

Inside⁺ **OUTSOURCING®**

The newsletter for forward-thinking professionals

Global tech, local practice

Taking a country-by-country approach to the world of accountancy tech.

Practice Compliance Outsourcing

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Global tech, local practice: are practices heading in the same direction?

Are there differences in the way practices operate, and approach tech, in different regions? If so, why? Vipul Sheth takes a global view on accountancy matters.

IF WE LOOK AT accountancy practices in the regions that Advancetrack operates in, do they all work in the 'same' way? After a successful Xerocon Denver for the team, it was a question I pondered – with Advancetrack operating across the US, Canada, Australia, New Zealand and the UK.

DIFFERENT APPROACHES, DIFFERENT QUESTIONS

However, what had initially struck me was how different the names of the tech providers were in Denver compared with the UK or Australia.

There are certainly document and practice management providers that span the globe, as far as accountancy is concerned. But there are huge differences when it comes to accounts and tax production.

The US is a huge market, but individual state laws make it a fragmented one – noted that each fragment is itself massive. This means that the tech providers, and firms themselves, must be incredibly efficient and well-run to operate across multiple state lines.

Then we have the regulators. While the US IRS watches over the entire base of US citizens when it comes to tax returns, that's not necessarily the case in the other regions. This does create 'touchpoints' for US advisers, but it also drives a production line-style offering, which is prevalent in the US.

From a technology point of view, Australian practices are often well advanced and operating in the cloud. However, this is borne of a drive to digitise the tax system



“There is, globally, a drive to digitise, operate in the cloud and try and stay ahead of the ever-increasing burden of regulatory compliance”

over many years. We certainly saw Xero thrive and grow in such an environment.

Then in the UK, after much delay, we now have MTD for IT. Hundreds of thousands of self-employed businesses have begun using

accounting and tax software to book-keep and file quarterly returns. We know it's not been easy for practices to support clients through this – and finding efficiencies and systemisation are still to come.

Effectively, client and practice interactions in the UK and Australia/New Zealand are more digital, cloud-based, than currently in the US.

STEERING ACCOUNTANCY PRACTICES

When you step back and think about it, it could be argued that the firms and the way they operate are the product of their environment. They are driven by the compliance environment, developments in technology, and clients' attitudes towards

what they want help with, how much they'll pay and how they interact with the accountant. That is why we have practices doing different things, in different ways, around the world.

There is, globally, a drive to digitise, operate in the cloud and try to stay ahead of the ever-increasing burden of regulatory compliance. Firms of all shapes, sizes and location are also very aware of AI's inexorable approach.

Despite all this, practice leaders have an opportunity to navigate their environment in their own way. They have opportunities to set strategies, create models and select resources to deliver. Some do this well and are very profitable, wherever they're based.

For us at Advancetrack, we see these opportunities and are able to support them – no matter what the country or region. ■

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Vipul Sheth is founder and managing director of Advancetrack



