



**REPUBLIC OF TURKEY**  
**OSTİM TECHNICAL UNIVERSITY**  
**FACULTY of ECONOMICS and ADMINISTRATIVE SCIENCES**

**“SMALL AND MEDIUM SIZED ENTERPRISE’S COST  
MANAGEMENT OF BUSINESSES IN AN INFLATIONARY  
ENVIRONMENT: THE ROLE OF CERTIFIED PUBLIC  
ACCOUNTANTS“**

**GRADUATION PROJECT**

**ECONOMICS**

**Melisa Naz YAĞBASAN**

**200102005**

**ANKARA 2024**

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## **ABSTRACT**

### **Small And Medium Sized Enterprise's Cost Management Of Businesses In An Inflationary Environment: The Role Of Certified Public Accountants**

This research focuses on the cost management strategies employed by small and medium sized enterprises during periods of high inflation, alongside the involvement of Certified Public Accountants (CPAs) in this regard, drawing on observations made while interning at a Certified Public Accountants office in Ankara, Turkey. This study is descriptive and qualitative, employing document analysis and direct observation in place of interviews due to logistical constraints. The results indicate that inflation tends to exacerbate input cost, disrupt cash flow, and undermine pricing mechanisms, especially among small medium Sized enterprises. Businesses employ a variety of cost management techniques such as value-adding flexible pricing, dynamic supplier re-negotiation, and leaner production. In this capacity, Certified Public Accountants' do not solely serve as record keepers, but rather, strategic consultants providing invaluable services in inflation adjustment accounting, tax optimization, and financial reporting. The analysis found a partial coherence between the theoretical gaps based on literature expectations and the empirical realities. While several Certified Public Accountants' actively assist clients in financial planning and forecasting, many struggle with slow regulatory dynamic adaptation. The study closes with proposing alternative methods that include digital training and long-term advisory consultancy packages, along with AI-augmented reporting systems or digitally driven empirical evidence reporting tools.

**Keywords:** Inflation, Cost Management, Small and Medium Sized Enterprises, Certified Public Accountants, Inflation Accounting

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# 1. INTRODUCTION

This project was shaped by my fieldwork and observations at Kadriye Emine Aktekin Certified Public Accountant Office, where I did my internship in Spring 2025. During my internship at this organization, I had the opportunity to closely examine the financial challenges faced by small and medium sized enterprises (SMEs). The way these enterprises manage their costs under inflationary economic conditions, their access to financial advisory services and the benefits they derive from these services constituted the main research axis of my project. The findings of the study not only contribute to the production of academic knowledge, but also provide practical suggestions as feedback for the consultancy processes of Kadriye Emine Aktekin Certified Public Accountant's Office. In this respect, the study contributes both academically and to the Kadriye Emine Aktekin Certified Public Accountant Office where I did my internship in the Spring semester of 2025.

Economic fluctuations on a global or national scale disturb stable growth, especially in developing economies, and escalate inflationary pressures on the economy. Turkey has been on the list of countries with high inflation in the recent past, struggling not only with consumer inflation but also with severe pressures on the cost of production, investment, and business operations. Turkey's critical hyper-inflationary environment alongside global economic downturns has particularly affected small and medium sized enterprises (SMEs). Because of increased input costs, difficulties in securing financing, and unpredictable pricing, they are at risk in an inflationary environment. In Turkey, Small Medium Sized Enterprises constitute 99.6% of all enterprises and provide 70.6% of employment, So, their economic viability is of utmost importance in stabilizing the Turkish economy.

Inflation affects businesses in numerous ways. Increases in fuel and labor expenses raise production costs, additionally the volatile exchange rate structure raises the cost of imports-based inputs. Everything is so unpredictable that businesses are not able to plan adequately or put investments where it is required. Managing these factors has become critical if an enterprise wants to keep managing their operating profits in a competitive market. In general, enterprises lack sufficient information and resources about how to adapt in such environments. In tightly controlled economic environments, Certified Public Accountants (CPAs) provide an essential service in the financial management of businesses. With matters like inflation, adjustments and tax planning, Certified Public Accountants' aid clients reverse the business from a loss position to a financially stable situation.

Certified public accountants (CPAs) are not only responsible for keeping accounting records; they also play a guiding role in strategic decision-making processes by providing consultancy services on issues such as financial management, budgeting, tax planning and cost control. In times of high inflation, this advisory role of financial advisors becomes even more important. Because providing guidance to businesses in areas such as cost control, correct pricing, cash management and evaluation of tax advantages is critical for the survival of businesses. However, inflation adjustments and constantly changing financial legislation increase the workload of Certified Public Accountants' and cause them to face professional challenges. This situation makes the financial management processes of both Certified Public Accountants' and the enterprises they serve more complex.

In this context, this project aims to analyze the effects of the inflationary environment in Turkey on the cost structure of enterprises and to evaluate the role of Certified Public Accountants' in this process. In particular, the observations made during an internship at a Certified Public Accountants' office in Ankara, which works with small businesses, have been used to qualify the study. The study analyzes in detail which strategies the enterprises apply in the fight against inflation, in which areas they experience difficulties, in which areas they receive support from Certified Public Accountants' and the impact of this support on their decision-making processes.

In this context, the main research problem of the study is based on the following question: **“What is the role of certified public accountants in managing the costs of enterprises effectively in a high inflation environment?”**

The sub-problems are as follows:

- In which ways does inflation affect the cost structure of enterprises?
- What kind of strategies do businesses develop to manage their costs?
- What kind of consultancy services do Certified Public Accountants' provide in this process?
- To what extent do enterprises benefit from the guidance of Certified Public Accountants'?

The scope of the research is limited to small businesses operating in Ankara and working with Certified Public Accountants'. Field data were obtained through observations made during the activities carried out in the internship office. The data obtained were evaluated by thematic analysis method and interpreted in comparison with the information in the literature. At the end



of the research, various solution suggestions were developed for both practice and policy makers in order for businesses to become more resilient to inflation.

The importance of this study is not only limited to contributing to the academic literature, but also providing implications on how Certified Public Accountants' can provide more effective advice in practice. In addition, it aims to make a unique contribution to the literature by revealing how determinant not only macroeconomic policies but also the cooperation between business and consultants at the micro level can be in the fight against inflation.

