

# GETTING STARTED WITH **ACCOUNTING OUTSOURCING**

The first-timer's guide you wish  
you had read earlier





## About this Guide

Welcome to the gateway of growth opportunities through outsourcing. Whether you're the owner of an accounting firm, a managing partner, or a key decision-maker looking to elevate your firm's operational capabilities, this guide is crafted for you. This can guide those who aim to expand their firm's services, enhance profitability, and optimize the workforce through strategic outsourcing.

Outsourcing accounting functions is a strategic move towards efficiency and cost management. This guide aims to equip you with the necessary knowledge and tools to embark on this journey successfully. Here, we'll explore the tangible benefits of delegating tasks externally and how it can free up your valuable resources, allowing you to focus more on client engagement and business growth.

From setting up your first outsourcing team to understanding the nuances between different operating models, this guide will navigate you through the essential steps. We'll also tackle some of the prevalent skepticisms that may have made you hesitant about outsourcing and illustrate how this approach can be your firm's engine for sustainable growth.

### In this guide, you will learn:

- ✓ How to address critical talent shortages impacting the accounting profession.
- ✓ Ways to debunk common myths and assess if outsourcing is right for your firm.
- ✓ What tasks can be outsourced.
- ✓ Why outsourcing is more than just a cost-saving strategy.
- ✓ Benefits of accessing global expertise to bolster your firm's capabilities.
- ✓ How to zero in on an outsourcing partner that complements your firm's culture and goals.
- ✓ Why top accounting practices choose QXAS for their outsourcing needs.
- ✓ Quick roadmap to get started.

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## CURRENT CRISIS: The Talent Shortage Conundrum

The accounting profession is grappling with a significant talent shortage, exacerbated by the retirement of Baby Boomers and the migration of skilled workers to major city centers. This demographic shift tends to draw talent away from smaller firms and less urban areas, creating a vacuum in local firms.

This issue is particularly pronounced in regions outside of major urban centers, intensifying the struggle to maintain a skilled workforce. As a result, many firms are reevaluating and evolving their recruitment strategies to address these challenges.

Firms are now exploring global talent pools, expanding their search beyond local borders to harness skills and expertise from around the world. This strategic expansion enables them to maintain operational efficiency and adapt to market changes more effectively.

**75%**

of current public accounting CPAs are expected to retire within the next 15 years.

Source: NJCPA

**90%**

of employers in the accounting sector are facing significant challenges in hiring and recruitment.

Source: AccountingWeb

## Impact on Accounting Firms:

The immediate impact of this talent shortage is twofold: **operational disruption and increased employee overheads**. Accounting firms, particularly smaller ones, struggle to maintain productivity levels due to understaffing. This can lead to delayed services and potentially compromised quality, which in turn affects client satisfaction and retention. Moreover, the scarcity of skilled professionals has led to a competitive job market where salaries are inflated, thereby increasing operational costs for firms.

## Long-Term Effects

Long-term, the talent gap threatens the sustainability and growth of accounting firms. Without adequate staffing, firms are unable to expand their client base or offer new services. This limitation not only stunts growth but also makes firms less competitive in an industry that is increasingly embracing diversification and innovation.

## Current Scenario

Currently, the accounting industry is seeing a shift in hiring practices. Firms are increasingly prioritizing candidates who possess not only technical accounting skills but also adaptability and other transferable skills. This reflects a broader trend towards more dynamic and flexible work environments. However, even with these adjusted criteria, the shortage remains acute, driven by broader demographic trends and enhanced competition from larger firms in metropolitan areas.

# Urgency of Exploring ALTERNATIVE HIRING MODELS

In response to these challenges, there is an urgent need for accounting firms to explore alternative hiring models, such as outsourcing.

## Outsourcing offers several advantages:



### Access to a global talent pool

Outsourcing allows firms to tap into a wider network of professionals without geographical constraints.



### Cost efficiency

It provides a way to manage costs more effectively, bypassing the need for long-term salary commitments and reducing overhead.



