

# TRANSITIONING INTO **ACCOUNTING OUTSOURCING**

## A Step-by-Step Guide for First Timers



*For Accountancy Firms*

[qxaccounting.com](http://qxaccounting.com)





# About this Guide

**Welcome to a world of infinite opportunities with outsourcing. Whether you're the owner of an accounting firm, a managing partner, or a key decision-maker looking to outsource your operations for the first time, this guide is crafted for you.**

This guide is designed to help accounting firms navigate the complexities of outsourcing, offering a clear roadmap for those new to the process or looking to refine their approach. As the accounting industry evolves with rapid technological advancements and increasing demands, outsourcing has emerged as a strategic tool to enhance efficiency, reduce costs, and access specialized expertise.

Whether you're considering outsourcing for the first time or seeking to improve existing practices, this guide provides practical insights on how to get started, build your first outsourcing project, select the right candidates, and navigate challenges.

With a focus on fostering strong partnerships and ensuring seamless integration, the guide highlights the key steps necessary for a successful outsourcing experience. By leveraging the expertise of your outsourcing partner, you can focus on what matters most—growing your firm and delivering exceptional value to your clients.

## In this guide, you will learn:

- ✓ The essential steps to begin outsourcing
- ✓ How to prepare and align your in-house team for outsourcing
- ✓ A detailed overview of the outsourcing process, including data transfer, processing, and reporting
- ✓ Strategies for selecting the ideal candidate for your outsourcing needs
- ✓ Key expectations from your outsourcing provider
- ✓ How to transition smoothly and thrive with outsourcing

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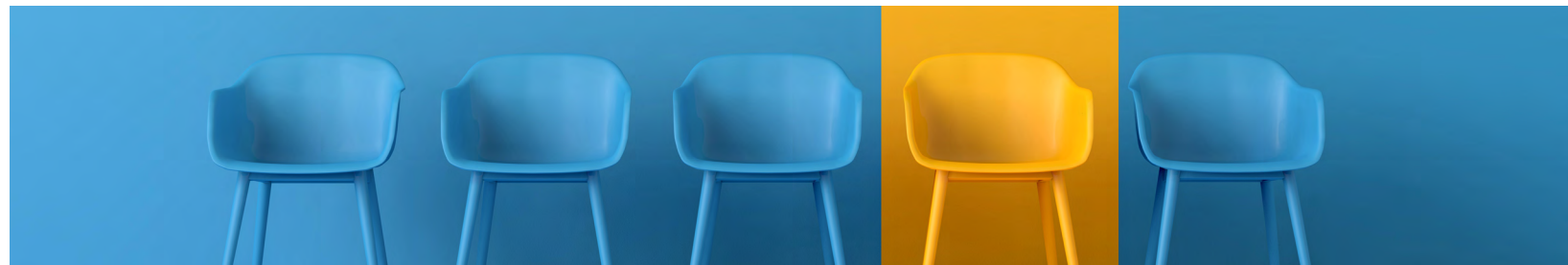
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# GETTING STARTED WITH OUTSOURCING

So, you've decided to outsource or are at least considering it? Congratulations! You're on the path to transforming your firm's future and setting it up for lasting success. But how do you get started?

**Though it might seem like a daunting decision, beginning your outsourcing journey is quite straightforward. Start by identifying the areas where you need support and invest time in selecting the right outsourcing partner. With this foundation in place, you're already halfway there.**

**20-25%**

of outsourcing relationships fail within two years.





The statistics underscore the importance of choosing the right partner. Collaborating with a market leader like QX Accounting Services ensures you receive bespoke support tailored to your specific needs. Beyond just body shop solutions, QX offers Managed Services, Automation & Integration Solutions, and Onshore Support.

### Once you have chosen an outsourcing provider, it's crucial to:

**Define the scope of work, timelines, & quality standards to ensure clear communication.**

**Develop a transition plan for tasks, including training, data transfer, and setting up communication protocols.**

**Regularly review the performance of your outsourcing provider to ensure they meet your expectations, providing feedback and making adjustments as needed.**

In the digital age, outsourcing is a strategic move rather than just a cost-cutting measure. The accounting industry is evolving rapidly with advancements in technology and increasing regulatory demands. Outsourcing helps firms stay competitive by providing access to advanced tools, skilled professionals, and the latest industry insights.

