

Inside⁺ OUTSOURCING®

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From challenge to opportunity

Accountancy's talent shortage could be the catalyst to transform your firm

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Why talent shortages are changing the accounting growth model

If you want your practice to grow, but are struggling to recruit and retain, then what next? Advancetrack looks at a transformative model with resourcing at its heart.

THERE IS NO GETTING AWAY from the fact that the accounting sector is going through a time of real change and challenge currently. Many accounting firms, both large and small, are finding it a struggle to attract and retain qualified and motivated professionals, and this talent shortage can have a tangible impact on a firm's ability to grow and plan for the future.

While finding, recruiting and keeping talented accounting staff is a very real challenge, it also provides firms with an opportunity to rethink traditional growth models and embrace new ways of delivering value to clients in order to achieve your business objectives.

In this guide, we explore these opportunities and some of the steps firms can take to

transform your accounting growth model and future success.

USING THE ACCOUNTING TALENT SHORTAGE AS A CATALYST FOR CHANGE
For the latest insights into the challenges accounting firms are facing, take a look at our most recent [Accounting Talent Index](#).

While many experienced accountants are choosing to move on or retire, fewer newly qualified accounting staff are entering the profession, as the demand for accounting services continues to grow. Increasingly complex regulations, changing requirements for business transparency and a growing appetite for real-time financial insights mean that the need for expert accounting support is greater than ever.



For many firms, the traditional model of hiring and training larger in-house teams in order to increase capacity and [expand the proposition](#) simply isn't sustainable. Salaries are rising,



recruitment is slow and the available talent pool is shrinking. Rather than viewing these constraints as barriers, progressive accounting firms are recognising that this moment presents a chance to redesign your operating model; shifting from capacity-driven growth to a model powered by global collaboration and technology.

WHY MORE ACCOUNTING FIRMS ARE TURNING TO A MODEL THAT INCORPORATES OUTSOURCING

There are multiple reasons why outsourcing can be beneficial to accounting firms as an alternative way to grow the business. These include:

Overcoming the talent shortage challenge

Outsourcing offers an immediate and effective solution to capacity constraints for accounting firms. Instead of struggling with

traditional [accounting recruitment](#) to fill new roles or overburdening existing teams, outsourcing means that firms can access a ready pool of qualified professionals who specialise in key accounting processes. This access enables them to deliver consistent, high-quality output without the delays and costs associated with traditional recruitment.

By partnering with a trusted and proven outsourcing provider, firms can also tap into talent trained to global standards and familiar with international best practices, helping maintain service quality and continuity, even in times of staffing shortages.

Controlling rising operational costs

Running an accounting firm has costs that have risen sharply in recent years, just to keep the doors open. From staff salaries and benefits to software subscriptions alongside

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office, utilities and compliance costs, overheads continue to grow. Outsourcing allows firms to keep these expenses under control by converting some fixed costs into variable ones. Instead of investing heavily in permanent staff and office infrastructure, firms can scale your operational costs in line with actual workloads and demand.

This flexibility is particularly valuable during seasonal peaks such as tax season or year-end reporting. Outsourcing partners can absorb the additional workload, ensuring client deadlines are met without firms having to maintain excess capacity year-round.

Meeting demand for advisory and real-time services

Clients now expect far more from their accountant than basic bookkeeping and tax



Is your practice suffering from a shortage of skilled people? Are you working longer hours because of it?

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compliance. They want real-time insights, forward-looking advice and strategic support. However, these advisory services require time, focus and specialist knowledge, all of which are difficult to provide when in-house teams are stretched thin by transactional work.

By outsourcing routine tasks, accounting firms free up valuable time for your senior staff to focus on higher-value advisory work. This shift not only improves profitability but also enhances client relationships and long-term loyalty. In essence, outsourcing helps firms transition from being service providers to strategic partners.

WHICH ACCOUNTING SERVICES CAN BE OUTSOURCED TO FACILITATE GROWTH?

The scope of [accounting outsourcing](#) has expanded significantly in recent years. Specialist, experienced providers, such as Advancetrack, offer end-to-end support across a wide range of accounting functions, including:

- **[Bookkeeping](#)** – Ensuring accurate, timely financial records and reconciling transactions across multiple accounts
- **[Payroll processing](#)** – Managing employee payments, deductions and compliance with payroll legislation

- **[Year-end accounts preparation](#)** – Compiling financial statements and schedules to support smooth audit and filing processes
- **[Tax return preparation](#)** – Assisting with personal and corporate tax computations, ensuring accuracy and compliance with regulatory deadlines
- **[Management accounts](#)** – Producing monthly or quarterly management reports to give clients clear insights into performance and profitability
- **[Credit control](#)** – Managing invoicing, collections and cashflow follow-up processes to improve working capital
- **[VAT and compliance filing](#)** – Supporting digital submissions and ensuring accuracy under changing compliance regimes

With the rise of [cloud accounting platforms](#), outsourcing these processes has become even more efficient. Cloud systems enable real-time collaboration between in-house teams, clients and outsourced partners, with shared access to live data, automated workflows and secure document exchange.

