

# Remote Staffing, Outsourcing, and Offshoring for CPAs and Accountants

An Accounting Firm Leader's Handbook



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# Introduction

Sustainability is today's dynamic business landscape's "key" operative word. With every CPA/accounting firm looking for adaptable, flexibility, and innovation become their modus operandi to attain the sustainable growth and competitiveness they crave. But when you are a firm owner/leader in the accounting space - a CPA or a professional accountant - your first instinct is to reduce costs, optimize operations, and ensure absolute financial accuracy. When mixed with the desire to achieve sustainability at all costs, this leads you to explore alternative workforce strategies, such as remote staffing, outsourcing, and offshoring in accounting.

With this eBook, "Remote Staffing, Outsourcing, and Offshoring in Accounting: An Accounting Firm Leader's Handbook," we intend to shed light on some of the many benefits that accounting firm owners/leaders can reap by leveraging the potential of remote staffing, outsourcing, and offshoring in the field of accounting. This can be the missing color in your portrait of a "consistent firm growth strategy."



# Why Remote Staffing, Outsourcing, and Offshoring Matter in Accounting

The most glaring question in partner discussions around global collaboration and outsourcing is, “Why do remote staffing, outsourcing, and offshoring matter in accounting?”

While the recent turmoil in the global business landscape, caused especially by talent shortage in accounting, mighty leap by Artificial Intelligence (AI), and technological advancement in general, has answered that question to a greater extent, making a decision about letting your firm’s work be processed somewhere else can be a daunting ask. As with every business, the accounting industry has undergone drastic transformation by embracing remote staffing, outsourcing, and offshoring as a fruitful strategic alternative for optimizing accounting operations.

Increasingly more and more entities have opened their businesses to a larger and more capable global talent pool, from CPAs to accounting professionals at global enterprises.

This new approach has made the unique advantages that remote staffing, outsourcing, and offshoring offer rather evident within the accounting profession. However, they do present the accounting firms with unique challenges. To get a holistic view of outsourcing and offshoring in accounting, it is only fair to evaluate the choices thoroughly. In the subsequent sections of this handbook, we will go through every aspect in detail to help you firm up your decision.



# Understanding Remote Staffing in Accounting

In modern employment arrangements' bouquet, remote staffing is perhaps the "focal flower." The prominence of remote staffing has grown multifold in recent years, thanks to the immense advancements in the technological realm, the evolving work preferences of the modern workforce – triggered by the pandemic which turned remote work need into a primary preference, and the need for accounting firms to adapt to the evolution shaping up the world around them.

In the context of accounting, remote staffing is the process of onboarding and managing accounting professionals who operate from places other than the traditional physical bounds of the conventional office environment. In this model, accounting teams and professionals can remotely carry out their accounting duties, such as financial analysis, bookkeeping, tax preparation, and auditing. Often, these remote locations are home offices or offices in different areas.

## Critical aspects of remote staffing in accounting:



### Staff Independence

The remote staffing arrangement allows staff members to work from anywhere they want to, given that they have enabled active connectivity and data safety measures. It eliminates the need for physical presence in the office for the employee and allows the firm to tap into a wider talent pool.



### Digital Alliance

Remote staffing in accounting largely relies on remote collaboration tools and platforms for communication and information sharing. These tools include video conferencing, document-sharing platforms, Cloud accounting, and project management systems.



### Cost Savings

The most significant advantage remote staffing offers is the substantial cost savings. Remote staffing allows businesses to cut office space, staff utilities, and on-site equipment expenses with remote teams.



### Access To Global Talent Pool

With remote staffing, firms access the global talent pool on a much larger scale. Access to this large talent pool makes it easy for you to find accounting skills that otherwise might be hard to find in a local market.



### Scalability

Scalability is one of the salient features of remote staffing as it allows firms to quickly expand or cut down their accounting teams to meet the work requirements. The flexibility becomes incredibly beneficial when working on seasonal or project-based accounting tasks.

# Know the Power of Outsourcing in Accounting

The concept of outsourcing in accounting has been around for quite some time now. In recent times, though, outsourcing in accounting has emerged as a highly advantageous strategy for CPAs and enterprises. In accounting, outsourcing is mainly associated with specific tasks or functions, which can be outsourced to external service providers or firms. These outsourcing partners generally specialize in these functions and carry out these activities on behalf of a business or organization. The entire arrangement is bound by a formal agreement outlining the scope of work, service-level expectations, terms, and conditions.

