



The SME Professional Services Opportunity

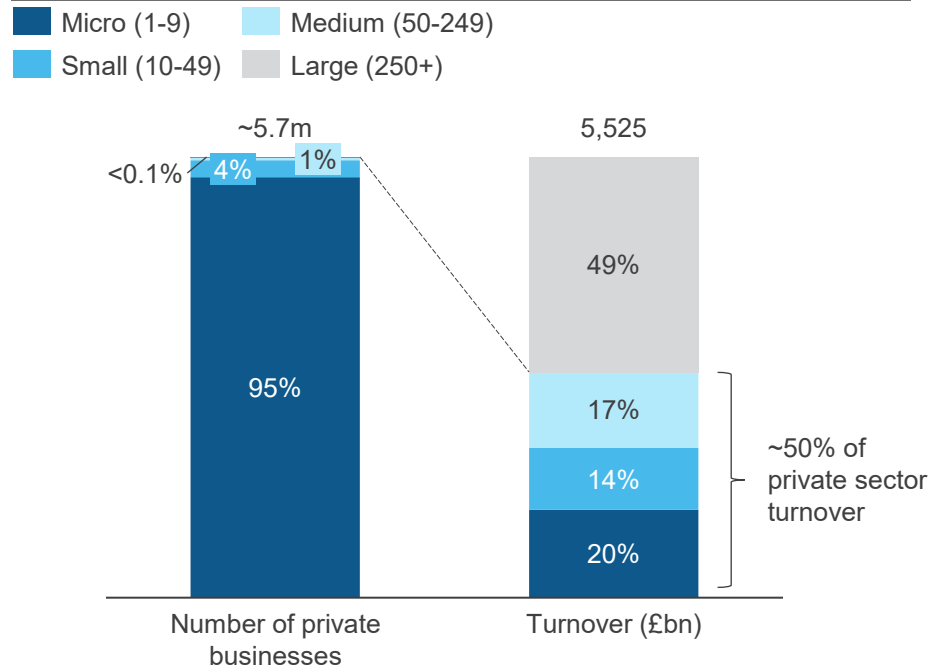
PMSI Insights

May 2026

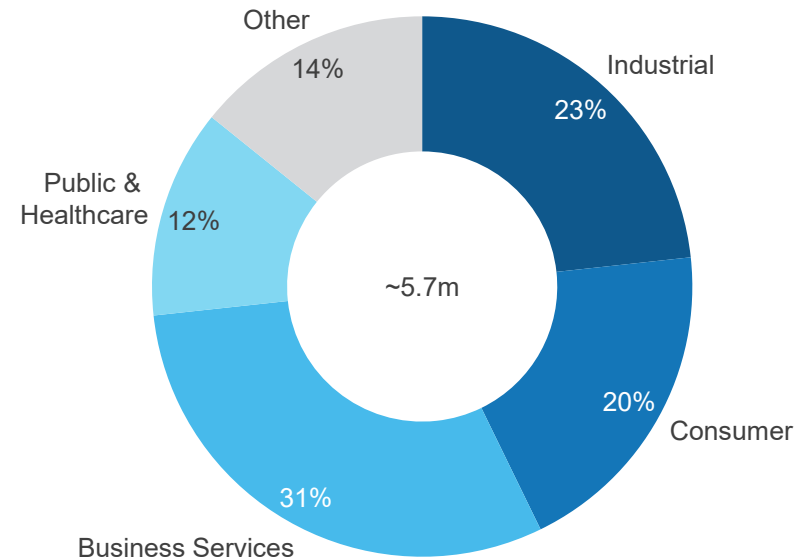


The UK's ~5.7m SMEs represent a large professional services market, and remains significantly underserved