The result is seamless coordination, faster turnaround times and improved accuracy. All without losing visibility or control.



The advertisement features a dark blue background with glowing blue coins. One prominent coin has the word 'AUDIT' on it. The Advancetrack logo is at the top left. A white box in the center contains the title 'Audit Support Services'. Below this, a green box contains the text 'Firms looking to manage their audit resource this coming season, get in touch for quality staff on an Outsourced or Offshored basis'. A dark blue button with white text says 'Click here for more'. At the bottom, there are logos for ICAEW Chartered Accountants, bot, Xero, and Certified Advisor, along with the website 'www.advancetrack.com'.

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Audit Support Services

Firms looking to manage their audit resource this coming season, get in touch for quality staff on an Outsourced or Offshored basis

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focus on strategic initiatives, from advisory services to client engagement, firms can increase revenue potential and strengthen your competitive position.

A NEW ACCOUNTING GROWTH MODEL FOR A CHANGING INDUSTRY

The accounting profession is evolving, which means that so too must its growth model. The firms that will thrive are those that view outsourcing not as a stop-gap for staff shortages, but as a strategic pillar of your operating strategy.

By combining trusted outsourcing partnerships with modern cloud technologies, firms can build a more agile, scalable and resilient business; one that's capable of meeting clients' changing expectations.

In this new era, outsourcing is not simply an alternative, it can be a competitive advantage. It enables accounting firms to expand your capacity, control your costs and focus your expertise where it truly matters; helping your clients thrive. ■

HOW TO MAKE THE MOST OF THE OUTSOURCING OPPORTUNITY

Outsourcing is not simply about delegating tasks; it's about building a partnership that enhances your firm's capabilities and client value. To maximise the benefits, it's important to consider the following best practices:

Choose the right outsourcing partner

Finding a provider that understands the accounting industry's nuances is key to success. Whether that's compliance frameworks or best-in-class technology integrations. Look for strong data security protocols, transparent communication and a proven track record of service quality. The best partners don't just process data; they enhance efficiency, accuracy and reliability.

Find out more about how to [choose an outsourcing partner](#).

Align your processes and technology

Seamless collaboration depends on great communication and well-managed expectations on all sides, along with well-defined workflows and compatible systems. Ensure your in-house and outsourced teams use integrated cloud accounting platforms and communication tools. Shared access to real-time data helps maintain transparency, accountability and performance consistency.

Focus on value, not just cost

While cost management is an undeniable benefit, the real value of outsourcing lies in enabling growth. By freeing in-house staff to



If you want to explore how outsourcing could help your accounting firm successfully grow and future-proof your services, we'd love to talk. [Book a call](#) today.



The cost of accounting

The first step in managing your recruitment costs is understanding what those costs are. Advancetrack breaks it down.

GROWING AN ACCOUNTING FIRM, like many other kinds of business, used to be fairly straightforward. You deliver great work for clients, which results in gaining more clients and you expand your team to increase capacity, along with gradually reworking your services and [value proposition](#) as you evolve. However, the industry today is in a more complex place. [Accounting talent](#) is hard to find and retain, and the costs of boosting your headcount aren't always as obvious as simply taking into account an increased salary bill and recruiter fees.

In this guide, we explore some of the hidden costs involved in accounting recruitment and look at ways to mitigate these so that your business can continue to grow and thrive.

THE MAIN COSTS INVOLVED IN ACCOUNTING RECRUITMENT

When you decide to recruit an accountant,

whatever their level of experience, the more obvious costs include:

- **Salary / wages** – the base pay you set depending on the level of each specific role
- **Recruitment fees** – agency fees or advertising costs for attracting and finding great candidates; in many cases, recruitment agency fees can end up being 15-30% of first-year salary
- **Pension contributions and statutory benefits** – auto-enrolment pension contributions, holiday pay, sick pay etc
- **Employer National Insurance Contributions (NICs)** – for UK businesses, which have recently increased, meaning a higher rate is now paid by many organisations for every employee; other countries have other employee-related taxes, such as **Payroll Tax in Australia**

It has to be taken into account that many ongoing costs when you recruit a new



accountant are fixed, regardless of your firm's low or variable demand periods. Utilisation can decrease at various times but your costs do not, which always has an impact on your margins.

