. These include authorized auditors, accounting consultants, tax advisors, payroll consultants, and companies within accounting, auditing, and advisory services.

FAR is also one of Sweden's largest private education providers in the financial sector, offering 400 training events annually. Additionally, FAR Online is the leading platform for digital access to regulations and guidance in the financial field.

Questions and Brief Answers from Karin Apelman

- **What are the key issues FAR is currently working on?**
Sustainability, digitalization and AI, skills supply, crime prevention, and private equity are the five focus areas.
- **What measures do you consider important against financial crime?**
Increased collaboration with authorities such as the Swedish Companies Registration Office, standardizing authorization for accounting consultants, particularly to ensure the proper use of public funds.
- **Are there any measures you do not consider important?**
Overly ambitious regulations. While clear and well-implemented rules are essential, we should avoid overcomplicating the regulatory framework.
- **What is FAR's view on mandatory authorization for accounting consultants?**
FAR is supportive and sees it as a quality improvement. It builds trust and ensures uniform standards.



Karin Apelman, FAR
Fotograf: Felicia Yllenius

If everyone is required to have an authorized accountant, isn't there a risk that it could become quite expensive for smaller companies? What is your view on that?

FAR argues that it improves quality and provides clarity for companies. Small businesses often already hire consultants, so it wouldn't mean significant changes.

Do you see any risks with individual consultants being held accountable and potentially exposed to external pressure?

There are risks, but through ethics and quality work, as well as open dialogue, the industry can manage these.

What does it mean for accountants to assist with financial statements and annual reports?

Consultants prepare reports and financial statements that auditors review, and collaboration between these roles is crucial for small businesses.

What message would you like to send to the industry?

Collaboration, investment in education, and qualified professionals to meet future challenges.

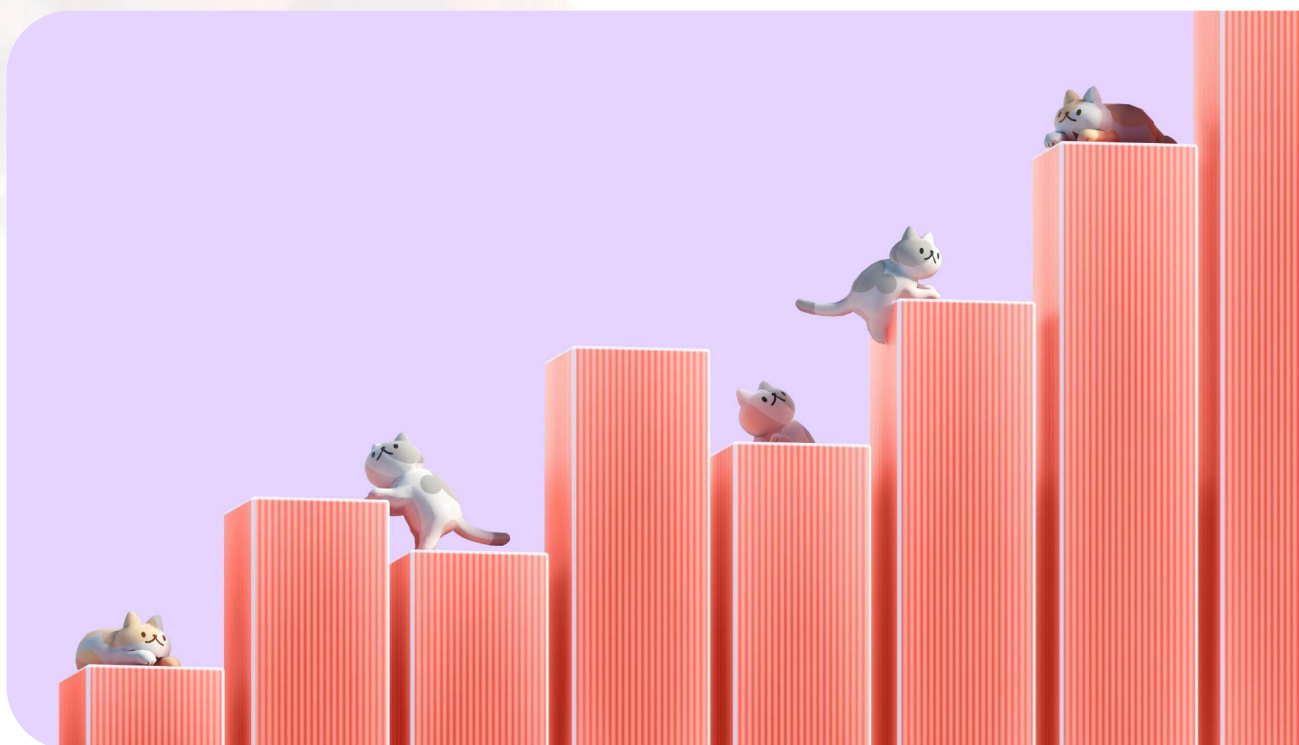
Important Industry Issues

Karin identifies five key areas that FAR is working on:

- **Sustainability Issues:** A global focus area.
- **Digitalization and AI:** Demanding new working methods and competencies.
- **Skills Provision and Attractiveness:** Crucial for the industry's future.
- **Combating Economic Crime:** A growing problem requiring collaboration.
- **Private Equity:** Of significant interest to the accounting and auditing industry.

These areas are pivotal in shaping the future of the accounting and auditing profession, with sustainability, digitalization, and skills provision being particularly influential.

FAR is actively addressing these challenges to ensure the industry remains relevant and effective in a rapidly changing environment.



Interviews: Lena Lind, CEO - Srf Konsulterna

Srf Konsulterna (The Swedish Association of Accounting and Payroll Consultants) is a professional organization representing accounting consultants, payroll consultants, and other finance professionals in Sweden. The organization works to enhance the industry's status and contribute to the quality and development of services in accounting and payroll.