Private businesses in the UK by size band (FTEs), 2025



Number of private SMEs in the UK by industry, 2025



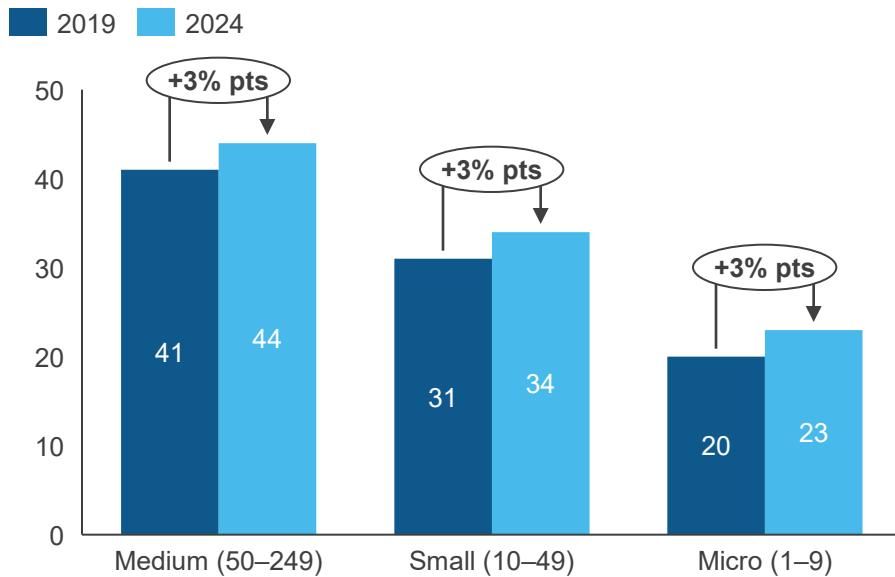
SMEs account for 99.9% of UK private businesses and ~50% of private sector turnover, yet professional services have historically focused on enterprise clients, leaving a significant and largely underserved market⁽¹⁾

Note: (1) PMSI has defined professional services to include advisory services such as legal services, HR and employment advice, compliance and regulatory advice, tax and financial advice and employee benefits

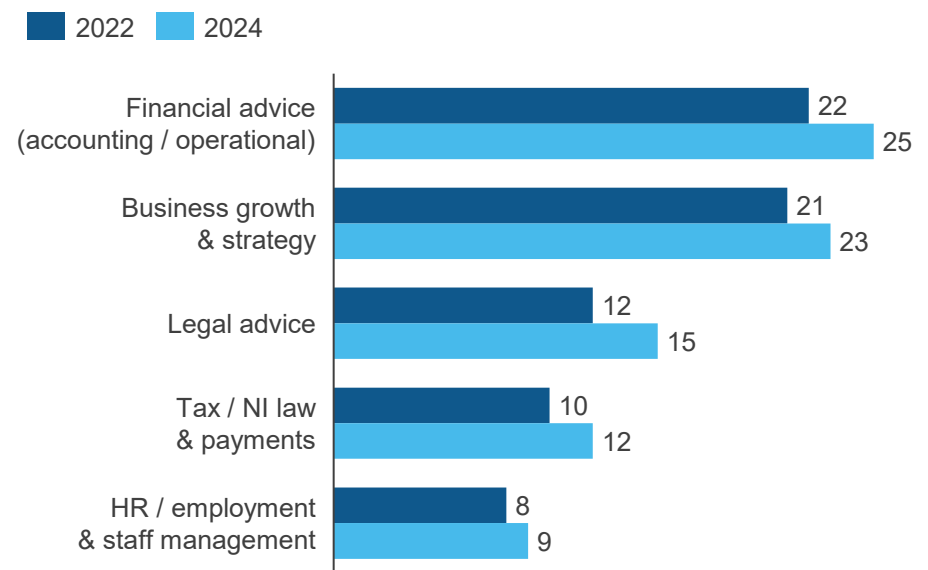
Source: Gov.uk, PMSI research and analysis

External professional advice demand is rising for SMEs, with legal and financial services needs growing fastest...