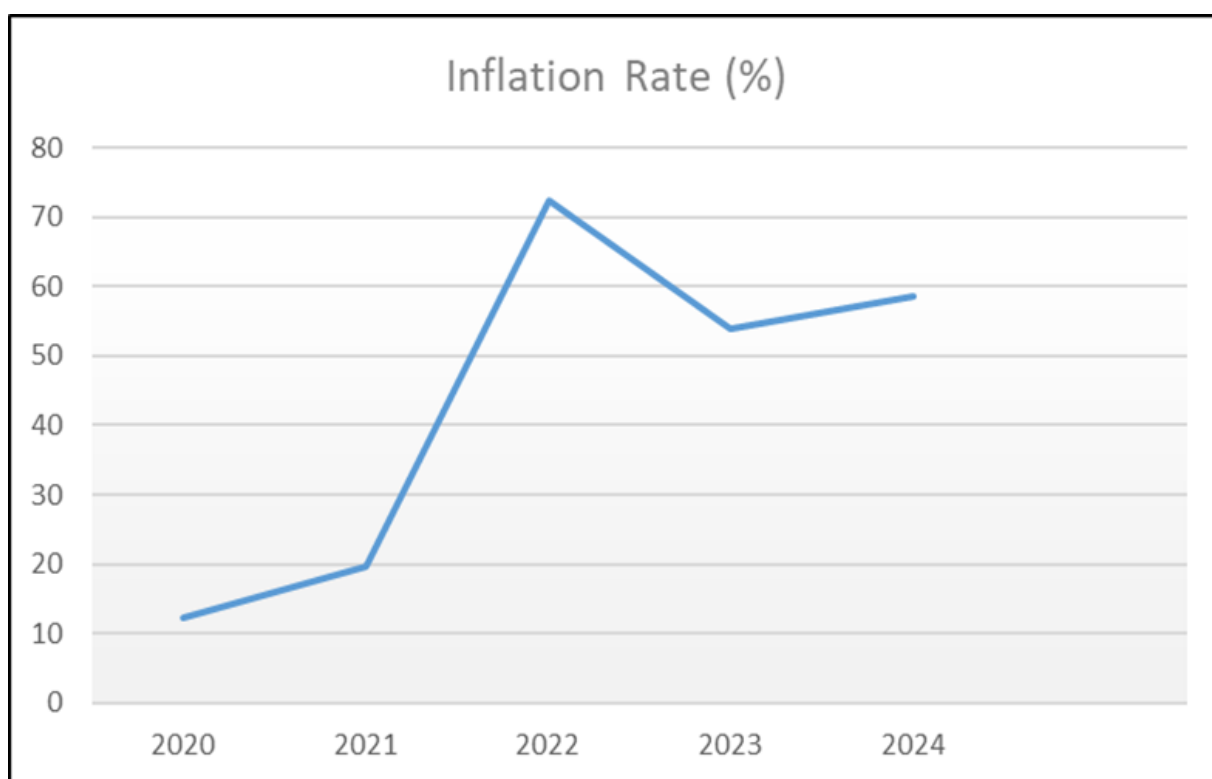
## 2. LITERATURE REVIEW

### 2.1. The Impact of Inflation on Businesses

Although inflation is defined as a continuous increase in the general price level, the effects of this macroeconomic phenomenon are determinant at the micro level, especially on the financial structures and decision-making processes of enterprises. One of the main problems faced by enterprises during periods of high inflation is the unpredictable increase in costs. Sudden increases in input prices lead to difficulties in the supply of raw materials and semi-finished products, which in turn leads to higher production costs. (TutorChase, n.d.)

The table and graphic below show the inflation rates in Turkey's economy.

**Graph 2.1.1 Turkey's Inflation Rate**



**Table 2.1.2 Turkey's Inflation Rate**

Year	Inflation Rate (%)
2020	12,28
2021	19,6
2022	72,31
2023	53,86
2024	58,51

An analysis of the annual inflation rates in the graph and table shows that the Turkish economy has been under unstable and very high inflation pressure over the last five years. From 12.28% in 2020, inflation jumped dramatically to 72.31% in 2022, leading to a severe economic contraction for both households and the real sector.

This increase directly affected the input costs of small and medium sized enterprises in particular, disrupting production planning, pricing policies and inventory management. In observed cases, some firms had difficulty passing on the cost increases to their customers, resulting in narrower profit margins and reduced competitiveness.

In 2023 and 2024, there is a relative slowdown (53.86% and 58.51%), but these rates are still above both global and national averages. High and volatile inflation increases both uncertainty and forecasting challenges (Kugler, 2025). In this context, small and medium sized enterprises need more professional financial advisory services to ensure their sustainability.

Inflation directly affects not only production costs but also the pricing strategies of enterprises. When businesses are forced to reflect rising costs in their sales prices, a loss of demand becomes inevitable, especially in price-sensitive markets. This weakens the competitiveness of small businesses against large-scale firms. In addition, while frequently changing prices undermine customer confidence, long-term contracts and fixed-price commitments pose a risk of loss for businesses.