By outsourcing, accounting firms can enhance their service offerings, improve efficiency, and deliver greater value to their clients. It allows you to focus on what you do best while delegating specialized tasks to experts. Embrace outsourcing as a strategic partner in your firm's growth journey, positioning your firm for future success.

# 2

## HOW TO BUILD YOUR FIRST OUTSOURCING JOB

If you're new to outsourcing or have experienced setbacks in the past, it's natural to feel uncertain about starting your first outsourcing project. Common questions include:

- ✓ **What preparations do I need to make?**
- ✓ **What should I expect from my outsourcing partner?**

### Here Are Some Key Steps To Help You Navigate The Process Successfully:

#### Select Tasks to Outsource

Focus on tasks that your team struggles with or that consume excessive time. Common choices include accounting, payroll, tax preparation, and increasingly, audit services.

#### Engage Your In-House Team

Address any concerns about job security by explaining how outsourcing will offload routine tasks, allowing your team to focus on strategic work and professional growth.

#### Ensure IT Readiness

Update your systems and enable Remote Desktop Protocol (RDP) to securely allow your outsourced team access.

#### Establish Communication

Set up regular communication channels to connect with your outsourced team, provide feedback, and attend governance meetings.

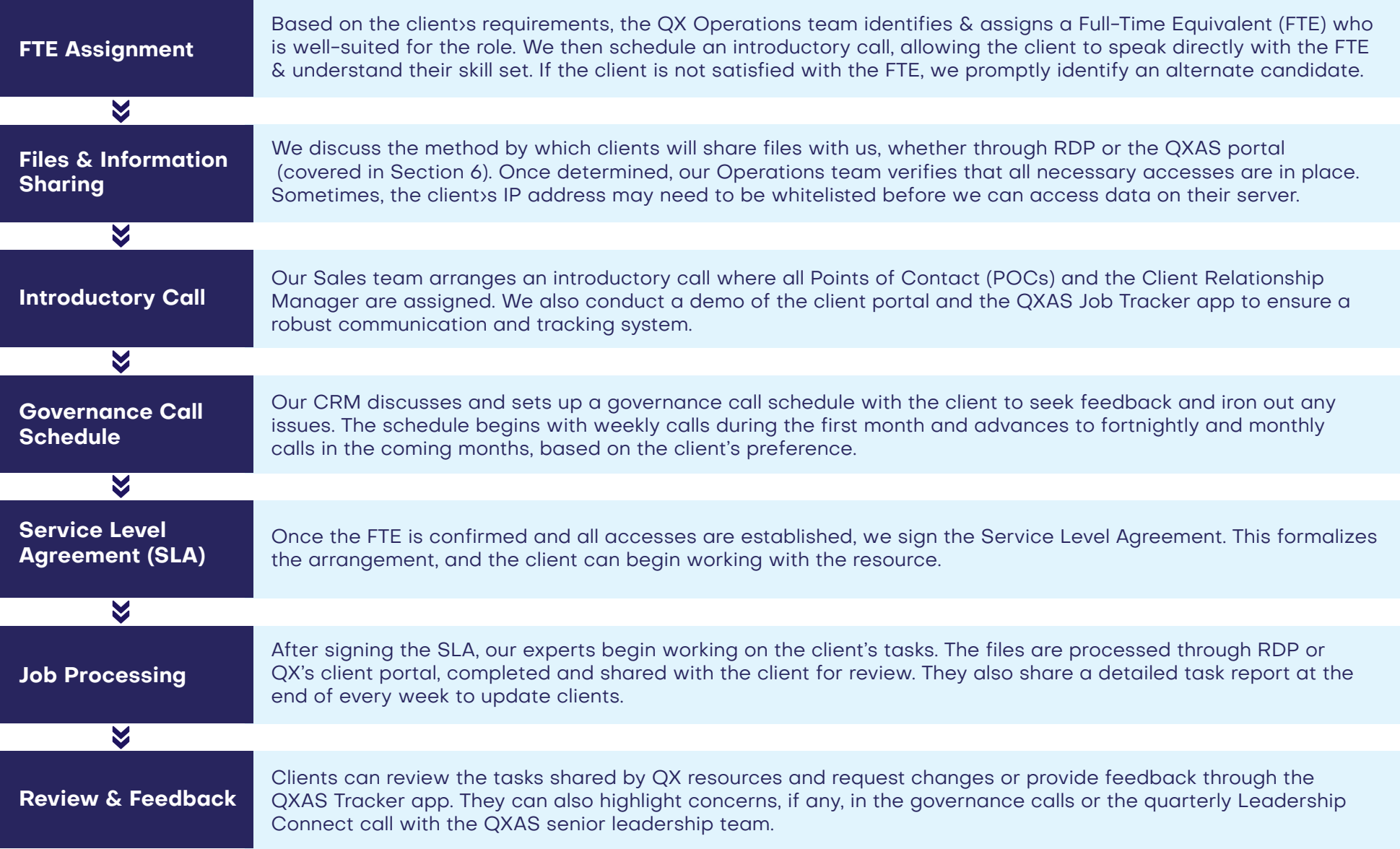
By taking these steps, you can build a strong foundation for your outsourcing project, ensuring that it meets your expectations and contributes to your firm's success.