### Scalability and flexibility

Outsourcing provides firms with the ability to scale their workforce up or down as needed, responding agilely to changes in demand without the risks associated with permanent hires.

Given the severe implications of the talent shortage, accounting firms must consider these alternative models not just as temporary fixes but as integral parts of their long-term strategic planning. Outsourcing can offer a sustainable solution to this ongoing crisis, enabling firms to maintain high standards of service and continue growing in a challenging market.

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# Is **Outsourcing** Right For Your Practice?

Outsourcing, often viewed as a strategic solution for many business challenges, still faces skepticism and myths that can deter firms from considering its benefits. Understanding these common misconceptions is crucial in evaluating whether outsourcing is the right fit for your practice.

Often, it is fear of the unknown that stops accounting firms from embracing this valuable resource. This apprehension can stem from concerns over control, quality, and security—issues that, once addressed, can open the door to significant opportunities for efficiency and growth.



Skepticism	Reality
<b>Outsourcing is going to take away jobs.</b>	Outsourcing will only take away your tasks—those that are tedious, repetitive, or non-core. This shift allows you and your team to focus more on strategic initiatives, client relationships, and areas that drive firm growth and personal career advancement.
<b>I will lose control over processes when I outsource.</b>	You maintain control with structured guidelines and ongoing communication, ensuring that outsourcing acts as an extension of your team, not a replacement.
<b>Outsourcing can put my clients' data at risk.</b>	Reputable outsourcing firms adhere to strict international data security standards, often adopting more robust measures than many local firms.
<b>Outsourced teams can't match in-house effectiveness.</b>	Think again! Outsourced teams bring specific, often advanced, expertise that can elevate your firm's capabilities and complement your in-house efforts.
<b>Will outsourcing be as effective as it is claimed to be?</b>	Absolutely! When correctly implemented, outsourcing leads to improved efficiency and quality, leveraging advanced technologies and specialized skills that outsourced partners provide.
<b>I might get low-quality services if I outsource.</b>	Choosing wisely matters. Partner with reputable providers, and you'll see that the quality of services can meet, if not exceed, in-house standards.
<b>Outsourcing is only for large-sized firms.</b>	Not true! Outsourcing provides scalable solutions ideal for any size firm, enhancing flexibility and access to global talent regardless of your company's scale.
<b>The time-zone differences can delay turnaround.</b>	On the contrary, different time zones can enable faster turnaround times by facilitating continuous work cycles—your night is their day!
<b>It might take too long to set up my outsourced team.</b>	Not necessarily. With the right partner, you can build your dream team often in just a few weeks, tailored to your specific needs.

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## What Can Be Outsourced?

If there's one area of business operations that remains firmly in-house, it is the strategic expansion and nurturing of your client base. This fundamental aspect of growth, reliant on personal relationships and deep market understanding, cannot be effectively outsourced. However, virtually every other operational task can be delegated externally with great success.

### You'd be surprised how much of your operations can be outsourced!

Take audits, for example. Traditionally, everyone thought you had to be there in person to handle them because they involved a lot of sensitive data and direct interactions. However, with today's technology, things are different. Digital tools and cloud-based systems like Xero, MyWorkpapers, etc have made it possible to perform audits remotely. You can access all the necessary documents online, making the physical presence less critical.

For situations where you absolutely need someone on-site, you can look into options like secondment. This is where you temporarily send over qualified auditors from your offshore team. It's a flexible approach that still ensures thoroughness and compliance with on-site requirements.

**From routine bookkeeping and compliance tasks to complex tax preparations and audit operations, outsourcing can cover a broad spectrum.** It allows your firm to reallocate resources from mundane, repetitive tasks to focus more on strategic growth areas like client engagement and business development. This strategic shift not only optimizes operational efficiency but also enhances job satisfaction by allowing your team to engage in more meaningful and impactful work.



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## What Can Outsourcing Really Offer?

Outsourcing is often primarily associated with cost savings, but its benefits extend far beyond just financial efficiency. It offers scalability, access to specialized expertise, and enhanced service quality. These advantages allow firms to focus more strategically on growth and client satisfaction, addressing specific operational challenges effectively.