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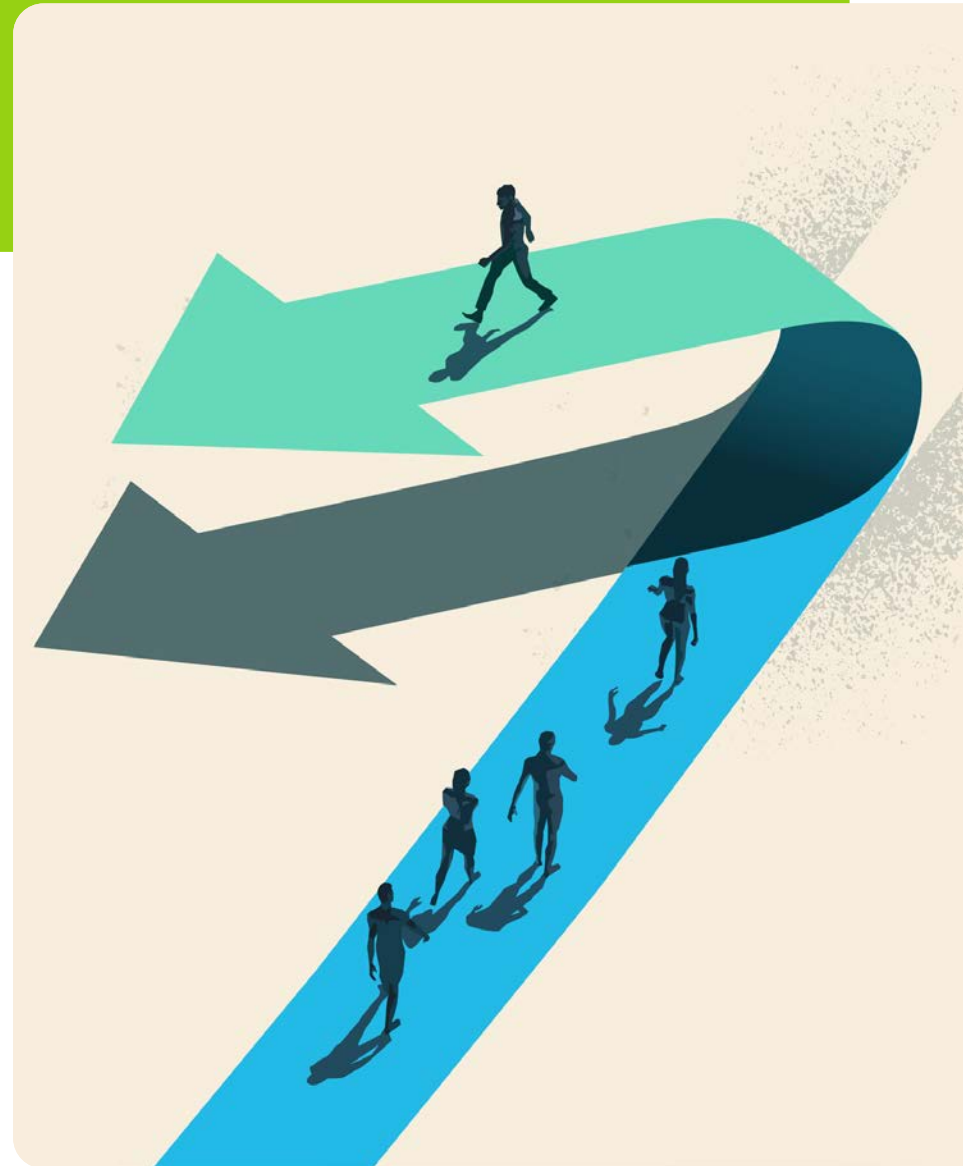
Five ways outsourcing changes your firm's culture

Outsourcing doesn't just change task management and workflows, it creates attitudinal evolution in practices, too.

THE BENEFITS OF OUTSOURCING don't just extend to overall costs and time saved. This tool has the ability to shift your accounting firm's culture, both at a senior level and within the team. [Outsourcing](#) doesn't just change which tasks are done when, it can change what a firm looks like day-to-day, leaving room for more lucrative opportunities and better flexibility to mitigate burnout.

How outsourcing does this begins with integrating a partner with your existing team, providing relief for bottlenecks and improving capacity across the firm. It has the ability to improve your team's career pathways, do the work that automation cannot, and help you scale without neglecting your existing clients. We're here to show you five ways that outsourcing can change your firm's culture and set your firm up for future success.

1 SENIOR STAFF COMPLETE WORK THEY'RE TRAINED FOR
Senior staff are well-versed within the industry and are able to jump in when things heat up for the rest of the team. This can lead to their skills becoming stagnant, especially if growth is a goal for the firm. If your firm is looking to expand their portfolio to include business advisory services, for example, senior staff need to be available to lead the way. Outsourcing



“Outsourcing compliance work enables faster delivery on timelines which in turn strengthens client relationships”

compliance-based tasks is a great jumping off point so that junior staff aren't overwhelmed and those in higher positions can focus on higher-income tasks.

The firm's culture moves along with this shift. Having senior staff available to mentor, review work, delegate and provide advice is paramount. A firm can only run smoothly with leadership that has the capacity to be able to actually lead. To ensure satisfaction across the team, outsourcing can provide a welcome break for all team members to settle into their skillset without worrying about bottlenecks.