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## HOW DOES OUTSOURCING WORK?

**Outsourcing goes beyond simply hiring resources and getting started with work. The foundation of a successful outsourcing partnership rests on trust, robust processes, and open communication. Here's how it works:**







# 4

## CANDIDATE QUALIFICATIONS AND TRAINING

One of the most common concerns for first-time outsourcers is the qualifications and training of the candidates. Given the current talent shortage, this is a critical factor that significantly impacts your firm's success.

At QX, we are meticulous in selecting and training our candidates. **All our accountants are certified commerce graduates, with many pursuing advanced qualifications such as IPCC, ACCA, CA/CA Inter, and CMA/CMA Inter.**

### QX Academy

To ensure our candidates are equipped with industry-standard skills, all our accounting and audit graduates undergo comprehensive training at the QX Academy. We have a rigorous selection process, and a carefully curated curriculum designed to prepare our candidates for success in the accounting industry.

During The Four-Month Course, Candidates Receive Training In The Following Areas:

Introduction to UK/Ireland/US/Canada Accounting

VAT/GST (Value Added Tax)

Bookkeeping and Finalization of Accounts

Taxation & Payroll

Advanced Excel

International Software Certification in Xero & QuickBooks

By investing in such thorough training, we ensure that our candidates are not only well-qualified but also fully prepared to meet the high standards required by your firm.

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## HOW TO SHORTLIST & SELECT CANDIDATES

Are you envisioning a mountain of resumes and endless days of interviews? Selecting the right candidate to join your team might seem daunting, but that's where your outsourcing partner's expertise comes into play.

At QX, we streamline this process for you. Our dedicated Operations team meticulously reviews our talent pool, assessing each candidate's skill set and prior experience to match them with your specific requirements. We handle the initial identification and selection process, so you don't have to.

Once a suitable candidate has been identified, we share their profile with you and arrange an introductory call. This call allows you to directly interact with the candidate, assess their skills, and ensure they're the right fit for your team.

### To Help You Make An Informed Decision, Here's A Quick Checklist Of Questions You Can Ask During The Introductory Call:



#### Experience:

Can you elaborate on your specific and overall experience?



#### Technical Expertise

What technical skills do you bring to the table?



#### Adaptability

How do you adapt to challenging situations?



#### Problem-Solving

What were the key challenges in your last assignment, and how did you address them?

### These Questions Will Help You Evaluate The Candidate On The Following Parameters:

Communication skills

Confidence

Proactiveness

Industry-specific knowledge

By focusing on these areas, you can ensure that the candidate you select is not only technically proficient but also a great fit for your firm's culture and needs.

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## HOW IS DATA TRANSFERRED OFFSHORE

Transferring data offshore involves secure methods, risk management, and adherence to strict protocols. Here's a detailed look at the process, associated risks, and best practices to ensure data security.



### MEDIUM OF DATA

#### Remote Desktop Protocol (RDP)

- ▶ Direct access to the client's server, allowing work on the client's system without physical file transfers.
- ▶ Commonly used for accessing accounting software and supporting documents.

#### QXAS Portal

- ▶ Secure web-based platform for clients to upload and download files.
- ▶ Ensures a controlled and traceable file exchange process.