SMEs seeking external advice, by size, 2019-24 (%)



Advice services sought, 2022-24 (% of SMEs seeking advice)







- Advice-seeking among SMEs is rising across all size bands, driven by growing business complexity

- Medium-sized businesses are the most likely to seek external support, reflecting greater regulatory exposure as businesses scale; cost and access barriers continue to prevent smaller firms from seeking help

- Financial advice remains the most common use case (25%), but legal is the fastest-growing category; HR and employment advice is also accelerating, driven by increasing workforce obligations

...driven by intensifying regulatory complexity and workforce obligations

Driver	Commentary
 <p>Employment Rights Bill</p>	<ul style="list-style-type: none"> • Significant changes to UK employment law across 2026 and 2027 including dismissal, sick pay, parental leave and zero-hours contracts will require documentation and process rigour that most SMEs do not have in place, which should drive demand for HR and employment law advice
 <p>Rising employment tribunal volumes</p>	<ul style="list-style-type: none"> • Employment tribunal claims are rising due to the abolishment of tribunal fees in 2017, and the Employment Rights Bill is expected to accelerate this growth further • SMEs facing claims need specialist advisory support as it is challenging to manage these claims in-house
 <p>Tightening GDPR and data compliance</p>	<ul style="list-style-type: none"> • SMEs holding customer and employee data face ongoing obligations around data processing, retention and security • Non-compliance carries significant financial and reputational risk, driving demand for compliance advice
 <p>Rising cost and complexity of employment</p>	<ul style="list-style-type: none"> • The cost of employment for UK employers has risen materially, driven by increased National Insurance Contributions obligations, National Living Wage increases and the Employment Rights Bill • As a result, SMEs are increasingly seeking advice on workforce management and cost optimisation


















The impact of AI

- AI will likely affect the lower end of the market first e.g. generic documentation providers
- SME owners want someone who understands their situation and gives them a defensible recommendation – bespoke advice, accountability and relationship remain difficult for AI to replicate
- For providers, the opportunity is to use AI to handle the routine and drive internal efficiencies, freeing professionals to focus on higher-value work

M&A and investment activity reflects the scale of the opportunity in SME professional services

Select M&A and investment activity

Non-exhaustive

Target	Acquiror / Investor	Date	Commentary	
		Mar-26	<ul style="list-style-type: none"> Mentor Advisory Services Ltd ("Mentor"), part of NatWest Group, was acquired by Limerston Capital portfolio company Empowering People Group Launched in 1997, Mentor provides employment law, HR, health & safety and environmental solutions to UK SMEs 	
		Dec-25	<ul style="list-style-type: none"> BHP, a ~420 FTE business providing assurance, advisory, tax and corporate finance to SMEs and mid-market clients across five Yorkshire offices, was acquired by Sumer in December 2025 	
		Sep-25	<ul style="list-style-type: none"> Harper James, a fast growing (consistent double-digit year-on-year growth), full-service commercial law firm purpose-built for SMEs, received investment from LDC Founded in 2014, it delivers tailored legal support to SMEs across the UK through a transparent and cost-effective subscription-based model that can scale according to their needs 	PMSI VCDD
		Jul-25	<ul style="list-style-type: none"> Opus Safety secured a minority investment from BGF and OakNorth Founded in 2022, the tech-enabled business provides H&S, HR and occupational health solutions to a broad range of SMEs nationwide 	
		Oct-24	<ul style="list-style-type: none"> Wirehouse, a retained HR, employment law and H&S consultancy serving SMEs across end-markets, was acquired by WorkNest (formerly Ellis Whittam) in October 2024 	
		Mar-22	<ul style="list-style-type: none"> Outset Group (now Omny Group) received investment from Cow Corner Outset is a professional services group delivering HR, legal and health & safety advice to UK SMEs 	
		Sep-16	<ul style="list-style-type: none"> Ellis Whittam (now WorkNest), an employment law, HR and safety support secured investment from LDC in 2016 	PMSI CDD
		Oct-20	<ul style="list-style-type: none"> LDC in 2020 exited Ellis Whittam to Marlowe Plc 	
		May-24	<ul style="list-style-type: none"> In 2024, Inflexion acquired Marlowe's GRC division, which included WorkNest 	

Our sector leads

For more information or to discuss potential opportunities, please contact our Business Services, Education and Technology sector expert:



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