

## Seven Reasons to Outsource Your Accounting

Accounting services are one of the most cost-effective functions a small-size company can outsource. While cash flow may not tolerate employing in-house data entry bookkeepers, controllers and or CFOs, the progressive business owner focused on growing his or her company understands the purpose and value these positions provide. The good news is; functions such as these can be assigned to an outside accounting provider on an as-need basis. The forward-thinking business owner, at a minimum, takes into consideration the following seven motives for hiring a professional accounting service provider.

- 1. Cost savings.** You avoid excessive operational costs when you outsource your accounting services. In-house staff may appear to be less expensive based on their hourly wage; however, when you take into consideration the total costs for hiring, training, supervision, benefits, payroll taxes, and turnover, the hourly total compensation for in-house staff is much more than what they get paid hourly.
- 2. More efficient use of personnel.** Apply a critical eye when reviewing the need for an in-house accounting professional. If you outsource routine accounting tasks, your in-house staff and resources can focus their time and energy on revenue-generating processes, core services, and production. Additionally, outsourcing removes the burden of trying to find work to fill the full- or part-time work schedule of in-house accounting staff; with outsourced accounting services, you pay for those services you require, and nothing more.
- 3. You can focus on business development.** If you minimize the accounting minutia that often plague senior staff, you then enhance an environment where staff can focus on addressing those

areas that drive company revenue.

**4. Better quality work.** When you outsource, you place your accounting in the hands of focused professionals who understand GAAP standards, payroll requirements, and proper reporting and records management, just to name a few. The outsourced accounting professional's work product is held to a high standard; not only does the function of accounting require such a standard, the reputation of the professional accounting service provider relies on it.

**5. Timely and reliable service.** If you choose the proper service provider, all parties understand the work will be accurate, and will meet the needs of the business owner's timelines.

**6. Enhanced security.** By transferring your in-house accounting functions to a professional accounting service provider, security for your books and records is enhanced, as the professional employs rigorous safeguards ensuring access control, confidentiality, and redundant data backup. Compare your in-house processes addressing confidential information, and security of data from fire, theft, and hackers, with processes offered by an experienced, reputable service provider; you might be surprised when you discover vulnerabilities associated with your in-house accounting.

**7. Knowledgeable professional guidance.** From time to time you require advice on projects requiring a high degree of subject matter expertise, such as implementing a Key Performance Indicator report, or setting up a stock option plan for your employees. It is the responsibility of an experienced, reputable accounting service provider to remain up-to-date on the latest systems, accounting rules, and regulations, and to apprise you of changes in the law that may or will affect your business. And, at your discretion, they have the ability to assist you in increasing the efficiency and effectiveness of your overall business operation.

To outsource or not to outsource...that is the question. If you find running payroll, tracking AP and AR, and being responsible for the multitude of routine accounting functions is a drain on your resources rather than being an asset to your business, you might consider hiring an experienced, reputable accounting service provider to deliver an efficient, cost-effective, quality work product that meets your operational needs and timelines.