### STANDARD SECURITY PROTOCOLS

#### Encryption

- ▶ Encrypt all data transferred via RDP or the QXAS portal using industry-standard protocols.

#### Access Controls

- ▶ Secure RDP access with two-factor authentication and strict permission management.
- ▶ Use role-based access control for the QXAS portal to limit data access.

#### Secure RDP Setup

- ▶ Disable copy-paste and print functions to prevent data leakage.
- ▶ Regularly monitor RDP sessions for suspicious activities.



## RISKS INVOLVED AND HOW TO DEAL WITH THEM

AUDIT CONCERN	RISK	MITIGATION STRATEGIES
<b>Data Breach</b>	Unauthorized Access To Sensitive Data.	<ul style="list-style-type: none"><li>&gt; Encrypt Data In Transit And At Rest.</li><li>&gt; Implement Strong Access Controls.</li><li>&gt; Conduct Regular Security Audits.</li></ul>
<b>Data Loss</b>	Loss Of Data Due To Technical Failures Or Human Error.	<ul style="list-style-type: none"><li>&gt; Regular Backups.</li><li>&gt; Redundant Data Storage Solutions.</li><li>&gt; Robust Disaster Recovery Plans.</li></ul>
<b>Compliance Violations</b>	Non-Compliance With Data Protection Regulations.	<ul style="list-style-type: none"><li>&gt; Adhere To Gdpr, Hipaa, &amp; Local Laws.</li><li>&gt; Provide Regular Compliance Training For Staff.</li></ul>



## BEST PRACTICES

### Clear Communication Lines

- ▶ Establish clear communication channels and protocols between the client and the outsourcing firm.
- ▶ Regular updates and feedback sessions ensure smooth operations.

### Comprehensive IT Setup

- ▶ Ensure a robust IT infrastructure that supports secure remote access and data handling.
- ▶ Regularly update and patch systems to protect against vulnerabilities.

### Client and Team Buy-In

- ▶ Educate both the client's staff and the outsourcing team about the benefits of outsourcing.
- ▶ Ensure internal support to facilitate a smooth transition and ongoing cooperation.

### Initial Job Selection

- ▶ Start with simpler tasks to build trust and streamline processes before moving to more complex tasks.

**By following these guidelines, you can ensure that data is transferred offshore securely and efficiently, minimizing risks and maintaining compliance with all relevant regulations.**



## SUPPORT NEEDED FROM BOTH PARTIES

### Client Responsibilities

- ▶ Provide complete and accurate data sets to minimize back-and-forth communication.
- ▶ Ensure IT infrastructure supports secure access and data handling.

### Outsourcing Firm Responsibilities

- ▶ Maintain robust security measures to protect client data.
- ▶ Provide regular updates and maintain open lines of communication.



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## JOB TRACKING AND FEEDBACK

At QX, we ensure our clients maintain full oversight of their outsourced accounting tasks with streamlined processes for tracking job progress and providing feedback. Here's how we empower our clients to stay informed and involved every step of the way.

### Tracking Job Progress with QX:

**QX Client Portal:** Our secure client portal is the cornerstone of job tracking at QX. It offers clients:

- ▶ **Real-Time Updates:** Track the status of tasks as they progress through various stages.
- ▶ **Access to Reports:** Download completed work directly from the portal.
- ▶ **Transparency and Control:** View detailed progress reports, enhancing visibility and control over the outsourced tasks.

**Feedback Mechanisms at QX:** Clients can directly connect with the QX team handling their tasks. This immediate line of communication is facilitated through:

- ▶ **Scheduled Calls:** Regular video calls to discuss progress and address any concerns.
- ▶ **Instant Messaging:** Platforms like Teams and Slack for quick exchanges and updates.

### Structured Feedback through Account Management:

Feedback is also channeled through our dedicated account managers who ensure:

- ▶ **Documentation and Tracking:** All feedback is systematically documented and tracked for accountability.
- ▶ **Regular Governance Calls:** Bi-weekly or monthly calls that allow clients to provide feedback, discuss performance, and plan future tasks.

## Turnaround Time for Implementing Feedback:

**Rapid Response:** QX is committed to responsiveness. For straightforward adjustments, changes are typically implemented within 24 hours.