These headline costs associated with increasing your staff headcount are usually well understood. But many firms can underestimate other accounting recruitment costs that can sometimes fly under the radar but end up being a significant sum for every new employee you take on.

'HIDDEN' ACCOUNTING RECRUITMENT COSTS

These costs are not actually hidden when recruiting, but they are not always given much consideration and can sometimes come as quite a shock when the full true cost is calculated. For smaller accounting firms, these sums can often feel amplified, as it's a greater percentage of the turnover involved. Some of these less obvious costs include:

Recruitment admin and interview time

While this might not be as big a cost for larger accounting firms with dedicated HR and recruitment teams, for small accountancy businesses, the people drafting the job description, reviewing CVs, interviewing

“Many firms can underestimate other accounting recruitment costs that can sometimes fly under the radar but end up being a significant sum for every employee taken on”

candidates and even negotiating offers, are those who would otherwise be doing billable work or growing the firm. While using recruiters can often help to minimise the admin, that also has an associated cost to factor in, and there will always be a degree of management and staff time needed to facilitate successful recruitment.

Onboarding, ramp-up and training costs

New recruits, no matter how experienced, all need time set aside when they start onboarding. At its top level, this can mean setting up new systems and adding new accounts to tools and software solutions (which also usually has a cost for new licences or users) but may also mean training in your specific workflows and tools. This is accompanied by some time being needed to get to know how things work in your client

files and any regulatory training, such as fire safety, plus essential admin like setting the new employee up on payroll.

During this ramp-up period, productivity of the new recruit is lower, and other staff will also usually need to divert some of their time to help support. This all takes away from billable work.

Additional benefits and perks

With the current talent shortage, attracting great accounting staff can often require that you offer a package that is more attractive than competitors'. Along with the basic salary, this also includes benefits that are over and above the statutory requirements, such as enhanced maternity/paternity/sick pay. You may also offer perks such as additional annual leave allowances, performance bonuses, private health cover, professional subscriptions, an annual training/career progression allowance etc. These are increasingly common for new hires in the industry, and all have an associated cost to your business.

Turnover/bad hire risks

No recruitment process is perfect, and there is always the risk that the new recruit won't work out or simply isn't a good long-term fit



for your business. If they need to be replaced, you'll usually have additional costs that weren't necessarily budgeted for, to pay for the whole recruitment cycle again.

As well as the direct financial costs of this, a bad hire that goes sour can also have an impact on not only the individual's productivity, but also that of other staff, if the morale or team relationships are affected.

Their dips in productivity, or having to divert their time to cover for the additional workload that now needs to be picked up, can also be a significant cost to the accounting firm.

HOW OUTSOURCING CAN MITIGATE THESE HIDDEN COSTS

One way to mitigate many of these additional costs could be to outsource routine accounting tasks to a [trusted and proven partner](#). This can enable your firm to expand your capacity for new clients or if there are increases in service demand, but without having to recruit for your in-house team. Some of the benefits of this approach can include:

A predictable, scalable cost structure

Outsourcing providers will have a clear pricing structure for the types of accounting tasks you need to fulfil, which can help you

“By outsourcing the routine, repeatable, lower margin work, your existing team can focus on advisory, planning, strategic analysis and other value add services”

manage your budget more effectively. You avoid many of the statutory costs, NICs, pension and so on associated with hiring fully in-house – and of course, no additional employee benefits or perks are needed.

Reduced onboarding lag to full productivity

Tasks that are outsourced are handled by teams, or accounting pods, who already know the processes. This means that minimal time is lost in ramping up and the service remains highly efficient at all times.

Reduced HR & management burden

Your outsourcing partner handles all of the HR, staffing, training and compliance for the tasks taken on. You don't need to hire and manage those routine functions, which frees up direct costs and indirect ones, such as the time taken by senior staff during accounting recruitment for a new role.

Flexibility

You can scale services with your outsourcing partner, which is an ideal way to manage peak times of the year, such as just before self-assessment return deadlines. You can plan ahead and fulfil all of your client's needs without committing to longer-term fixed costs.

Freeing up in-house talent for value-added work

By outsourcing the routine, repeatable, lower margin work, your existing team can focus on advisory, planning, strategic analysis and other value add services, which is what most firms and clients value most. This tends to be higher margin, better for differentiation and more satisfying for staff, so everyone wins.

A lower risk of bad hires

The burden of recruiting, managing and perhaps replacing staff for routine tasks is offloaded through strategic outsourcing. This means that your business takes on far less risk in terms of turnover or mismatched skillsets. ■



If you want to explore how outsourcing could help your firm succeed and grow while lowering your recruitment costs and risks, we'd love to talk. [Book a call](#) with our team today.