Many firms turn to outsourcing to navigate through operational challenges effectively. If any of the following scenarios resonate with your current situation, outsourcing might just be the strategic lever you need to pull.

 Hiring and retention challenges.	 Missing critical deadlines.	 Compliance process inconsistencies.	 High turnover, high costs.
 Increased client service complaints.	 In-house skill gaps.	 More hours, less revenue.	 Managing seasonal workload shifts.
 Capacity limits, new client issues.	 Need better tech integration.	 Lagging in innovation.	 Quick scaling for market demands.
 Escalating cash flow problems.	 Regulatory update challenges.	 Limited capital for growth.	 Time lost to non-core tasks.
 Overtime leading to burnout.	 Expansion with minimal overhead.	 Focus lost to admin tasks.	 Enhanced risk and data security.

# 5



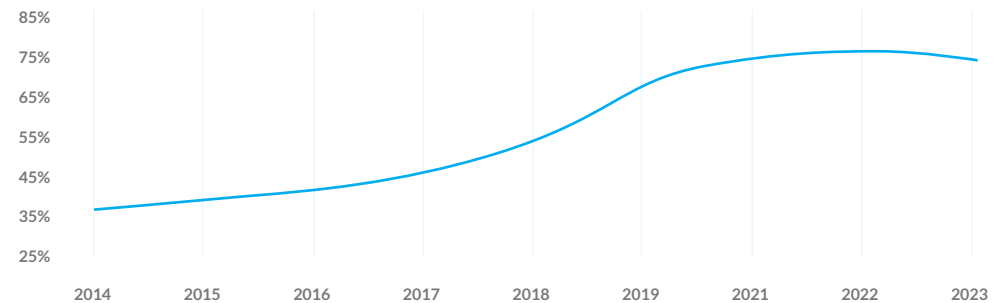
## GLOBAL EXPERTISE: Harnessing Diverse Talent

The talent shortage across industries is getting severe every year. Per the [2024 Global Talent Shortage](#) report by Manpower Group.

**75%**

of employers find it difficult to fill roles.

### Global Talent Shortage Over Time



This is where the role of outsourcing is crucial. Outsourcing not only allows you to hire resources quickly but tap into global expertise, so you are not restricted to choosing from a geographically limited talent pool.

## Here's why a global resourcing model is essential for accounting firms in 2024 and beyond.



### Industry Experience

Amid the skills shortage, outsourcing allows you to access top talent beyond boundaries. This workforce has vast industry experience, working with diverse clients and industries.



### Technical Expertise

Outsourced accountants are proficient in the latest technology, including automation, AI, RPA, machine learning, and more. They also possess distinct expertise in all leading accounting software tools, so you don't have to let go of your existing systems to accommodate them.



### Communication Skills

Communication is an important aspect of an outsourcing partnership, and many accountants associate offshoring with communication gaps. Reality, however, is quite the opposite. Outsourced professionals have excellent communication skills and are constantly trained to keep up with industry standards.



### Future Readiness

With the accounting industry undergoing a significant revolution globally, it is essential for growing firms to have staff that's aligned with their goals and ready for the future. With outsourcing, you can hire qualified resources with essential non-technical skills, including leadership, advisory, problem solving, and responsiveness. While accounting expertise is irreplaceable, these soft skills can effectively prepare your firm to become the firm of the future.

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**But where's Sustainability”,  
you may wonder.**

**“Outsourcing will take away  
my existing staff's job.”**

That's not true. Outsourcing is a proven sustainable solution that does not replace your existing staff but empowers them to learn and grow by taking mundane tasks off their shoulders.

Now, let's come to costs. While it may seem that getting all the above benefits together can burn a hole in your pocket, it's the other way around. Outsourcing has long been known for its cost benefit and can help you slash up to 50% of your in-house costs. The only catch here is that you must partner with a reliable provider with proven expertise.