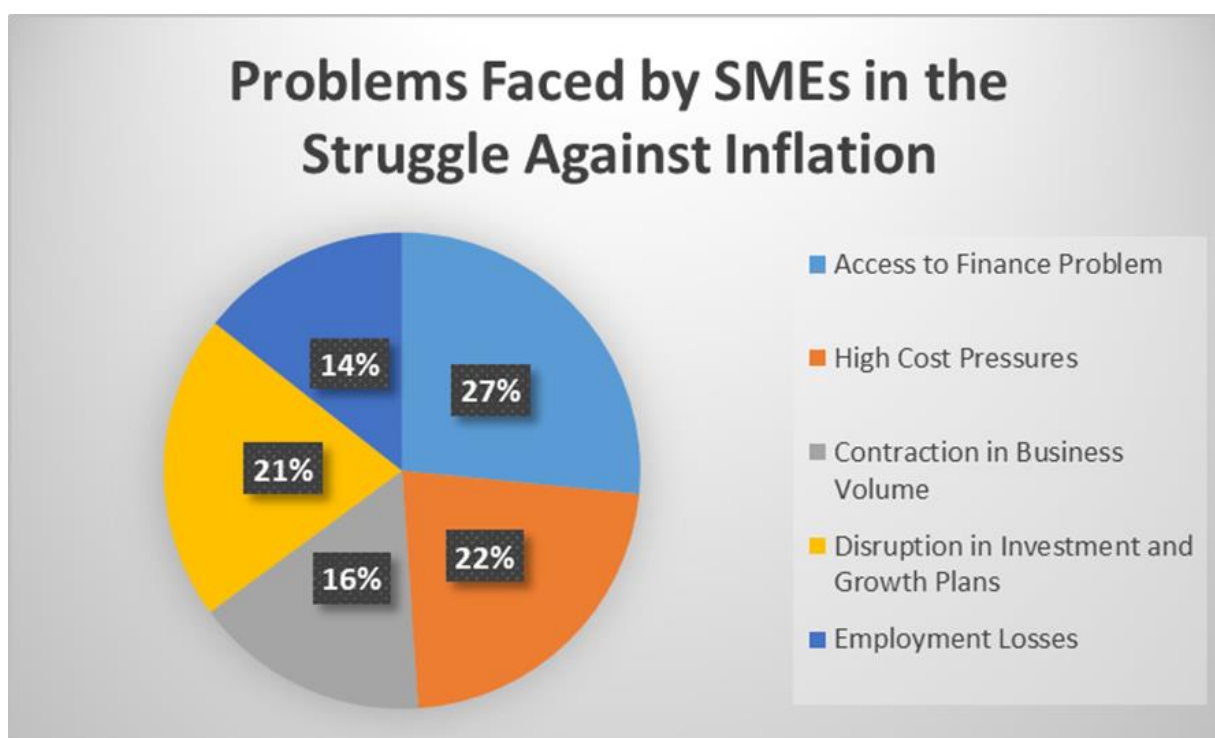
High inflation also weakens the ability of financial statements to reflect reality. In hyperinflationary economies such as Turkey, financial statements prepared in nominal amounts may understate the assets, liabilities and profitability of the entity unless inflation adjustments are made. This can lead to incorrect financial decisions. Although the application of inflation adjustment within the framework of Turkish Accounting Standard 29 (TAS 29) aims to overcome this problem to some extent, in practice, this process is quite complex for many businesses and financial advisors.

In addition, the deterioration of cash flows is one of the significant effects of inflation on businesses. In an environment of rapidly rising costs, as the collection of fixed-price receivables is delayed, real income decreases and the liquidity of the enterprise weakens. This situation makes it difficult for enterprises to fulfill their short-term liabilities and leads to the postponement or cancellation of new investments.

In conclusion, inflation is a complex economic problem that directly and indirectly affects many business functions such as production, pricing, accounting, financial planning and investment. Especially small and medium sized enterprises need more professional financial consultancy to cope with these effects. In this context, the guidance of independent financial advisors is of great importance in minimizing the effects of inflation on businesses.

The table and pie chart below provide average data on the problems faced by Small and Medium Sized Enterprises in the struggle against inflation.

**Pie Chart 2.1.3 Problems Faced by SMEs in the Struggle Against Inflation**



**Table 2.1.4 Problems Faced by SMEs in the Struggle Against Inflation**

Problem Area	Rate of Problem Encounters (%)
Access to Finance Problem	83,20%
High Cost Pressures	70%
Contraction in Business Volume	50%
Disruption in Investment and Growth Plans	65%
Employment Losses	45%

Inflation is a multidimensional economic problem that has direct and indirect effects especially on small and medium-sized enterprises (SMEs). Inflationary pressures cause significant problems in the functioning mechanisms of small and medium sized enterprises. According to Pie Chart data and table data, these problems are categorized under five main headings.

Access to Finance Problem (83.2%): 83.2 percent of enterprises stated that they had difficulties in accessing finance during inflationary periods. Interest rates, which rise with inflation, increase credit costs, while banks' collateral expectations create a barrier that is difficult to meet, especially for small and medium sized enterprises (OECD, 2022). In Turkey, the weak financial background of most small and medium sized enterprises due to informal transactions makes it difficult for them to access credit (Ministry of Development, 2017).

High Cost Pressures (70%): Cost pressures create a serious burden on small and medium sized enterprises production and service processes and reduce their profitability. Exchange rate fluctuations, import-dependent raw material supply and rising energy costs are among the main reasons for this pressure (TÜSİAD, 2023). In an inflationary environment, enterprises with limited pricing flexibility have difficulty in reflecting cost increases on prices (Erdoğan & Tiryaki, 2021).

Disruptions in Investment and Growth Plans (65%): According to the research, 65 percent of small and medium sized enterprises have to postpone their investment and growth decisions. Economic uncertainty reduces firms' willingness to take risks and hampers their sustainable growth strategies (World Bank, 2021). This makes it difficult to achieve economies of scale on a sectoral basis.

Contraction in Business Volume (50%): The contraction in domestic demand has a direct negative impact on business volume. As consumers cut their spending due to inflation, this reduces small and medium sized enterprises sales and leads to secondary problems such as inventory accumulation (CBRT, 2022).

Employment Losses (45%): 45 percent of small and medium sized enterprises have reduced staff to control costs. While this leads to short-term savings, in the medium term it leads to productivity losses and labor turnover (ILO, 2021). It also has a negative impact on the social unemployment rate.

## **2.2. Cost Management Strategies**

Cost management is a critical function for businesses to maintain profitability and financial stability. Especially in high inflation environments, the unpredictable increase in costs directly affects the production processes, pricing policies and cash flows of enterprises. For this reason, businesses turn to various cost management strategies in order to control their costs and ensure operational efficiency.

Strategic cost management aims not only to reduce costs, but also to use resources effectively in a way that will increase the long-term competitiveness of the business. Unlike traditional cost accounting, this approach has a holistic perspective that includes factors such as customer value, quality, time management and process efficiency.

One of the cost management strategies frequently encountered in practice is the Activity-Based Costing (ABC) method. Unlike traditional systems, the ABC method provides managers with more reliable information by allocating costs more accurately to products or services. Especially in enterprises with a large number of product types and complex production processes, ABC method provides significant advantages in cost control.

In addition, target costing strategy is one of the methods used by businesses in inflationary environments. This method determines what the production cost should be according to the sales price and the targeted profitability level, and the entire production process is restructured in line with this target. In this way, businesses can remain more competitive against the pressure brought by price increases.

Modern approaches such as process costing and time-based costing are efficiency-based cost reduction methods. Simplifying processes, reducing waste and preventing time losses contribute to both lower costs and improved service quality.