A growth agenda

We cover what a modern growth plan looks like for accounting leaders.

IN ORDER TO CULTIVATE an accounting firm that stands the tests of time, remains adaptable and embraces sustainability, you must focus on consistently prioritising the growth of your business. Not only does this bring increased profitability and market competition, but it allows you to shift focus and rise to industry changes so that your firm remains diverse and innovative.

The popular theory of business growth is laid out in seven stages: conception, start-up, early stage, growth, rapid growth, maturity and decline or more importantly, innovation. If your firm is in the latter stages of this timeline, this article will delve into how you can initiate processes that will see your business move out of maturity and into the next, exciting stage of innovation using strategies designed to enhance growth.

1. RETAIN CLIENTS TO INCREASE VALUE

Your existing clients are one of your most valuable assets and integral to your overall business growth. [According to Forbes](#), an increase in client retention by just 5% can lead to business growth between 25%-95% over time. By building strong client relationships, you can improve upon retention and provide them with a continual stream of value when choosing to work with your firm.



Some ways to improve client retention are:

- Schedule regular meetings to discuss feedback, their concerns and their future goals so that you can strategise together to become a well functioning team
- Tailor your services to individual clients' needs by communicating with them to understand how best to provide your services
- Customer service is key. Work with your staff to ensure that their soft skills are finely tuned so that they can provide an exceptional customer experience
- Communicate proactively and provide educational services so that your client feels front of mind and is able to learn alongside you and your team

“By investing in lead generation and marketing services, you can target demographics that would extend your market to a wider audience”

2. PRIORITISE LEAD GENERATION AND MARKETING TO FIND NEW CLIENTS

Finding new clients can often be a challenge, especially if you're looking to expand your outreach and grow your business. By investing in lead generation and marketing

services, you can target demographics that would increase revenue and extend your market to a wider audience.

You can utilise resources like social media marketing, Google ads, attending industry events to network with clients and colleagues within the accounting industry, work on your search engine optimisation (SEO), and build your network on LinkedIn. Being able to follow up on your leads in a timely manner and with a personalised approach means that your firm will possess a tailored process to gaining new clients that can turn into loyal partnerships.

3. CREATE STRONG STRATEGIC PARTNERSHIPS

A great way to encourage business growth within your firm is to look outside of your sphere to outside avenues that are designed to help you build a strong business strategy.

Some ways in which you can do this include:

- Build a network of referrals across your industry and your community that all work together to refer their services to each other and create a strong 'word-of-mouth' connection between clients. Some accountants have partnerships with solicitors, mortgage brokers, auditors and

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so on. Find the correct connections that would work best for your clients and your firm to ensure that your referral system is fully operational.

- Look to [trusted companies](#) who specialise in services you are needing additional assistance with. If you are looking to extend your services to draw in new clients but don't have the staff to cover all of your bases, there are outsourcing options for compliance work that can assist. Perhaps you would like to include business advisory services as part of your repertoire and your staff is excited to be included in the new offering. You will have to make sure your existing services are working well to include this new service and there are outsourcing partners who can work with you to ensure your work is completed using your own individual, learned method.
- Encourage client referral rewards. When a client refers your services, you can offer them an incentive for doing so,

“Business advisory services have taken to the forefront of the industry in recent years with many accounting firms offering a strategic element to their regular system”

strengthening not only your existing partnership but allowing for new clients to become aware of your services through a trusted source.

4. EXPAND YOUR SERVICES

One of the most powerful ways you can encourage growth within your firm is to offer new services and strive to be ahead of the curve. Business advisory services have taken to the forefront of the industry in recent years with many accounting firms offering a strategic element to their regular system. It's

no secret that embracing business advisory services will be the future of the accounting industry but there are other options that could add to your growth, such as:

- Cloud accounting and technology integrations such as AI, data analytics and improving sensitive information protection using encryption and cybersecurity
- Blockchain and cryptocurrency consulting
- Financial wellness and employee benefits
- Carbon neutral advisory and sustainability within your workplace

The overarching message for encouraging business growth within your firm is to always be adapting to change and fostering open communication. Whether you're retaining loyal clients, reaching out to those that are new or creating a stronger bond with your strategic partnerships, the key is to communicate, remain open to change and to take a step outside of your comfort zone in order to truly grow. ■



University of Warwick Science Park, Sir Williams Lyons Road, CV4 7EZ, UK

+44 (0) 24 7601 6308

advice@advancetrack.com

www.advancetrack.com

[@AdvanceTrack](#)