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## PARTNER SELECTION: Finding The Right Fit

Studies suggest that **20-25%** of outsourcing relationships fail within two years, and about **50%** fall flat in five years. Ever wondered why? The primary reason is partnering with the wrong firm.

The success of any outsourcing relationship hinges on partnering with the right provider. But there are plenty of outsourcing firms out there, each claiming to be the best. If you have never outsourced before or have failed in the past, this activity could feel like entering uncharted waters.

# Here's a quick checklist to help you find the right fit for your firm based on your specific needs.

## 01. Define Your Needs

- ✓ Identify specific tasks you want to outsource.
- ✓ Determine the scope and volume of work.

## 02. Research Potential Partners

- ✓ Look for firms with a strong reputation and positive reviews.
- ✓ Verify their expertise and experience in accounting.

## 03. Evaluate Their Services

- ✓ Ensure they offer the services you require.
- ✓ Check if they provide customized solutions tailored to your needs.

## 04. Assess Technology and Security

- ✓ Confirm they use up-to-date technology and software.
- ✓ Ensure they have robust data security measures in place.

## 05. Check Compliance and Standards

- ✓ Verify their compliance with relevant industry standards and regulations.
- ✓ Ensure they follow best practices in accounting and data handling.

## 06. Review Communication and Support

- ✓ Assess their communication channels and response times.
- ✓ Ensure they offer reliable customer support.

## 07. Examine Pricing and Contracts

- ✓ Request detailed pricing information and compare with other providers.
- ✓ Review contract terms, including any hidden fees or long-term commitments.

## 08. Request References and Case Studies

- ✓ Ask for references from current or past clients.
- ✓ Review case studies to understand their problem-solving capabilities.

## 09. Test Their Services

- ✓ Consider starting with a trial period or a small project.
- ✓ Evaluate their performance and quality of work during the trial.

## 10. Consider Cultural Fit

- ✓ Ensure their business culture aligns with your firm's values.
- ✓ Evaluate their approach to client relationships and collaboration.

Use this [checklist](#) to systematically evaluate potential outsourcing partners and make an informed decision for your accounting firm.

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## Why QXAS?

**QXAS** is a market-leading outsourcing provider of accounting, bookkeeping, payroll, audit support, tax preparation, and consulting services to leading accountancy firms. We are a GDPR and SOC 2 compliant company delivering a reliable, professional, and secure outsourcing service to UK & North American accountants.

As a part of QX Global Group, our outsourcing services are backed with the expertise of **3500+** employees working out of state-of-the-art delivery centres in India and across the globe. We have a skilled team of qualified accounting and audit professionals with extensive knowledge of UK and US accounting standards.

We are a trusted partner to **500+** accounting firms across the globe, including several Top 100 firms. What truly makes us an industry leader are our key differentiators:

### Managed Solution

Empower your firm with highly qualified experts, dedicated POCs, a four-eyed review system, and immaculate reporting and governance.

### Tech Partner

Prepare your firm for the future with bespoke automation and integration solutions, tailored to your firm's specific needs.

### Onshore/Nearshore Services

Hire expert professionals to work from your office location in the UK or a nearshore delivery centre in Mexico for airtight security and communication.

Our focus is to help accountants build a scalable business and free up their valuable time so that they can focus on strategic activities and revenue generation. With a consistent CSAT score of **95%**, we are the perfect partner you need on your growth journey.

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## Next Steps

Ready to unlock your firm's potential through outsourcing? Here's what's next:



### Connect with Us

Start with a complimentary consultation. Our expert team will delve into your needs to tailor the best solution for you.



### Evaluate and Select

Based on your requirements, we'll propose top candidate profiles. Review and conduct virtual interviews to choose the ideal fit.



### Get Started Quickly

Once you've chosen, finalize with a contract signature. Your new team member can be onboarded within **48-72 hours\***.



# Still Unsure About Outsourcing?

Take advantage of our **10-hour no-obligation trial** to experience our service risk-free.

Contact us with any questions at:

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*For Accountancy Firms*