In addition, digitalization and technological investments have become an integral part of modern cost management strategies. By using digital accounting systems, automation software and ERP solutions, businesses fighting inflation can instantly monitor cost items and optimize budgeting processes.

As a result, cost management is critical not only to save money but also to support strategic decision-making. In times of high inflationary pressure, it is vital for businesses to implement these strategies effectively.

### **2.3. The Consultancy Function of Certified Public Accountants**

Certified public accountants (CPAs) not only help businesses fulfill their legal obligations, but also provide important consultancy services that contribute to strategic decision-making processes. Especially in times of economic uncertainty and high inflation, the role of Certified Public Accountants' goes beyond the traditional accounting function and provides critical contributions in areas such as cost control, tax planning, financial analysis, budgeting and cash flow management.

The advisory services provided by Certified Public Accountants' enable businesses to develop not only short-term solutions but also long-term strategies. In the literature, this is defined as "value-added accounting services". In this context, Certified Public Accountants' are not

limited to transactions such as tax returns and bookkeeping; they draw financial road maps in line with the growth targets of enterprises, provide risk management support in times of crisis, and act as consultants in monitoring financial performance.

Especially in the face of pricing, cost control and financial forecasting challenges faced by businesses in inflationary environments, the support provided by Certified Public Accountants' becomes even more important. The reintroduction of inflation adjustment in Turkey in 2023 requires Certified Public Accountants' to have both technical knowledge and strategic guidance capacity. The reporting, valuation and recalculation of inflation adjustments not only ensure that the financial statements of enterprises reflect the truth, but also offer advantages in tax planning.

In addition, financial advisors play an active role in the consultancy services they provide, especially for small and medium sized enterprises, in areas such as credit and incentive consultancy, suggesting cost reduction strategies, preparing investment feasibility reports and guiding digitalization processes. As a matter of fact, many businesses have started to consider accounting services not only as an obligation but also as a guidance mechanism to create competitive advantage.

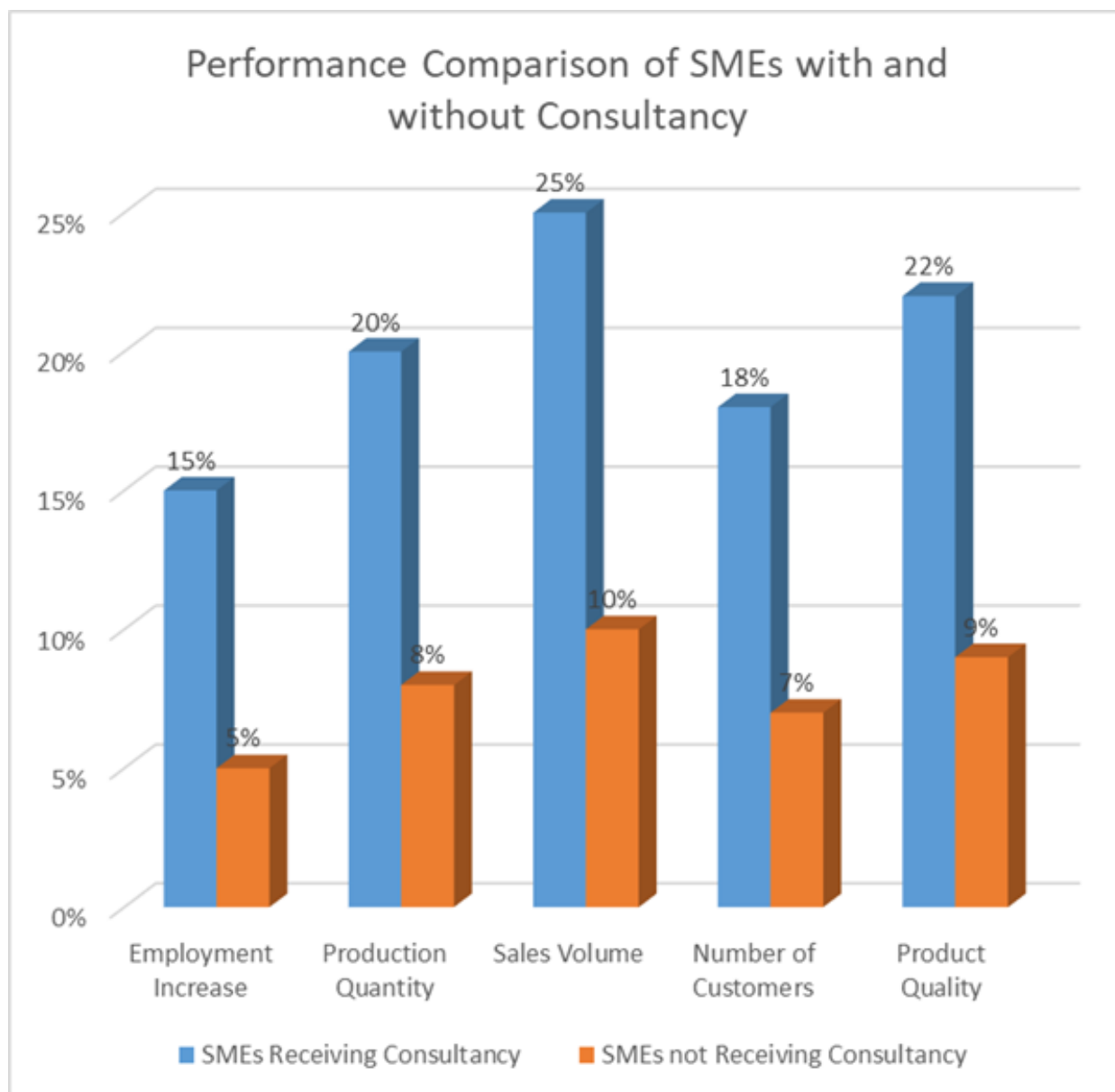
As a result, Certified Public Accountants' not only provide record-keeping services to businesses, but also provide strategic guidance to maintain their sustainability and financial health. Especially in times of crisis such as high inflation, this advisory function becomes even more vital and plays a decisive role in the financial stability of enterprises.

The following table and graph show the performance comparison between firms that receive Certified Public Accountants support and firms that do not receive Certified Public Accountants support.