## Critical aspects of outsourcing in accounting:

### Scope of Outsourcing Accounting Functions

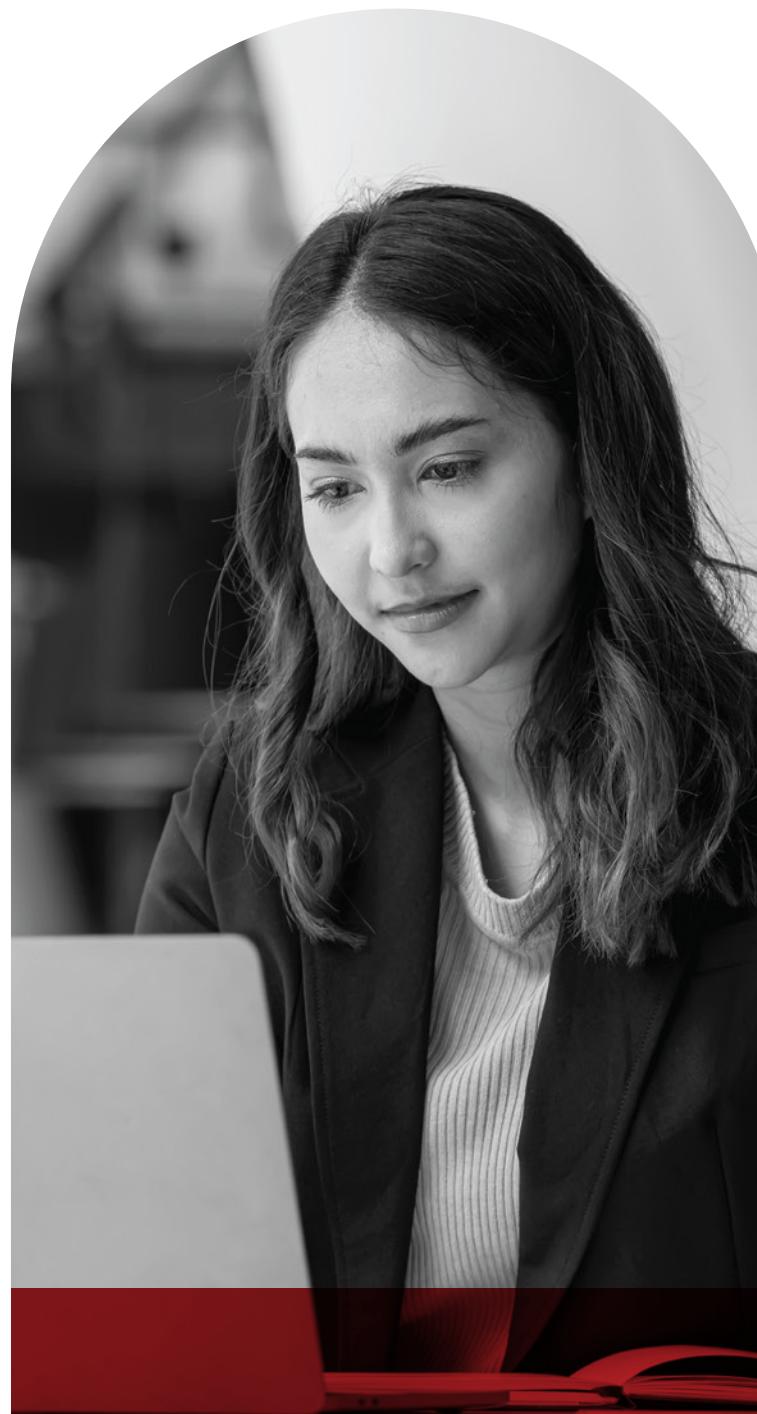
Many financial activities, such as bookkeeping, accounts payable and receivable management, tax preparation, payroll processing, financial statement preparation, tax compliance, audit support, and financial analysis, can be outsourced. Thus, if you plan to leverage outsourcing as your business strategy, you need to outline the scope of work for your outsourcing partner clearly.

### External Outsourcing Service Providers

As discussed, outsourcing involves outsourcing your accounting functions to external firms or professionals with the required skillsets and resources for practical accounting and financial management. These outsourcing service providers can be domestic or international, depending on the needs and preferences of the firm.

### Access to Specialized Accounting Skills

Outsourcing enables organizations to tap into a global talent pool with specialized accounting skills, which may be difficult to build with their internal team.



## Cost Efficiency

Cost-effectiveness is one of the key benefits firms get by outsourcing in accounting. Outsourcing some or all of your accounting tasks allows you to optimize your operational expenses, as you no longer need a substantial in-house accounting staff. You also save in terms of overhead, office space and equipment.