**Handling Complex Feedback:** For more detailed feedback that requires significant changes, QX ensures:

- ▶ **Clear Timelines:** We provide realistic timelines for implementing complex changes, generally within one week.
- ▶ **Progress Updates:** Clients receive regular updates about the status of their feedback during our governance calls.

At QX, we believe in keeping our clients at the helm of their outsourcing journey. Our robust tracking and feedback systems ensure that you remain in control of your outsourced accounting functions, with the ability to provide input and see immediate action. This client-centered approach not only enhances workflow efficiency but also strengthens the trust and partnership between QX and our clients.





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# ONBOARDING & SUPPORT AT QX

At QX, we understand that successful outsourcing relationships begin with a structured onboarding process and comprehensive support. Our approach is tailored to meet the needs of both offshore and onshore teams, ensuring seamless integration and ongoing support. Here's how we manage the onboarding and support for different team setups:

## Onboarding Process:

### For Offshore Teams:

- ▶ **Initial Setup and Training:** Offshore team members receive detailed training on the client's processes, tools, and expectations. This phase includes virtual training sessions and access to a comprehensive digital learning platform.
- ▶ **Integration with Client Systems:** Offshore teams are integrated into client systems with the necessary security protocols to ensure data protection and compliance. Remote desktop protocols and secure VPNs are typically used for system access.
- ▶ **Regular Updates and Feedback Loops:** Initial weeks are monitored closely with daily check-ins and regular feedback to ensure smooth transition and address any teething problems.



## For Onshore Teams:

- ▶ **Local Induction and Orientation:** Onshore team members go through a local induction program that includes face-to-face training sessions, introduction to client culture, and detailed discussions on project objectives.
- ▶ **Physical Integration into Client Offices:** When necessary, onshore team members are physically integrated into client offices. This helps in fostering a collaborative working relationship.
- ▶ **Compliance and Best Practices Training:** Onshore teams also receive training on local compliance requirements, best practices, and client-specific protocols.

## Support Expectations:

- ▶ **Service Level Agreements (SLAs):** Clear SLAs are established to define response times, quality standards, and project milestones. These SLAs are customized for offshore and onshore teams based on the client's specific requirements.
- ▶ **Dedicated Account Management:** Each client is assigned a dedicated account manager who serves as the primary contact point for all communications. This ensures that any issues or needs are addressed promptly.
- ▶ **Technical and Logistical Support:** Ongoing technical support is provided to both teams to handle any IT-related issues. Logistical support, including resource allocation and scheduling, is managed to ensure no disruption in daily operations.

## Hybrid Team Setup:

- ▶ **Strategic Team Composition:** Hybrid teams at QX combine the strengths of onshore and offshore resources to offer clients the best of both worlds. In some cases, we position an experienced team leader on-site with the client. This leader serves as the primary point of contact and manages a larger team working offshore.
- ▶ **On-Site and Offshore Coordination:** The on-site leader is responsible for ensuring that the communication between the client and the offshore team is seamless. They facilitate real-time problem-solving and decision-making, bridging any gaps that may arise due to distance.
- ▶ **Cultural and Operational Integration:** By having a leader on-site, we ensure that the offshore team is continuously aligned with the client's corporate culture and operational expectations. This setup helps in maintaining a unified approach to the project and enhances team cohesion.
- ▶ **Training and Development:** The hybrid team benefits from combined training sessions that cover both global best practices and specific local requirements. This ensures that every team member, whether on-site or offshore, operates with a complete understanding of the project's demands and client expectations.
- ▶ **Enhanced Project Management:** This model allows for robust project management with the flexibility of remote execution, ensuring cost-effectiveness without compromising on the responsiveness and quality of service.

QX's hybrid teams are crafted to leverage local expertise while capitalizing on the scalability and efficiency of offshore operations, ensuring that our clients receive responsive, integrated, and cost-effective service throughout the project lifecycle.

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## QUALITY ASSURANCE AND ERROR MANAGEMENT

At QX, we recognize the importance of maintaining high standards in outsourced accounting services. Despite rigorous quality controls, errors may occur, and it's essential to have a clear understanding of how these are managed.