Srf Konsulterna has approximately 7,000 members, of which 3,600 are authorized accounting and payroll consultants. These members support around 300,000 Swedish and international businesses.

Questions and Brief Answers from Lena Lind

- **What measures does Srf Konsulterna see as most important in combating financial crime?**
Collaboration and concrete actions. This work should be driven jointly by authorities and the business sector. Increased proactivity and swift interventions when there is suspicion of criminal activity are also crucial.
- **Are there any specific proposals you would like to see?**
Better tools for monitoring and data sharing between authorities, particularly between the Swedish Tax Agency and the Swedish Companies Registration Office. Relevant information sharing, both between authorities and the business sector, as well as adjustments to privacy legislation.
- **Are there measures you do not support?**
General regulations that miss the mark, such as focusing on small players instead of major offenders. Excessive administrative burdens on Sweden's small business owners should also be avoided.
- **What is your view on mandatory authorization for accounting consultants?**
Positive. A protected title enhances the industry's status and quality while attracting new talent—something the industry needs and demands. Similarly, we advocate for mandatory authorization of payroll consultants, an undervalued yet complex role.
- **What message would you like to convey to the industry?**
Recognize the industry as a key competence and enabler in combating crime. The industry plays an important role and can make a significant contribution to society.



Lena Lind, *Srf konsulterna*

Interviews: Tobias Adielsson, Business Expert on Crimes Against Entrepreneurs, Företagarna

Företagarna is a Swedish business organization representing approximately 60,000 entrepreneurs. Its members are primarily business owners, along with a smaller number of private individuals who support the work of entrepreneurs. Företagarna is a member-owned, member-driven, and politically independent advocacy organization working to create better conditions for starting, running, developing, and owning businesses in Sweden. Företagarna's core principles are economic freedom and free competition.



Tobias Adielsson, Företagarna

What does Företagarna see as the most important measures against economic crime?

- It is crucial that authorities work more purposefully and collaborate more effectively to combat economic crime. At the same time, it is important to avoid burdening small businesses with general regulations that could hinder their growth.

Are there any measures you do not want to see imposed on businesses?

- We oppose general regulations that increase costs for small businesses, such as mandatory audits. We have previously worked to limit this requirement because it often represents an unnecessary financial burden for smaller companies.

What is your view on mandatory certification for accountants?

- Our stance is skeptical. There is already a skills shortage in the industry, and we believe it is better to focus on a voluntary industry standard that makes it attractive for companies to hire qualified consultants rather than introducing new mandatory requirements.

What is your view on the proposal that smaller companies should hire a certified accountant for financial statements and annual reports?

- We first need to evaluate whether this proposal truly helps reduce economic crime. Additionally, we must consider whether the costs for small businesses are proportional to the benefits the measure would bring.

Do you believe that targeted inspections by authorities are sufficient to combat economic crime?

- We see this as a good starting point. However, I want to emphasize the importance of continuously assessing how effective these measures are and avoiding the introduction of too many general rules that could have unintended negative consequences.

Similarities

- **The Importance of Government Collaboration**
All three emphasize the need for better cooperation and information sharing between authorities, such as the Swedish Tax Agency and the Companies Registration Office, to combat economic crime more effectively.
- **The Industry's Role in Combating Crime**
Karin Apelman (FAR), Lena Lind (Srf konsulterna), and Tobias Adielsson (Företagarna) stress that the accounting industry plays a key role in ensuring high quality and preventing economic crime. They all view the industry as a critical gatekeeper against illegal activities.
- **Certification of Accountants**
Both Karin and Lena are in favor of government certification for accountants, which they believe would establish uniform quality standards and enhance the industry's credibility.
- **Technology and Digitalization**
All three highlight the role of technology in improving efficiency and enabling more risk-based inspections, which could help reduce crime.

Differences

- **Mandatory Certification**
Karin and Lena view government certification as a positive step to enhance the industry's status and quality.
Tobias is more skeptical, arguing that such a measure risks becoming costly for small businesses and that a skills shortage could complicate implementation.
- **Requirement for Smaller Companies to Hire Accountants**
Karin and Lena support the idea that small businesses should use certified accountants to improve the quality of their accounting.
Tobias questions the cost-effectiveness and argues that the proposal should be thoroughly evaluated before implementation.
- **Level of Regulation**
Tobias emphasizes the importance of targeted regulations that do not place unnecessary burdens on small businesses. Lena and Karin, on the other hand, advocate for properly implemented and standardized regulations to ensure quality without increasing the administrative burden.

The Role of Technology in the Future of Accounting

Technology plays a central role in streamlining administration and combating crime. Automation, AI, and blockchain offer opportunities to:

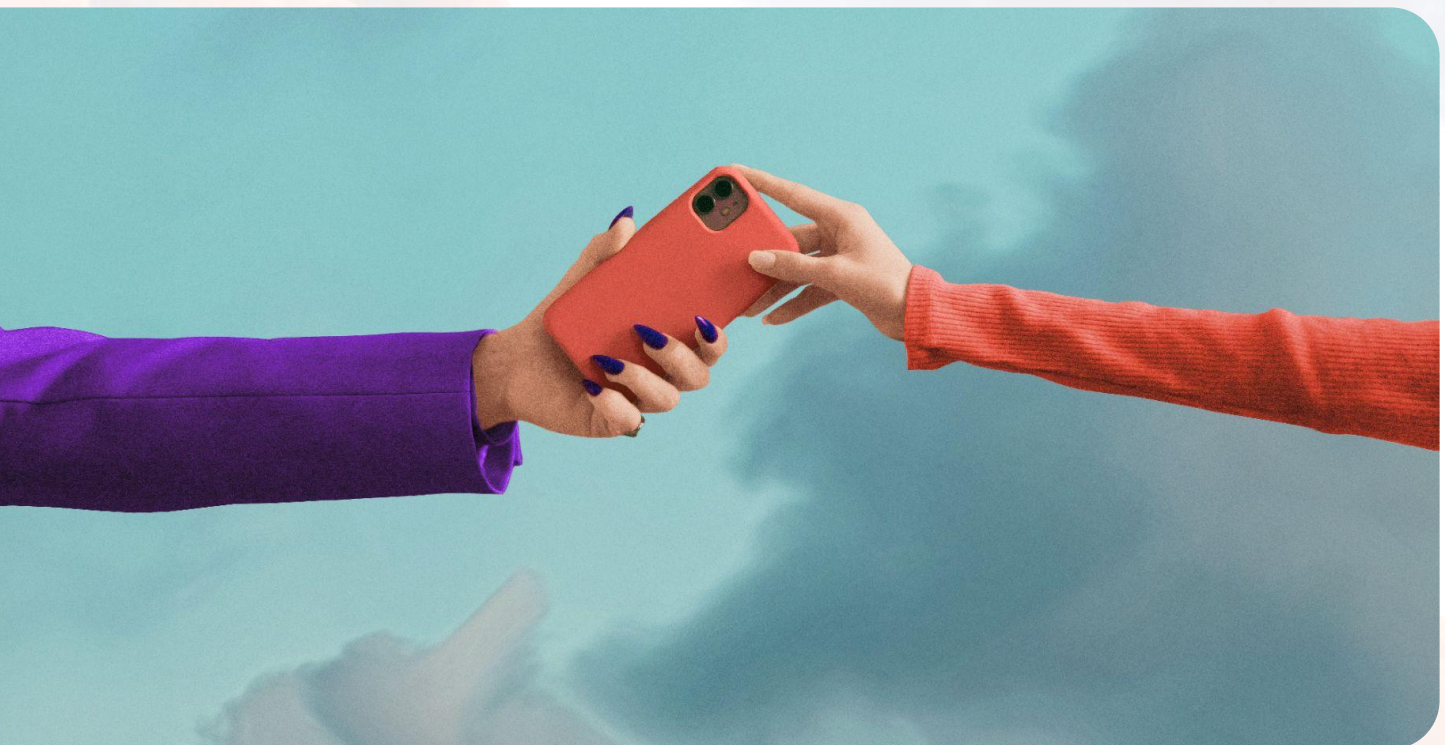
- Identify and prevent economic crime.
- Automate administrative processes.
- Enhance transparency and quality in accounting and reporting.

At the same time, the demand for accounting services is evolving as technology advances. Small firms report challenges in meeting the need for targeted services, as each new engagement requires extensive KYC (Know Your Customer) processes.

Conclusion

The introduction of state authorization for accounting consultants is an important step toward improving quality and security within the industry. At the same time, it is essential to consider the practical and financial implications for small players and the businesses that rely on their services. A carefully balanced reform can help elevate the profession's status, ensure legal certainty, and create a more unified and competitive accounting industry in Sweden.

Regulations and technology are reshaping the accounting industry. By balancing the burdens of regulatory frameworks with the opportunities provided by technology, the industry can remain a key player in a competitive and transparent business environment. Collaboration among companies, authorities, industry organizations, and tech firms is crucial to securing future growth and quality in the accounting sector.



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6. The Demand for Accounting Financial Services



The Demand for Accounting and Advisory Services Until 2030 – Same as Last Year

A fundamental flaw in most predictions about the accounting industry is that they do not consider the demand of its clients. It's easy to forget that the accounting market delivers exactly what its customers request.

What do Swedish companies demand?

According to statistics from Visma Spcs, potential clients (small businesses) seek help with targeted tasks, such as correcting bookkeeping, preparing financial statements, or filing tax returns. Often, it's unclear exactly what the business needs, which typically becomes evident during a conversation with the client.

The increased demand for targeted services is believed to stem from the fact that small businesses are increasingly handling parts of their accounting themselves. Certain aspects, however, are beyond their capabilities, prompting them to seek assistance.

Firms that serve slightly larger businesses—with five or more employees—were interviewed in 2022. All of them reported that their existing clients tended to shift from requesting only the bare essentials to seeking a wide range of services related to finance, digitalization, and advisory. Consulting engagements increased significantly with existing clients, as did demand for insourcing assignments, where the accounting firm took over the entire process

Financial Advisory

The demand for ongoing business financial advisory services is expected to remain stable until 2030. This is because companies rarely seek advice unless it is directly necessary or mandatory. As a result, more advanced advisory services, such as those related to mergers and acquisitions or specialized consulting, are primarily handled by large international consulting firms like "The Big 4" or others with similar expertise.

However, consolidated firms are broadening their service offerings and will increasingly be able to compete with traditional larger firm networks by providing a wide range of expertise across multiple areas.

There is also a growing demand for integrated financial advisory services that combine technical solutions and strategic perspectives, particularly among mid-sized companies seeking better support during growth phases or organizational restructuring.



Accounting Services

Automation and digitalization are reducing the need for traditional accounting services as companies increasingly handle basic accounting functions in-house using automated, AI-driven systems. The economic downturn also compels businesses to cut administrative costs, further dampening demand.

For firms, survival and growth will require a strategic shift toward more value-added services, such as business analysis and real-time reporting.

Technology-Related Advisory Services

Technology-related advisory services are expected to grow significantly by 2030, focusing on:

- **Implementation of New Technologies:** Companies seek assistance in adopting efficient, modern systems to optimize business processes.
- **Sustainability Reporting:** The growing demand for support in the ESG (Environmental, Social, Governance) area reflects increased awareness of environmental and social responsibility.
- **AI and Automation:** The need to understand and utilize AI for operational improvements and decision support is rapidly growing. Consulting services offering practical guidance on AI integration will become essential.

Firms that fail to address these needs risk losing market share to competitors with advanced technical expertise.

Outsourcing of Finance Departments

The demand for outsourcing entire finance departments is expected to grow significantly, particularly among companies with more than five employees. Historically, Sweden has lagged behind in implementing mid-tier systems, creating a gap that now needs to be addressed.