## Bring Back Focus on Core Competencies

By outsourcing mundane or repetitive tasks, and even higher value higher fee work, you can free up management bandwidth to focus on your core competencies and strategic objectives instead of working on the non-core, yet essential, accounting functions.

## Service-Level Agreements (SLAs)

The agreement between the client and the outsourcing service provider includes Service-Level Agreements (SLAs), which outline the expectations, timelines, quality standards, and service deliverables. These agreements enforce accountability on the service provider and help establish clear communication between the two involved parties. Thus, they must be drafted carefully.

## Customized Accounting Solutions

Outsourcing services providers can tailor their services to suit the specific needs of any firm. Clients can choose the accounting function they want to outsource and the flexibility to scale these services as needed.



# Offshoring in Accounting: A Global Approach

Offshoring in accounting is outsourcing all or specific accounting tasks to an external service provider, often situated in a different country. This approach requires you to relocate certain accounting functions to a foreign location.

## Critical aspects of offshoring in accounting:



### Accounting Functions and Processes

As a firm, you can offshore several accounting functions and processes such as accounts payable and receivable, bookkeeping, payroll processing, tax preparation, financial analysis, and audit support. You need to outline the ones that you want to offshore.



### Global Locations

Offshoring locations can vary significantly; depending upon the services you intend to offshore; you need to find a destination that best suits your requirements. Some parameters that can help you decide your offshoring goals include a skilled workforce, lower labor costs, and a stable business and political environment. Some of the most common offshoring locations in accounting involve countries in Asia, Eastern Europe, and Latin America.



### Cost Efficiency

Most firms offshore to optimize cost, which is an excellent reason to offshore. Most offshoring locations have overall lower costs, which makes them the perfect option for anyone looking to optimize operational expenses.



### Access to Global Talent

Offshoring gives you access to a global talent pool, allowing you to leverage the specialized accounting skills and expertise that might not be readily available in your local market.



### Risk Mitigation

Offshore service providers have relatively safe and secure systems and processes for managing data security, compliance, and regulatory changes, which help firms stay compliant and secure.



### Technology and Infrastructure

Offshoring services are built on robust technology infrastructure facilitating seamless work processing, data sharing, and transparent communication between the onshore and offshore teams. These service providers leverage Cloud-based accounting software for secure data transmission and seamless availability, making them always secure and safe.

# How to Decide if You Should Outsource/Offshore Accounting Services?

Outsourcing/offshoring accounting services is a huge strategic decision for any firm. However, before you take the outsourcing/offshoring route, you must establish whether it is the right approach for your firm.

**Here are some of the steps that you can take before taking the outsource/offshore route:**

1

## Assess Your Accounting Situation

You must carefully evaluate whether your existing in-house accounting capabilities, resources, and capacity can address your firm's pain points and growth goals. Some pain points can be cost inefficiencies, resource limitations, talent shortage, or skill gaps.

3

## Identify the Specific Functions

A firm must identify the functions, processes, and tasks that can be considered for outsourcing or offshoring. You need to identify the required skills for the jobs and their availability in-house.

5

## Market Research

You must thoroughly research potential outsourcing or offshoring destinations. Some of the factors you can consider include skills availability, labor costs, socio-political stability, time zone compatibility, and language proficiency.

2

## Outline Your Offshoring/Outsourcing Objectives

You must clearly define the business goals you intend to achieve through outsourcing or offshoring. Some of the standard business objectives include access to specialized accounting skills, business function scalability, cost reduction, and improved focus on core competencies.

4

## Cost-Benefit Analysis

Outsourcing or offshoring comes with a cost. Thus, it is critical to do a cost-benefit analysis regarding the cost associated with the move concerning ongoing fees, setup expenses, and any potential risks. Evaluating such costs from a "return on investment" point of view (comparing offshore with in-house) can give you the right perspective to make a better decision.





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## Compliance and Legal Considerations

You must be clear on your region's and industry's legal and compliance regulations, and the same for your offshoring partner.

8

## Vendor Selection

When choosing an offshoring partner, you must carefully evaluate their reputation, experience, reviews/testimonials, financial stability, and accounting work related skillset to fulfill your specific demands.

10

## Pilot Programs

Most reputed offshoring service providers will offer pilot programs to test their services before completely committing to their services. You must leverage such pilot programs to test the services' efficiency, effectiveness, and quality before completely getting on board with them.