2 BUSINESS ADVISORY SERVICES AT THE FOREFRONT

Many firms are looking to integrate business advisory services as a premiere offering within their portfolio. To be able to do this successfully, a firm needs to have the capacity to be able to train their team,

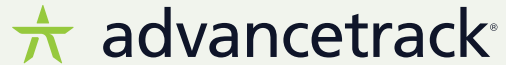
connect with their clients and execute these services at the highest-quality level.

Some ways outsourcing can assist are:

- Outsource bookkeeping, payroll management, end-of-year tax returns to ensure that those tasks are taken care of leaving more capacity to train junior staff who are looking to level up in their career.
- Outsourcing can give you the room to assess how to implement business advisory services and who you want to offer them to. It has the ability to create true capacity for internal growth.
- Outsourcing allows you to schedule in time to meet with clients both virtually or in-person to dive deeper about what is working and what could improve within their business. Those conversations can't happen with an already stretched team.
- Outsourcing compliance work enables faster delivery on timelines which in turn strengthens client relationships, making approaching those clients with business advisory a much simpler task.

3 THE LANDSCAPE OF BUSY SEASON CHANGES

Every accountant knows how taxing the busy season can be. Work/life balance falls by the wayside, the team is working overtime and





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potentially beyond capacity, small mistakes can pop up, and clients become more demanding than other times throughout the year. When engaging with an outsourced partner, it can be an adjustment for the team once they alleviate the busy work.

Changing the day-to-day operations doesn't just mean things aren't busy anymore. Outsourcing helps with the workload, allowing the team to gain more time to manage other tasks while improving capacity across the board. Some team members could level up their career by providing data analysis for their clients, financial and investment advice, or working to onboard new clients.

4 RECRUITMENT TENSIONS EASE Recruiting and training new staff is an arduous, expensive task especially within the current accountancy landscape. Outsourcing eases those tensions by picking up the work of a new recruit leaving a firm to focus their energy elsewhere. Some ways this works in action are:

- Instead of searching for specific skills when hiring a new staff member for a specific task (like a business activity statement processor or bookkeeper), outsource those tasks first.

"Collaborate both in-house and with the outsourced partner of your choice, and work together to retain a sense of control of the tasks your firm is trained to handle"

- When looking within the firm, you can prioritise existing team members who are especially skilled in client management relationships, business advisory services or expand the search to hire those with more experience.
- Meet with each team member to assess where they see themselves within the firm in the next five years, how they want to upskill, and offer training days to improve their career pathway.
- Use the capacity gained to improve the overall culture within your firm. Spend time investing in the morale of your team by encouraging after-work activities, team-bonding days and networking opportunities.

5 WORK/LIFE BALANCE BECOMES A PRIORITY

Working long hours, high-stress client interactions and mistakes can create a culture within the team that can be stifling. When a team is functioning on high alert during busy periods, the culture will be the first to suffer. High staff turnover within a firm is another issue that can arise, but outsourcing can help.

Team members will feel less pressure to use their annual leave during quieter periods only due to tasks being managed by an outsourced partner. Anticipatory stress is reduced, leaving a team that is 'ready to handle Monday' with a rested attitude. The ability for senior staff to delegate tasks becomes more manageable with their time being freed up to do so. The firm's culture becomes one of mutual support, incentive to work as a team, and improving expectations around each staff member's understanding of the scope of their role.

The overall goal is to foster a firm culture that is both collaborative and under control. Collaborate both in-house and with the outsourced partner of your choice, and work together to retain a sense of control of the tasks your firm is trained to handle. ■





Brief your team on the benefits of outsourcing

Extolling the virtues of outsourcing is particularly important where staff workflows and roles change.

CONVERSATIONS WITH YOUR TEAM are one of the most important elements of running a firm that values collaboration and success, especially when introducing [outsourcing](#) as a tool. Finding the solution for longer hours spent working overtime, client management issues, and lack of growth within the firm are all issues that need to be addressed, but if your team isn't on board with how to solve them, it can be a challenge.

When introducing outsourcing as a helping hand to the team, the key is to brief them properly as to why it's being introduced, how it will help them, and when the change will take effect.