Companies with outdated, locally installed systems face a technical shift, where modernizing business systems is essential to achieve cost efficiency and improved reporting. This presents a significant opportunity for agencies to offer solutions that cater to the needs of medium-sized companies.

Payroll and HR Services

The demand for payroll and HR-related services is steadily increasing. Companies are seeking efficient solutions that combine automation with expertise in labor law and personnel management. This segment requires both streamlined workflows and deep expertise, creating opportunities for specialized services.

The Ownership Perspective

The owner's holistic perspective – focusing on pensions, personal finances, and the company's long-term future – is becoming increasingly important. Agencies that can offer tailored advice in this area are expected to see increased demand.

Summary and Recommendations

Future of Firms: Survival will require either diversification of services or specialization. Diversification involves shifting from basic accounting to strategic advisory and technology-integrated solutions.

Technology Focus: The ability to implement and optimize new technologies is key to meeting future demand.

Specialization: Firms offering deep expertise in sustainability, AI, and ownership-related advisory services will have a strong position.

Outsourcing: Providing comprehensive solutions for finance departments and HR functions opens up new revenue streams.

Successful firms will be those that quickly identify and adapt to changing market needs, with a focus on innovation, technology, and specialized advisory services.



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7. The Swedish Accounting Industry in Numbers



Methodology

In this year's industry report, we analyzed all entities classified under SNI codes 69021, 69022, and 69023 to identify those that appear to be accounting and auditing firms. This approach has increased the volume of firms, as there are accounting businesses that do not primarily operate under SNI codes 69021, 69022, or 69023. Some accounting businesses fall under SNI code 70220 – Management Consultancy Activities. This makes it more challenging to identify and determine the size of the accounting market. A total of approximately 104,000 entities fall under code 70220.

Additionally, we filtered out businesses that are not actual firms from all levels. Many firms have also recently changed their SNI codes. We further developed our own categorization of different types of firms, as follows:

- Accounting
- Auditing
- Combined Accounting and Auditing
- Payroll and HR
- Tax & Legal
- Accounting operations with proprietary software
- Disruptive businesses (e.g., companies that take revenue away from the accounting industry)*
- Tech companies (e.g., software firms)*

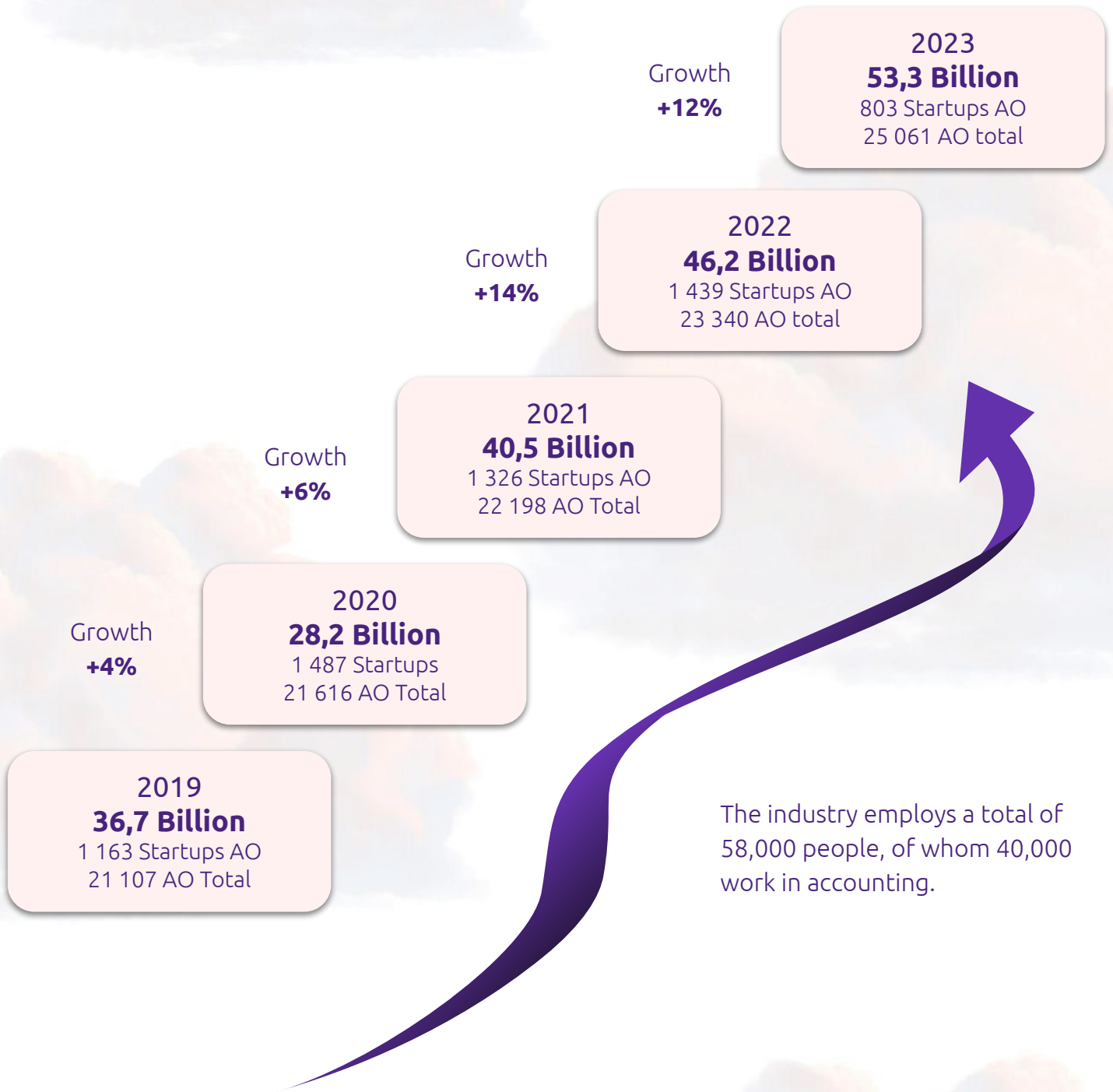
*Not included in revenue calculations but classified under SNI code 69021.