**Table 2.3.1 Performance Comparison of SMEs With and Without Consultancy**

<b>Performance Indicator</b>	<b>Small and Medium Sized Enterprises Receiving Consultancy</b>	<b>Small and Medium Sized Enterprises not Receiving Consultancy</b>
Employment Increase	15%	5%
Production Quantity	20%	8%
Sales Volume	25%	10%
Number of Customers	18%	7%
Product Quality	22%	9%

**Graph 2.3.2 Performance Comparison of SMEs With and Without Consultancy**



The data presented in the graphs and tables show that small and medium sized enterprises that received consultancy achieved more successful results in various performance indicators (employment growth, production, sales volume, number of customers, product quality) compared to those that did not receive consultancy.

Employment growth: While the number of employees increased by 15% in the enterprises that received consultancy, this rate was only 5% in the other group. This shows that firms that manage their financial structures correctly have a higher capacity to create employment.



Production and sales volume: small and medium sized enterprises that received consultancy services increased both their production and sales volumes by more than 20%, whereas the other group remained below 10%. This demonstrates the direct contribution to performance of cost analysis, budgeting and pricing strategies supported by the consultancy.

Number of customers and product quality: In terms of product quality and customer acquisition, consulted enterprises are also better off. This result emphasizes the importance of external support not only in financial but also in operational strategies.

This graph supports the thesis put forward in the project that “Certified Public Accountants’ are value-creating actors, not just record keepers”.

### **3. METHODOLOGY**

This study was conducted to examine the effects of increasing inflation on small and medium-sized enterprises in Turkey and the advisory roles of certified public accountants (CPAs) in this process. A qualitative research design was adopted and the research was structured within the framework of the descriptive method. The study analyzed observations as primary data and documents, academic publications and official reports as secondary data. The research aims to establish a link between field data and theoretical literature.

#### **3.1. Research Design**

The study falls within the qualitative research approach and aims to examine a phenomenon in depth rather than testing a specific hypothesis. In this context, the research is close to the phenomenology approach and focuses on making sense of the experiences that occur in a specific context (the financial consultancy office environment).

During the internship, the researcher observed in a Certified Public Accountants office and had the opportunity to experience topics such as client-consultant relationships, inflation adjustment practices, and financial advisory strategies offered to businesses. During this process, field notes were regularly taken and documentation was made. Thus, both original data on the processes were obtained and the findings obtained from the field were compared with the theoretical knowledge.

#### **3.2. Data Collection Methods**

Two main data collection techniques were used in this study:

##### **a) Direct Observation**

The researcher actively observed for about fourteen weeks in the office where she did her internship; in particular, she analyzed the work carried out by consultants within the scope of inflation adjustment, the cost control advice they give to clients and consultancy services other than record keeping. I observationally assessed how the effects of inflation on firms' financial statements are reported, which technical tools are used, and which sectors have more problems. Although the observations were unstructured, they were recorded with systematic field notes.

##### **b) Secondary Data / Document Analysis**

In the study, a large number of secondary data sources were scanned with the document analysis technique. The inflation accounting guidelines published by TÜRMOB, the relevant circulars of the Ministry of Treasury and Finance, the web pages of the chambers of accountants, academic articles and various sector reports were examined in detail.

In addition, macroeconomic indicators such as consumer price index (CPI), producer price index (PPI) and annual inflation rates published by the Turkish Statistical Institute (TURKSTAT) were also analyzed. In addition, tables and graphs containing performance comparisons of small and medium sized enterprises that received and did not receive consultancy services within the scope of the project were created and interpreted based on these data.

In this framework, the study presents a body of data supported not only by field observations but also by systematic analysis of existing documents.

### **3.3. Sampling**

No specific sampling frame was drawn in the research. Instead, the “purposive sampling” method was adopted, taking into account the general characteristics of the small businesses served by the Certified Public Accountants office where the researcher did her internship. The observations were based on a client portfolio covering small and medium-sized enterprises operating in different sectors. There were no direct interviews with the customers and the observations were evaluated in an anonymized manner. In this respect, the study was conducted by adhering to the principles of “observation in the natural environment”.

### **3.4. Data Analysis Method**

The collected data were evaluated by qualitative content analysis method. The field notes taken by the researcher and the documents analyzed were systematically classified within the framework of the themes identified. The main themes are:

- Cost Management Strategies
- Inflation Accounting and Adjustment Practices
- Quality of Counseling Services
- Digitalization and Financial Processes
- Sectoral Differences and Risk Management

The data analysis process proceeded by matching both observation findings and information obtained from documents for each theme. In addition, visual data interpretations supported by graphs and tables were made within the scope of the project and the findings were strengthened by these analyses.

## **4.FINDINGS**

In this study, the findings obtained from qualitative research methods based on document analysis and observation were evaluated. In the light of the practical observations made in the Certified Public Accountants office where the internship was conducted and the information obtained from professional publications, the cost management problems faced by small and medium sized enterprises (SMEs) in an inflationary environment and the roles played by certified public accountants (CPAs) in this process were analyzed.

### **4.1. Main Problems Faced by Enterprises in an Inflationary Environment**

During periods of high inflation, enterprises face the following challenges in particular:

**Unpredictability in Costs:** Since the prices of inputs such as raw materials, energy and labor are constantly changing, enterprises have difficulty in establishing fixed budgets.

**Cash Flow Imbalances:** Delayed payments by customers and loss of real value due to inflation make it difficult for businesses to manage liquidity.

**Uncertainty in Pricing Strategies:** As costs change rapidly, keeping product and service prices up to date increases the risk of customer loss.

**Tax Burdens and Registration Problems:** Inflation adjustment practices are complex, making it difficult to keep accurate accounting records.

- Example: In the textile sector, companies have difficulty in calculating unit costs due to weekly changes in fabric prices and take great risks in the process of bidding with fixed prices.
- Example: Small and Medium Sized Enterprises operating in the food sector face serious liquidity problems when selling to customers on credit due to high inflation, and the purchasing power of the income from sales is rapidly eroding. In general, company officials stated that they made price updates on average three times during 2023.

### **4.2. Methods of Enterprises to Combat Inflation**

In line with the analyzed documents and observations, the main cost management strategies used by enterprises are classified as follows:

**Dynamic Pricing:** Some enterprises frequently update their prices using digital systems in order to react quickly to cost increases.

**Inventory Management Optimization:** In order to prevent disruptions in the supply chain, a "just in time" or "high inventory assurance" approach is preferred.

**Periodic Supply Contracts:** Enterprises aim to protect themselves from price fluctuations by entering into inflation-protective contracts with suppliers.

