

Why Outsourcing

WHY is outsourcing getting increased attention within the accounting industry

For some time, the outsourcing of accounting work remained a “not for me” or “maybe one day” kind of thing. With the attention on day to day operations while meeting the challenges of running an efficient practice and delivering your professional accounting services to clients – it’s likely been more of “who has the *time* to think about new approaches, new processes...?”

The keyword here is **time** and if we take a closer look at some of the driving reasons to consider or adopt an outsourcing strategy we can focus in on a few of the more common concerns many accountants are facing. A good starting question would be – What keeps you up at night? Here are a just a few of the more common concerns or challenges we have hear:

On Work: turnaround times



What would the shortening of work turnaround times mean to you, your staff and most importantly to your clients? Are you facing longer than acceptable turnaround times and difficulties in meeting deadlines for your clients? Applying a strategy where you can balance the workload and increase your production efficiencies will allow you to free up high high-revenue-generating professional time, welcome new business and help you to improve and better manage your client relationships.

Related to your work efforts:

- How do you adequately plan for workflow fluctuations – tax season, growing flow of December year-ends?
- How do you keep your staff occupied?
- Is completed work up to your standards? And how do you ensure and maintain your standards of quality?

Growing workload: more work less time



Your practice is in “growth mode”. With this comes the increased pressure for monthly deliverables and inevitably your WIP backlog expands. To satisfy client demands you need to add staff or allocate longer times or workdays. You may even have to turn away business. If you are hitting your maximum work capacity, your ability to offload time-consuming baseline work will allow for welcomed “breathing space” and will afford you the time to increase your volume of work without adding staff, get current with all of your engagements Discover more time for yourself, your family and friends.

Related to your time:

- Client demands – where can you find the time to meet with your clients and gauge their level of satisfaction?
- How can you meet your deadlines? How can you maintain acceptable turnaround times?
- How can you deal with the growing “in progress” basket?

On Staffing: shortage, retention



Short staffed? Are you expanding your practice and adding personnel? Are the escalating costs related to finding quality people a challenge? What about the expense to advertise or to engage search firms? Your expense of time relegated to the selection process – interviewing candidates, training and integration into your practice is not insignificant. What happens if and when you lose your talent to competition or “greener pastures”? The cycle resumes. An efficient outsourcing strategy will provide you with relief from the concerns and need of both temporary and/or full time staffing.

Related to staffing:

- You need to find them, you hire and train them, and then do they leave?
- What do you need to do to retain staff? How do you keep your staff (and new hires) interested?
- What do you need to budget to find quality staff?

Operating costs:



For many there are areas that can significantly impact operations within the practice. You have to monitor, control and accept specifics such as staff compensation, benefits, space and rent and, insurance. Nevertheless, the ever-present challenge related to the lowering of costs entails time. Adopting a strategic outsourcing strategy can help to mitigate inflations to certain operational costs by easing time and efforts related to expense reduction and planning. An overlooked benefit can be found in the acceleration of your billing cycle and improvements in your cash flow.

Some Food for Thought

In *Eric Krell's* 2 part series *Finance and Accounting Outsourcing*, he reiterated some of these and other compelling reasons to consider Finance and Accounting Outsourcing. Some additional reasons he listed were:

- Reducing administrative costs
- Accessing innovative processes and technology
- Achieving greater flexibility – being able to scale up or scale down operations faster
- Requiring rapid access to highly qualified and experienced personnel
- Mitigating risks associated with ineffective in-house processes
- Reassigning employees to higher-value activities – staff utilization
- Simplifying and/or improving internal processes

Looking at the results of the AICPA's 2015 annual poll of its members, these are the top 5 concerns and challenges that were voiced in a cross section of firms:

For sole practitioners:

1. Keeping up with changes & complexity of tax laws
2. Seasonality/workload compression
3. The effect on firms caused by new federal & state regulations (let's replace this with CRA)
4. Succession planning
5. Bringing in new clients

For firms of 2-5 partners:

1. Finding qualified staff (at all levels)
2. Keeping up with changes & complexity of tax laws (again let's replace this with CRA)
3. Succession planning
4. Seasonality/workload compression
5. The effect on firms caused by new government regulations (again let's replace this with CRA)

For firms of 6-10 partners:

1. Finding qualified staff (at all levels)
2. Succession planning
3. Seasonality/workload compression
4. Retaining qualified staff (at all levels)
5. Aging of owners/partners

As you look over these, you may be thinking to yourself – **Yes ...** or **No ...** or **Not really ...** or **Definitely YES ...**

Perhaps you can even add to this the “nice problem” of – “things are going great”. Your practice is doing well - You're growing – you are looking to possibly acquire another book of business – terrific!

But with that you will need **more people, more equipment, more real estate space etc ...**

For progressive accounting firms, outsourcing has opened the doors for real possibilities on a number of organizational and operational levels. To find out how an outsourcing strategy can assist you as you grow and benefit you and your practice or get more details please contact us at:

E: info@sundalintl.com

T: [1.888.325.1640](tel:1.888.325.1640)