The industry continues to grow steadily at approximately 12 percent, adjusted.

However, we have revised the revenue figures upward as certain firm operations were not previously included in the statistics. The accounting segment has increased to 21–22 billion SEK, compared to 19–20 billion SEK in previous years. This does not include estimates for sole proprietorships and partnerships.

***Currency in Sek**



The industry employs a total of 58,000 people, of whom 40,000 work in accounting.

Revenue distributed by the number of employees is shown below (Billion)

Category	Revenue 2022		Revenue 2023	Comment
	Revenue 2021 SEK	SEK	SEK	
>=1.000 employees	17,4	20,8	23,1	Stable growth
100-999 employees	3,3	3,4	4,0	Slow growth
10-19 employees	3,2	2,8	3,7	Increased growth since 2022
20-99 employees	2,5	3,0	4,4	Significant increase
2-4 employees	4,7	5,2	5,8	Stable growth
5-9 employees	3,1	3,6	4,1	Positive development
1 employee	4,3	5,0	5,7	Stable growth
Sole practitioner	1,9	2,3	2,6	Limited growth
Total	40,471,784	46,233,014	53,355,584	.

The number of firms in the market, distributed by the number of employees, is shown in the chart below. Since many firms change their SNI codes over the years, the historical data may vary.

Number of AO's 2021/2022/2023	2021	2022	2023	AO's 2023 Expanded concept
Sole practitioner	13859	14316	15376	15446
1 employee	5391	5946	6283	6351
2-4 employees	2154	2270	2357	2382
5-9 employees	487	516	529	530
10-19 employees	230	194	235	235
20-99 employees	68	83	99	99
100-999 employees	9	9	11	12
> 1.000 employees	6	6	6	6
Totalt	22.204	23.340	24.896	25.061

If the industry is divided into business areas and analyzed manually as well as based on the content of company names, the distribution appears as follows. Audit firms also cover many other areas, such as advisory services, consulting, risk management, etc..

Business area	Number	Revenue SEK
Accounting businesses	22 747	21.6 Billion
Auditing businesses	1 748	29,9 Billion
Payroll & HR businesses	148	390 million
Tax & Law	403	890 million
Ao businesses with own software	15	565 million
Totalt	25.061	53.3 billion

66% of all accounting is performed by firms with 0-10 employees.

The Big 5 and Networks

They maintain a steady revenue of approximately 22 billion SEK following a significant increase in 2022. Indications for 2024 suggest that growth will settle at a lower rate.

The image below shows the 10 largest auditing firms.

Company	Net sales (Million SEK)	Latest annual report
Ernst & Young Aktiebolag	6 531	2023-06
Öhrlings PricewaterhouseCoopers AB	5 690	2023-06
Deloitte AB	3 904	2023-05
KPMG AB	3 662	2023-09
Grant Thornton Sweden AB	1 894	2023-04
BDO Mälardalen AB	574	2023-08
PricewaterhouseCoopers i Sverige AB	522	2023-06
BDO Göteborg AB	239	2023-08
BDO AB	209	2023-08
Frejs Revisorer AB	89	2023-012

Källa: *Inyett*

The picture below shows bigger networks in sweden

Chain/network	Number of AO's	Revenue SEK
Baker Tilly	39	374 million
LR Revision	65	371 million
Sverev	12	147 million
Crowe	8	120 million
Inpact	6	71 million



The 100 Largest Auditing Firms Show Clear Growth in Net Revenue in Recent Years

Revenue Growth for the Largest Auditing Firms:

Top firms' revenue (thousand SEK):

- 2021: 18,7 Billion SEK total.
- 2022: 20 Billion SEK total (+6.4% from 2021).
- 2023: 21,4 billion SEK total (+7.1% from 2022).

Annual Growth:

The average annual growth rate for the 100 largest auditing firms has been around 6-7% over the past two years, indicating stable revenue expansion.

Contributing Factors:

- Increased demand for auditing and accounting services.
- Greater investments in digital solutions and expanded advisory capacity, improving both efficiency and service offerings.

Growth Trends Among the Top 100 Auditing Firms (2021-2023):

Revenue Growth:

Between 2021 and 2022, revenue grew steadily, with many firms increasing their net revenues. For example, Ernst & Young AB grew from 4.96 billion SEK in 2021 to 5.87 billion SEK in 2022 and further to 6.53 billion SEK in 2023. Similar trends were observed for other major players, such as Deloitte AB and KPMG AB.

Profitability:

Operating profit (EBIT) also increased for several leading firms. Ernst & Young's operating profit rose from 791 million SEK in 2021 to 1.1 billion SEK in 2022, before settling at 1 billion SEK in 2023. This reflects stable improvements in efficiency and profitability over the period.

These trends suggest continued expansion among the leading firms, despite challenges like inflation and economic downturns. However, there are indications of a slowdown in growth for 2024, according to other sources and forecasts this year.