Lean Production Techniques: Lean production and process improvement methods are applied to reduce unnecessary costs.

- Example - Construction Materials Industry: These companies usually enter into 6-month fixed price contracts with their suppliers to reduce the impact of inflation. In addition, in order to manage inventory costs, warehouse software was updated and inventory turnover rate was increased. These practices provide an average cost advantage of 15%.
- Example: Cosmetics companies adopt a dynamic pricing system and update their product prices on a weekly basis through the digital system and provide transparent information to customers to prevent loss of trust.
- Example: Food-based enterprises avoided foreign exchange-related cost increases by turning to local suppliers for some cost items and reached agreements with loyal suppliers on a "fixed profit margin".

#### **4.3. Contributions of Certified Public Accountants in this Process**

According to the practical experiences and documents in the internship office, the support provided by certified public accountants to businesses in an inflationary environment can be categorized under the following headings:

Cost Accounting Consultancy: Certified Public Accountants' provide consultancy services to their clients on deriving true cost structures, making profitability analyses and determining cost centers.

Inflation Adjustment Practices: As of 2023, Certified Public Accountants' help companies make records in a way that minimizes the tax burden regarding the inflation adjustment practices that have been re-enacted as of 2023.

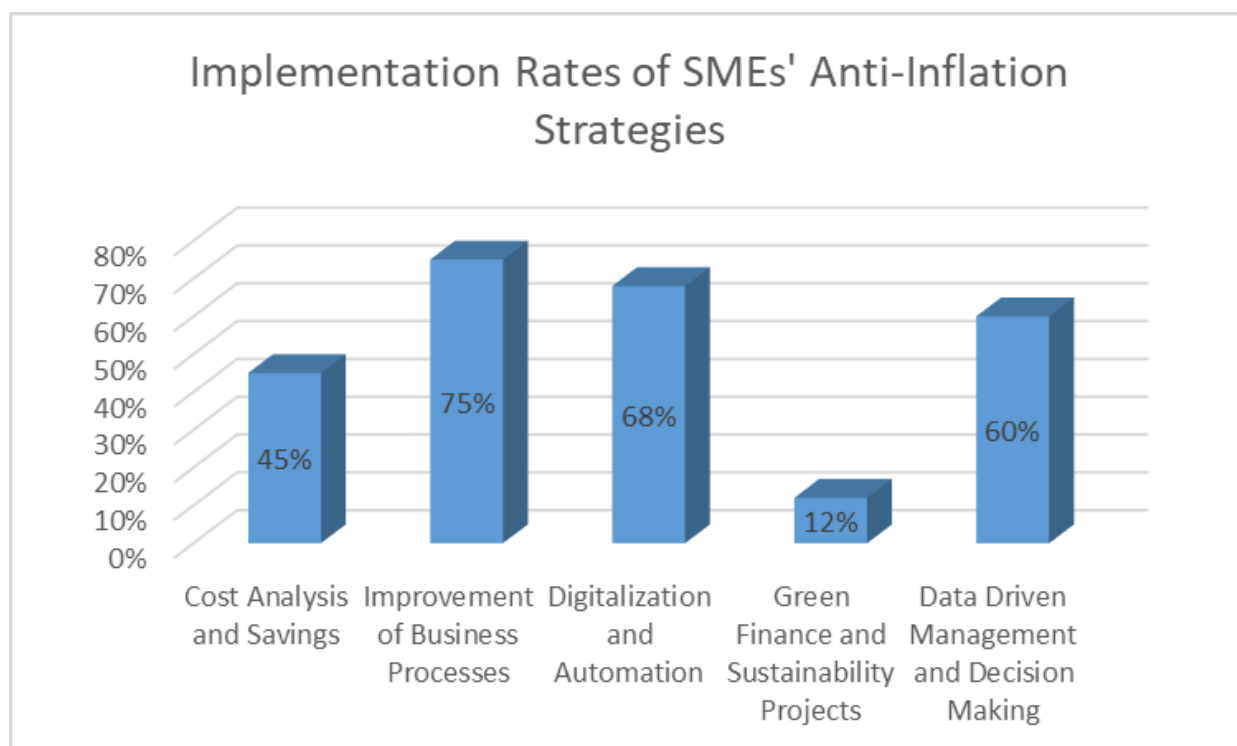
Financial Reporting and Analysis: Detailed financial analyses are prepared to be used in the decisions of enterprises against inflation; these analyses guide investment and financing decisions.

Regulatory Monitoring and Compliance Processes: Financial advisors ensure that businesses act in accordance with the regulations in force, which reduces administrative fines and tax risks.

- Observation from the Internship Office: The office prepared special financial statements for the companies included in the scope of inflation adjustment and reported that the tax burden of these companies decreased by more than 10% on average.
- Role of the Certified Public Accountants' - Observation: The office analyzes cost centers, especially with e-invoice and e-ledger data, provides regular reports to businesses and influences their investment decisions.

The graph and table on the Implementation Rates of Small and Medium Sized Enterprises' Anti-Inflation Strategies are given below.

**Graph 4.3.1 Implementation Rates of SMEs' Anti-Inflation Strategies**



**Table 4.3.2 Implementation Rates of SMEs' Anti-Inflation Strategies**

Strategy	Implementation Rate (%)
Cost Analysis and Savings	45%
Improvement of Business Processes	75%
Digitalization and Automation	68%
Green Finance and Sustainability Projects	12%
Data Driven Management and Decision Making	60%

The data in the graphical and tabular data show the implementation rates of the strategies developed by small and medium sized enterprises against inflation. It is seen that enterprises not only identify problems in crisis environments but also turn to solutions. small and medium sized enterprises implement various strategies to adapt to crisis conditions. The effectiveness of these strategies is evaluated together with their implementation rates.

Improvement of Business Processes (75%): Simplifying and restructuring business processes enables small and medium sized enterprises to gain cost advantages in times of crisis. Process management offers significant benefits in terms of efficiency and quality control (Porter, 1985). This strategy also stands out in terms of efficient use of resources.

Digitalization and Automation (68%): Small and medium sized enterprises' move towards digital solutions increases operational efficiency and reduces costs (New Frontier Funding, n.d.). ERP systems, CRM software and automation tools provide transparency and speed in business processes (World Bank, 2021). The increasing trend of digitalization after the pandemic has facilitated the spread of this strategy.