Some common concerns from your staff that can arise are around job security, losing quality of work or simply feeling replaced

within the team. You may need to dislodge prior misconceptions, reassure their position within the team, and inform them on how to make outsourcing work for their taskload.

Here's how to have that conversation successfully.

BRIEF YOUR TEAM BEFORE YOU DECIDE OFFICIALLY

Although the decision to outsource sits firmly within the strategic decision making of senior staff, it can help to check in with your team before deciding officially. Floating the concept of outsourcing is a beneficial way to gauge attitudes toward the notion and work together on how to dispel preconceived misconceptions. This also allows your staff to feel as though they are part of the decision process.





Share what you are considering and why. Ask them about their impression of outsourcing and what it would mean to their workload. Invite conversations about concerns they share around the concept of outsourcing so those feelings can be addressed rather than suppressed. Gain insight into what elements of their workflow need the most urgent attention, helping you zero in on the best tasks to outsource first.

LEAD WITH THE BENEFITS FOR THE TEAM, RATHER THAN THE FIRM

While staff want to see the success of the firm overall, the best place to start this transition is by highlighting how outsourcing can benefit each individual accountant and collectively as a team. Some benefits to highlight could be:

- Solving capacity problems where staff have felt overwhelmed by compliance tasks that pile up, especially around tax time.

“Invite conversations about concerns your staff share around the concept of outsourcing so those feelings can be addressed rather than suppressed”

- Highlight the opportunity for certain team members who are looking to progress their career into business strategy or advisory services.
- The opportunity for consistency with task demands will become a reality, balancing the workload during quiet versus busy times of the year.
- The firm will become more financially sustainable, promoting stronger job security.

- More time to work on skills that aren't utilised when dealing with high-volume, repetitive tasks.
- Senior staff will be able to focus on the work that they are trained for, rather than junior tasks that can take up more time and prove to be less valuable over the course of a firm's life.
- Better quality client management when the team has the headspace and preparation to treat each individual client with a clear mind.

ADDRESS CONCERNS ABOUT QUALITY CONTROL

All accountants understand what is at stake when dealing with sensitive financial information and the bodies they report to. A mistake in a business activity statement or an error on an end-of-year-tax return can spell even more work. Quality can be a major concern when deciding to outsource and great team members flag this with you early on. Showing your staff that you take quality control seriously benefits the workplace overall.

Walk your team through the quality control framework and who will be responsible for checking the tasks they receive back. Identify how the work will be checked, who reports



“The firms that get outsourcing right are almost always the ones that brought their people along for the entire journey”

mistakes or communicates feedback, and what the escalation process will be. Give your team the opportunity to hear how professional standards will be upheld and bring confidence to your staff when using [outsourcing](#) as a collaborative element to your in-house team.

HELP YOUR TEAM COMMUNICATE THE CHANGE TO CLIENTS WITH CONFIDENCE

Each firm has the right to decide if they would like to disclose they are using an outsourcing partner to their clients. If your

firm decides to share this information, your team will want to know just how much and how to communicate this change with confidence. An impactful roadmap on how to implement this would be:

- Start with developing a clear, agreed upon position statement if the topic comes up with a client. This doesn't need to be a script. Just something that communicates that the firm is working alongside a highly-regarded, secure outsourcing partner who handles the preparation of certain work that allows the firm more time to work on their file with high-quality preparedness. Communicate clearly and confidently while ensuring the client knows you are still working within your professional standards.
- Prepare your team to field questions that may arise, calmly and with up-to-date information. Clients may ask if their data is safe, which tasks are being outsourced, and if the outsourcing team knows

enough about local tax requirements. Practice the answers with your team, reducing the need for improvisation or miscommunication.

- Make sure your team knows they can escalate concerns if the client has queries that they aren't equipped to answer. Inform your team of the clear escalation path so they won't be left wondering who to forward concerns on to.

When deciding to outsource, your team is one of the most integral elements to ensure the transition is a success. Briefing them doesn't just mean communicating a change, instead it allows them to become part of the decision. Keep the conversation alive during the process, too. Check in regularly, acknowledge what's working, and be honest about what isn't. The firms that get outsourcing right are almost always the ones that brought their people along for the entire journey. ■



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