Based on the analysis of the top 100 auditing firms, the following insights regarding revenue per employee are observed:

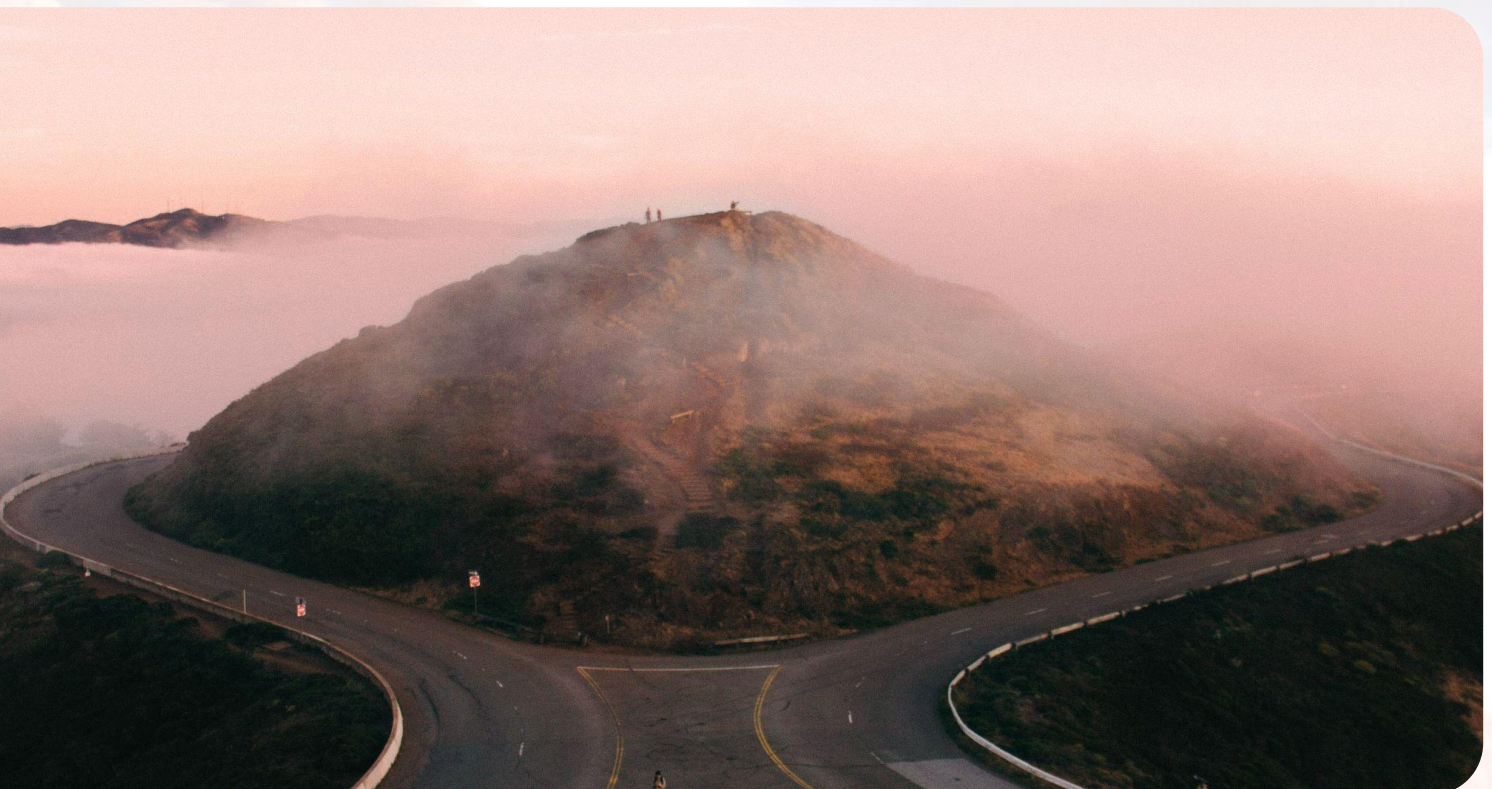
- **Average:** The average revenue per employee among the top 100 firms is approximately SEK 2.1 million.
- **Median:** The median revenue per employee is slightly lower, around SEK 1.8 million, indicating a concentration of smaller firms with lower revenue per employee.
- **Efficiency Improvements:** Many firms have increased their revenue per employee compared to previous years. For example:
 - Ernst & Young AB increased from SEK 1.745 million in 2021 to SEK 2.083 million in 2023.
 - Deloitte AB rose from SEK 1.829 million in 2021 to SEK 2.358 million in 2023.
- This suggests more efficient utilization of labor.

The average EBIT margin for the top 100 auditing firms has developed as follows:

- **Average:** The EBIT margin was approximately 24.5% in 2023, an improvement from around 21% in 2021.
- **Median:** The median EBIT margin in 2023 was about 20%, also indicating a steady improvement from previous years.

Efficiency gains are evident through increased EBIT margins in many leading firms, achieved by reducing costs relative to revenue, particularly through the adoption of technology and automation.

These trends highlight the industry's focus on enhancing productivity and profitability through technological advancements and streamlined operations.



Number of Auditors

The number of qualified auditors has steadily declined since 2010, from around 4,000 to approximately 3,000 today. A significant portion of auditors are over 50 years old and are expected to retire within the next 5-10 years. One of the key challenges for the auditing industry will be attracting and retaining younger talent.

Authorized Auditors – Age Distribution

Age	Women	Men	Total
Under 30 Year	31	62	93
30-39 Year	463	505	968
40-49 Year	269	451	720
50-59 Year	216	427	643
60-69 Year	82	233	315
Över 69 Year	6	51	57
Total	1 067	1 729	2 796