Data-driven Management and Decision Making (60%): 60 percent of businesses are turning to data-driven decision-making processes. This approach enables more flexible and effective decision-making, especially in areas such as demand forecasting, pricing and inventory management (Brynjolfsson & McAfee, 2014).

Cost Analysis and Savings (45%): Savings measures based on cost analysis, although prominent as a short-term solution, provide limited benefits in terms of sustainable growth. However, this strategy is necessary for businesses to keep cash flow under control in a crisis environment (Kaplan & Norton, 2004).

Green Finance and Sustainability Projects (12%): Green finance and sustainability initiatives are strategies that aim for long-term profit but require high investment in the short term. While small and medium sized enterprises in Turkey have a low interest in this area, the EU Green Deal and international funding mechanisms have the potential to increase this interest (UNDP, 2022; EBRD, 2023).

## **5. DISCUSSION**

In this section, the findings obtained through field observations are evaluated by comparing them with the information in the academic literature. The discussions aim to analyze both the extent to which the situations observed in practice overlap with the theoretical constructs in the literature and the points of difference. In addition, some constructive suggestions are offered for businesses and financial advisors.

### **5.1. The Effects of Inflation on Businesses**

Observations reveal that high inflation has a multifaceted impact on the activities of small businesses in particular. Unpredictable increases in production costs, imbalances in cash management and difficulties in inventory planning challenge the financial resilience of enterprises. These effects are in line with many studies in the existing literature that reveal the pressures of inflation on cost management and profitability in the real sector.

The documentary analysis also shows that without inflation adjustment, financial statements do not reflect the real situation and businesses face the risk of making wrong decisions. Observations support this situation; in the consultancy office, significant differences were found between the balance sheet structures before and after inflation adjustment. This confirms the necessity of inflation adjustment in the accounting system.

### **5.2. The Role of Certified Public Accountants**

The role of Certified Public Accountants' is not only limited to providing statutory reporting but is also instrumental in guiding enterprises' anti-inflation strategies. Observations have shown that some Certified Public Accountants' support enterprises in budget control, price policy formulation, and cash flow forecasting. In this respect, consultants function as financial advisors.

However, there are also examples of consultants who do not make the same strategic contribution. In particular, due to high workloads, regulatory complexity, and limited perception of consultancy, some consultancy services may still be "only mandatory document issuers". This indicates that, in practice, consultancy services are provided at different levels of quality.

### **5.3. Points of Intersection between Observations and Literature**

The findings obtained during the internship are consistent with many trends predicted in the theory. For example, steps such as dynamic pricing, high inventory strategy or working with alternative suppliers are among the methods frequently emphasized in the literature on cost management strategies.



Likewise, the contribution of digitalization to accounting processes is one of the common points highlighted in both the literature and field observations. It has been observed that electronic document systems are used in consultancy offices for decision support purposes and especially facilitate inflation adjustment practices. This shows that the theoretical knowledge is reflected in practice.

#### **5.4. Points of Overlap and Contradiction with the Theoretical Framework**

The theoretical framework on which the study is based is based on the evolution of Certified Public Accountants as not only a record keeping but also a strategic advisory function. Some advisors fully fit this framework, making active strategic contributions to businesses, for example, recommending appropriate inflation adjustment paths to achieve tax benefits.

However, in some cases, consultants only perform routine operations and do not take an active role in strategic direction. This suggests that the advisory function has not yet been adopted by all professionals and that there are inequalities in practice.

Moreover, it was observed that methods such as long-term planning and flexible budgeting, which are recommended to enterprises in theory, are not sufficiently adopted in the field. Most of the Small and Medium Sized Enterprises observed focus on short-term solutions and do not give due importance to financial forecasting processes. This reveals that there is a contradiction between the business decision-making culture and the theoretical planning structure.

#### **5.5. Comments on Alternative Solutions**

When the findings and the suggestions in the literature are combined, the following solutions may contribute to implementation:

- **Redefining Consultancy Services:** The job descriptions of consultants should not only focus on legal responsibilities, but should be transformed into a structure that provides strategic decision support services.
- **Planning Models Suitable for Small and Medium Enterprises:** Instead of classical financial modeling, simplified budget and cash management tools should be developed for small scale companies.
- **Corporate Packages for Consulting:** Collaborations with businesses should be made permanent rather than periodic, and advisors should be encouraged to provide regular strategic reports to businesses.
- **Improving Digital Infrastructure:** Simple, user-friendly software and artificial intelligence-supported analysis tools should be popularized so that both consultants and businesses can use digital systems more actively.

## **6. CONCLUSIONS AND RECOMMENDATIONS**

### **6.1. Conclusion**

This study aims to analyze the effects of the deepening inflationary pressures in the Turkish economy in recent years, especially on small and medium sized enterprises (SMEs), and the roles played by certified public accountants (CPAs) in this process. The uniqueness of the study is that it presents a multidimensional assessment that blends field observations and internship experience with literature.

The Kadriye Emine Aktekin Certified Public Accountant Office, where the internship was conducted, was determined as the application area of the research and data enriched by observation and document analysis were obtained in this process. The analysis showed that the problems faced by small and medium-sized enterprises during periods of high inflation are not only about increased costs, but also include multi-layered risks such as strategic uncertainty, pricing inconsistencies, increased tax burdens, and financial management challenges.

In this framework, Certified Public Accountants' are positioned not only as professionals responsible for monitoring legal obligations, but also as solution partners who play an active role in the strategic decision-making processes of enterprises. In particular, the practices observed during the internship process revealed that Certified Public Accountants' provide guidance in areas such as inflation adjustment, tax planning, cost control and budgeting, and that these roles are critical for small and medium sized enterprises'.

However, there are large inter-office variations in the scope and quality of advisory services provided by public accountants. This is due to the lack of standardization of professional qualifications and advisory competencies and points to a significant gap in service quality in the sector.

Field observations also revealed that many small and medium sized enterprises' are lacking in strategic areas such as long-term financial planning, risk scenarios and the use of digital tools. These shortcomings make them more vulnerable and fragile in times of economic crisis. Especially small and medium sized enterprises' with low levels of digitalization lose both time and resources due to the cumbersome manual processes.

All the findings reveal that both consultants and businesses need a holistic transformation in terms of sustainable cost management and crisis resilience. This transformation can be achieved not only through individual efforts but also through a multi-stakeholder process that can be achieved through institutional support, the contribution of professional organizations and public policies.