12

## Define KPIs for Continuous Monitoring and Evaluation

You must set clear key performance indicators (KPIs) and metrics to help you measure the success of your offshoring efforts.

7

## Risk and Challenges Assessment

Some risks and challenges with offshoring include data security, communication hurdles, quality issues, and cultural differences. It would help if you had well-thought-out strategies to mitigate all these risks.

9

## Technology and IT Infrastructure

Technology plays a vital part in successfully operating an offshoring arrangement. Thus, you must ensure that your partner has the necessary technology infrastructure to support your operation through seamless collaboration, data sharing, and communication between the offshoring teams.

11

## Change Management and Training

Before you kickstart your offshore operations, you need to prepare your existing teams for the impending changes coming their way.

While these concrete steps can help you establish a fruitful offshore operation for your accounting needs, ultimately, the decision to offshore will be yours and must align with your business goals, operational needs, and financial objectives. It would help if you did careful planning, evaluation, and due diligence before engaging any offshoring partner.

# Leverage Technology to Get the Best Out of Remote Accounting

A robust and up-to-date technology infrastructure is the cornerstone of every seamless and efficient remote accounting operation. It would help if you leveraged cutting-edge technologies such as secure data handling and cloud-based software for accurate financial management and effective team collaboration.

**Here are some technological measures you must take to establish a seamlessly working remote accounting operation:**



## Cloud-Based Accounting Software

Cloud-based accounting software provides real-time collaboration by giving you access to financial data from anywhere, just with the help of an active internet connection. Cloud-based software also offers advanced data safety features, scalability, automatic updates, and compelling collaboration features to boost remote productivity.



## Data Encryption and Security Protocols

Data encryption and security protocols safeguard your sensitive information against unauthorized access and cyber threats. Most reputed offshore service providers have secure internal network, physical access controls, safeguards against intrusions, and Multi-Factor Authentication (MFA) enabled across their operations to add an extra layer of security to safeguard their remote accounting systems from any unauthorized logins.



## Remote Collaboration Tools for Teams

There are many popular remote collaboration tools available in the market for video conferencing, virtual meetings, project management, task allocation, progress tracking, and deadline management. All these tools ensure efficient project workflow for remote accountants.



## Automation and AI in Accounting

Automation and AI have made significant inroads in modern accounting. Functions like automated invoice processing streamline accounts payable tasks, minimizing manual data entry and human-generated errors in remote accounting processes. Furthermore, AI-powered data Analysis helps accountants gain valuable insights from identifying trends and financial data and making informed decisions.

## Mobile Accounting Apps

Mobile accounting apps are becoming mainstream these days. These apps allow accountants to manage financial tasks on smartphones and tablets for extra flexibility and accessibility. Some of the key features of these mobile accounting apps include invoice creation, expense tracking, and receipt scanning, along with safety measures for protecting sensitive data.

Technological advancements are crucial in maximizing productivity and ensuring data safety for remote accounting environments, from AI-based data analysis to Cloud-based accounting software to mobile apps. When charting your offshoring plan, you must consider all these technological advancements to establish effective and efficient remote accounting practices.



# Reap The Perks of Remote Staffing, Outsourcing, and Offshoring in Accounting

In the ever-evolving world of accounting, agility, efficiency, and adaptability remain the cornerstones of every firm's success. In modern accounting, the synergy between technological advancements and human ingenuity will continue transforming and revolutionizing traditional practices. In this eBook, we have highlighted the transformative power that remote staffing, outsourcing, and offshoring have given to accounting firms worldwide, allowing them to unleash the full potential of their business and achieve unparalleled growth.

For businesses looking to thrive in the modern interconnected world of accounting, harnessing the power of these business strategies is not just a choice, but a necessity. With the control of remote staffing, outsourcing, and offshoring, firms can easily navigate the complexities of modern accounting while achieving sustainable growth, which is the end goal of all modern firms looking to turn their true potential into optimal performance and growth they desire and deserve.

Here's to the future of accounting operations, which looks incredibly transparent, scalable, and full of possibilities thanks to - remote staffing, outsourcing, and offshoring.





## About Datamatics Business Solutions

Datamatics Business Solutions is a technology-driven outsourcing partner for leading global enterprises. With our technology enabled CPA services, we help CPA firms achieve their business goals with absolute ease.

With a perfect balance of a highly scalable and secure ecosystem comprising of some of the most acclaimed accounting & ERP software and human ingenuity to go with, we have been able to retain 100% of our clients in over a decade of our operations.

**Connect with Our CPA Outsourcing Experts Below**

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