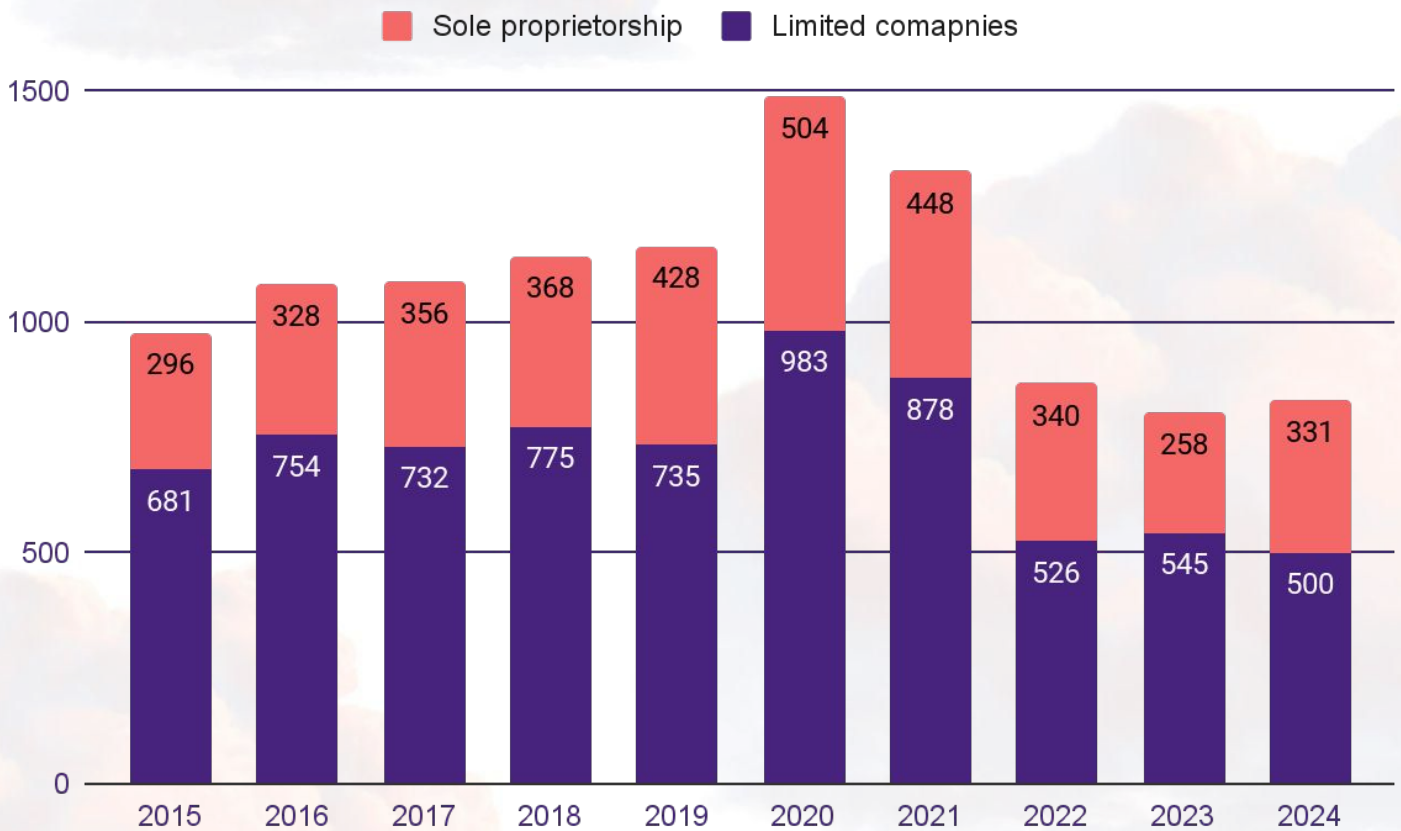
Approved Auditors revisorer – Age distribution

Age	Women	Men	Total
50-59 Year	28	38	66
60-69 Year	35	76	111
Över 69 Year	3	20	23
Total	66	134	200

Source: *Revisorsinspektionen*

Number of Newly Established Accounting Firms

The number of newly established firms hit a record low in 2023, despite the intense pace of consolidation. The peak was in 2020 during the pandemic. This may also indicate a decrease in dropouts and that the consolidation is becoming increasingly stable.



Start year and revenue year 2023 (Million)

Revenue class	<1979	1980-1989	1990-1999	2000-2009	2010-2014	2015-2019	2020-2024	Total
< miljon	55	166	249	314	576	669	693	2,722
1-2 miljoner	71	155	242	496	963	1,208	946	4,081
2-3 miljoner	63	133	196	430	616	646	433	2,517
3-5 miljoner	74	192	288	516	701	698	341	2,810
5-10 miljoner	150	389	417	831	970	790	335	17,648
10-15 miljoner	141	269	304	514	449	373	189	2,239
15-20 miljoner	69	170	329	512	274	251	48	1,653
> 20 miljoner	17,025	7,670	1,924	2,539	660	3,344	287	33,449

The table above shows when the agency was founded, its size category, and the revenue generated by each segment. There is strong growth among agencies founded after 2015. Agencies founded before 1980 account for significant revenue, primarily driven by the Big Seven.



Agencies Started After 2020

An important aspect of maintaining diversity in the industry is ensuring that newly established agencies are not limited to so-called "bread & butter" businesses.

Sole Proprietorships + Agencies with One Employee (Accounting)