## 6.2. Recommendations

The following recommendations have been developed in line with the research findings:

- a) **Strengthen the Consultancy Capacities of Certified Public Accountants’:** The professional identity of Certified Public Accountants’ should not be limited to bookkeeping or preparing declarations; it should also include competencies such as financial literacy, data analytics and scenario-based strategic planning. In this context, the content of professional training programs should be expanded and advisors should be encouraged to play an active role in crisis management.
- b) **Develop Cost-Effective Tools for Small and Medium Sized Enterprises:** Most small and medium sized enterprises are unable to use large-scale software solutions due to cost or lack of expertise, leading to a lack of transparency and analysis in financial processes. Digital cost management tools that are simple but effective, user-friendly and have a Turkish interface should be developed and offered free of charge to small and medium sized enterprises.
- c) **Inflation Accounting Should Be Mainstreamed and Supported with Comprehensive Guidelines:** Reintroduced in 2023, inflation adjustment has been a complex and challenging process for many businesses. The Revenue Administration should simplify this process with sectoral examples and practical guides, and publish guides supported by digital tools. In addition, special certificate programs should be organized for Certified Public Accountants’ on this subject.
- d) **Advisor-Enterprise Relationships Should Be Strategic:** Instead of the classic consultant-business relationship that intensifies during tax periods, year-round strategic collaborations should be encouraged. Practices such as the “monthly consultancy model” should be made widespread to ensure proactive participation of consultants in business decision-making processes.
- e) **Digitalization and Automation Should be Expanded:** The large data pool offered by digital systems such as e-invoice, e-ledger and e-archive is currently not being used efficiently enough. Processing this data with artificial intelligence-supported analysis would both contribute to the decision support processes of consultants and enable small and medium sized enterprises to make more accurate and timely decisions.
- f) **Business managers should be empowered in terms of financial literacy:** For consultancy services to be effective, the counterparty, i.e. business managers, should also have basic financial concepts and a strategic perspective. In this context, “strategic financial management” trainings should be organized for small and medium sized enterprises owners through institutions such as KOSGEB and chambers of commerce.

These recommendations aim to shed light on businesses and professionals not only in the current crisis conditions but also in the perspective of long-term corporate resilience. In a country with frequent economic uncertainties, both individual professionalism and institutional capacity building are critical for sustainability.

### **6.3. Future Perspective and Emphasis on Sustainability**

The economic structure in Turkey exhibits a profile that is highly vulnerable to fluctuations and uncertainties. This prevents businesses, especially those operating with limited resources such as small and medium sized enterprises, from long-term growth plans and reinforces reactive management habits. However, viewing inflationary processes as only temporary crises means ignoring the need for structural transformation. Therefore, based on the findings of the study, it would be appropriate to emphasize why and how a sustainable financial management perspective should be developed for the future.

First, a cost management culture needs to be integrated into the business model of small and medium sized enterprises. Currently, cost analysis is considered as a technical process that is performed periodically and only in times of crisis in most enterprises. In modern business, however, cost strategies are at the center of every process, from pricing policies to investment planning. For sustainable growth to be achieved, this cultural change needs to be internalized by both managers and consultants.

Second, the profession of financial advisors should be repositioned as not only an accountancy profession, but also as a strategic intelligence partnership. Particularly in extraordinary periods such as high inflation, Certified Public Accountants need to provide businesses with a vision not only from a regulatory perspective, but also in terms of developing future scenarios and forecasting risks. This is important not only for the reputation of the profession but also for the resilience of the economic system.

In this context, professional chambers and relevant public institutions should plan the following steps to prepare Certified Public Accountants for the future:

- Organizing trainings to equip consultants with modern skills such as digitalization, artificial intelligence and big data literacy
- Creating data platforms to analyze regional economic trends
- Disseminate good practice examples between small and medium sized enterprises and consultants

In addition, women entrepreneurs and new-generation business owners are among the groups that are still excluded from the financial management system. Sustainable cost management can be socialized by developing tailored financial support programs, guidance packages and social entrepreneurship-based collaborations for these actors.

In addition, public policies need to be supported by next-generation incentive models that make it easier for small and medium sized enterprises to cope with these challenges. For example, mechanisms such as tax deductions for small and medium sized enterprises that receive consultancy services, grants for businesses that purchase digital financial management tools, and access to consultancy funds for consultants that meet certain criteria can be designed. This would facilitate the private and public sectors to meet on the common ground of financial resilience.

Moreover, the management of environmental and social costs will be as decisive as inflation in the coming years. Green transformation, carbon taxes, sustainable supply chains and social responsibility expenditures will increasingly feature on small and medium sized enterprises' balance sheets. This transformation requires financial advisors to develop competence not only in accounting but also in environmental impact, sustainability reporting and ESG (Environmental, Social and Governance) criteria. Therefore, it is inevitable that the concept of "cost management" will evolve in line with this broader perspective.

Finally, the validity of the analysis and recommendations presented in this study has a dynamic structure that needs to be constantly updated. Given the economic conditions, legislative changes, technological developments and societal expectations, both consultants and small and medium sized enterprises managers need to manage this process by developing their "continuous learning and adaptation" capabilities.

In addition, an important outcome of this study is that enterprises need to adopt a flexible management model that takes into account not only internal dynamics but also external factors. Macroeconomic indicators such as inflation are factors that are beyond the control of businesses but directly affect them. Therefore, it is necessary to increase not only financial literacy but also economic literacy.

Universities, local chambers of commerce and development agencies can play important roles here. Strengthening the ties between academia and the real sector can be possible through projects that bring theory and practice together. Especially when university students meet with small and medium sized enterprises through internship programs, it creates a two-way learning environment: Students gain real-world experience, while businesses are introduced to a new generation of knowledge and perspectives.

In this context, my observations at the certified public accountants office where I did my internship showed me how instructive and developmental such collaborations can be. I gained not only accounting knowledge, but also awareness in many areas such as crisis management, customer relations, data analysis and ethical responsibility. This experience was a living example of how academic knowledge can meet practice.

#### **6.4. Closing Evaluation**

This document is not merely an academic work; it is an experience that integrates practice with theory, which is particularly meaningful to me at this later stage of my studies. It is gratifying to witness my own personal growth and at the same time contribute to the institution where I completed my internship. As a result, I am more confident looking towards the future with the professional steps I intend to take.

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