### Error Management:

- ▶ **Resolution Process:** When an error occurs, our team promptly addresses it, implementing corrective measures to prevent recurrence. The responsibility for managing and rectifying errors is outlined within our service agreement.
- ▶ **Penalties:** In instances where errors lead to penalties, the terms regarding liability are specified in the contract to ensure clarity and fairness.

### Escalation Procedures:

- ▶ **Grievance Reporting:** If an issue arises, accounting firms can report it through designated escalation channels. Our process is designed to handle grievances efficiently and with the urgency they require.
- ▶ **Response Time:** We are committed to providing a prompt response to all reported issues, with clear turnaround times for resolution, ensuring minimal disruption to your operations.

QX's approach to quality assurance and error management is structured to provide transparency and reliability, fostering a dependable partnership with our clients.

## TRANSITION PROCESS: ENSURING SMOOTH INTEGRATION

### Process and Technology Transition:

- ▶ **System Integration:** We support accounting firms in integrating our technology with theirs, ensuring seamless connectivity and functionality. We facilitate migration and system updates, maintaining continuity and minimizing disruptions.
- ▶ **Process Adaptation:** We align our processes with your operational needs to enhance efficiency and compatibility during and beyond the transition phase. ensures that every team member, whether on-site or offshore, operates with a complete understanding of the project's demands and client expectations.

### Support from QX:

- ▶ **Comprehensive Assistance:** We offer thorough support throughout the transition, from initial planning to final implementation, ensuring that every detail is managed with precision.
- ▶ **Training & Development:** We provide extensive training for all team setups—onshore, offshore, or hybrid—to ensure that everyone is proficient in new processes and technologies. This training extends to software packages and operational best practices.



### Team Setup and Costs:

- ▶ **Flexible Team Configurations:** We provide tailored team setups based on your specific requirements, whether onshore, offshore, or a combination of both. This flexibility helps in addressing various operational demands effectively.
- ▶ **Transparent Costs:** All transition-related costs are discussed upfront. These include any one-time fees for setting up teams or systems, ensuring that there are no surprises. This transparency helps in accurate budgeting and financial planning.

Our goal at QX is to make the transition as smooth and efficient as possible, setting the stage for a successful long-term partnership that meets your evolving needs.



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## COSTS OF OUTSOURCING

**Cost Considerations:** We provide a detailed breakdown of costs associated with outsourcing services, ensuring transparency from the outset. Costs are structured to align with the scope and scale of services required by each client.

QX offers three customized engagement models for accounting and bookkeeping outsourcing services, designed to accommodate a variety of client needs and ensure scalability. The models include:



### **Onshore Support Solution**

This model provides dedicated onshore staff working directly from your office, offering end-to-end client and administrative support, ideal for firms requiring regular in-person interactions.



### **Managed Full-Time Employee (FTE) Solution**

Features dedicated individuals or teams working exclusively on your project, with a fixed resource rate and continuous support from a dedicated manager or team leader.



### **Practice Outsourcing Solution**

A hybrid model that combines offshoring and onshoring for a seamless outsourcing experience, offering complete support for intricate accounting matters with dedicated staff.

These models are tailored to deliver flexibility, efficiency, and comprehensive support, ensuring a smooth outsourcing experience.

## **Experience Our Services with a No-Obligation Free Trial**

QXAS offers a free no-obligation trial, allowing potential clients to evaluate our outsourced services firsthand. This trial is designed to demonstrate our commitment to quality and efficiency, providing you with the confidence to make an informed decision about your outsourcing needs without any initial commitment.

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## THE QXAS DIFFERENCE

**QXAS stands as a market leader in outsourcing, distinguished by our comprehensive solutions and commitment to excellence. Here's what sets us apart:**



### **Managed FTE Solutions**

Includes a robust four-eyed review process to ensure utmost accuracy and quality.



### **Advanced Tech Support**

Cutting-edge technological infrastructure supporting all client engagements.



### **Flexible Outsourcing Models**

Offering both nearshore and onshore options to best suit client needs.



### **Unmatched Data Security**

Adherence to stringent security protocols including SOC 2 and GDPR compliance, ensuring data integrity & protection.



### **Comprehensive Compliance**

Rigorous adherence to industry standards and regulations, guaranteeing compliance across all operations.

**Our unique combination of advanced solutions, stringent security measures, and flexible service models establishes QXAS as a premier choice in the outsourcing industry.**

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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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