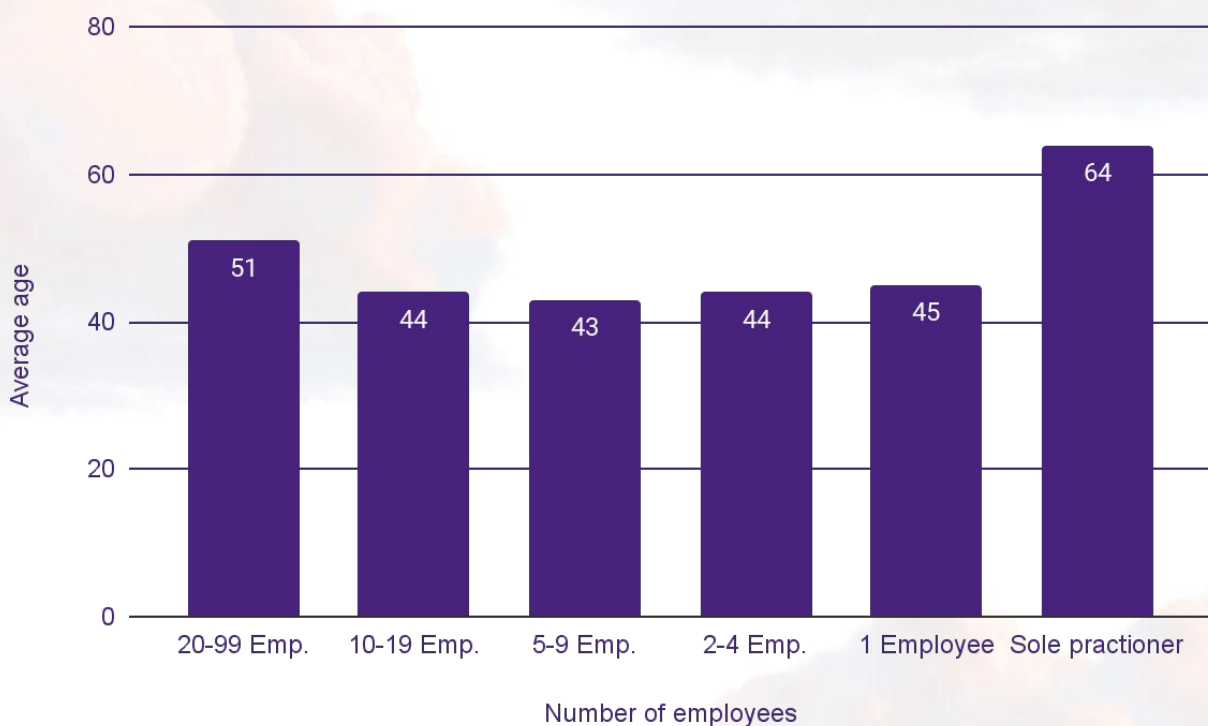
There are 8,698 sole proprietorships and partnerships, with an average owner age of 58 years and a standard deviation of 17 years. Limited companies (sole proprietorship-style agencies) account for 6,076 firms, with an average age of 61 years and a total turnover of 1.7 billion SEK. Of these, 3,738 companies report a turnover greater than zero.

Looking specifically at limited companies established after 2020, the average age rises to 64 years, suggesting that senior professionals are likely leaving larger firms to start their own businesses.

The number of agencies with one employee totals 5,584, with a combined turnover of 4.7 billion SEK. Among these, 5,444 report a turnover greater than zero. Combining sole proprietorships with agencies that have one employee, there are 11,660 agencies. Of these, agencies established before 2020 have a total turnover of 4.7 billion SEK. This suggests that many of these agencies remain small and experience little year-over-year growth. The average age of these owners is 58.6 years.

All agencies started since 2020 with more than one employee have a lower average age, except for those with only one employee, where the average age is significantly higher, around 64 years.

AO's established after 2020



Oxceed Reporting

Oxceed publishes an industry report every quarter, serving as an indicator of the industry's performance.

- **2023:** The industry experienced revenue growth of 11 percent despite the economic downturn. This growth was driven by increased demand for financial expertise during uncertain times.
- **2024:** Revenue growth has slowed, with a decline of 2.1 percent in the first half of the year compared to 2023. This reflects a general economic slowdown following last fall's recession.

Profitability and Cost Efficiency:

Profitability has improved despite lower revenues. EBITDA increased from 18.1 percent in 2023 to 19.9 percent in 2024, thanks to cost reductions, particularly in personnel expenses, which decreased by 4 percent.

The industry has successfully managed costs effectively, delivering strong results despite a challenging market environment.

The Accounting Market in Sweden

(Source: Inyett)

- Small and medium-sized firms represent a significant portion of the Swedish accounting industry, as reflected in the data.
- Digitalization and automation are impacting revenue per employee, especially for larger firms striving to meet client expectations for faster and cheaper services.
- Profitability in larger firms may be affected by the need to compete with both local players and global firms, which requires investments in technology and expertise.

Summary:

Profitability and revenue per employee vary significantly depending on firm size. Smaller firms are often more profitable but have lower revenue per employee, while larger firms face challenges in maintaining margins despite higher revenue per employee.

Number of employees	Turnover/employee	Profitability before tax
>1.000	1,127	8.60%
100-999	1,092	4.00%
10-19	1,127	4.30%
20-99	1,131	10.00%
2-4	936	14.00%
5-9	1,130	12.00%
1 employees	854	21.00%
Sole practioner	257	25.00%

Accounting & Auditing in Sweden: Industry Report 2024

8. Attachments and References



Nordic Private Equity Market

The Nordic private equity landscape is robust and has historically delivered strong returns. Here is an overview of its key aspects:

Number of Players and Assets Under Management:

- There are approximately 80-85 buyout fund players in the Nordics.
- These fund managers collectively oversee around €200 billion.
- Roughly two-thirds of this amount represents the market value of assets, while the rest is committed but yet-to-be-invested capital.

Investment Focus:

- Nordic funds often focus on growth and improving already well-performing companies.
- The funds primarily acquire privately held companies with the aim of developing and selling them at a profit.
- Some Nordic funds also invest in non-Nordic funds and companies.

Major Players:

- EQT is the largest player, managing approximately €119 billion in fee-generating assets under management.
- Nordic Capital is another significant player, managing €25 billion.
- Altor is also a key player, managing €4.5 billion.

Market Trends:

- The Nordic region showed strong growth in deal activity during the first four months of 2024, with a 20.7% increase compared to the same period in 2023.
- Buyouts in the Nordics rose by 28.2% from January to April 2024 compared to the same period the previous year.
- Growth capital investments in the region increased by 44.4% during the same period.

Sector Distribution:

- The most active sectors for private equity investments in the Nordics are business services, healthcare, and technology, accounting for 58.7% of all deals between January and April 2024.

The Nordic private equity market is characterized by a strong focus on value creation through operational improvements and growth, rather than relying solely on financial engineering. This approach has contributed to the region's historically strong returns and continued attractiveness for investors.

SourceRiksbanken

[Nordic region leads European deal activity in first four months of 2024](#)

Source: Podd: Marknaden

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