

When Is Outsourcing your Accounting the right choice for you?

As companies continue to operate on leaner budgets, some have found that outsourcing certain functions is a great way to keep quality up and costs down.

With the availability of advanced financial automation solutions and a deluge of cloud-based systems, all types of companies, small and large, are taking advantage of what it can do for their businesses.

Here are some of the top reasons to consider outsourcing your accounting function:

1. Save Money and Reduce Overhead

On average up to 5 % of revenues goes to properly training your accounting department. While if you consider outsourcing – you could actually lower your total cost by on average over 40%.

Staff Accountant	In House Accountant	Outsource Accountant	Annual Savings	Savings Percentage
Annual Salary	\$41,800	\$24,000	\$17,800	43%
Payroll Taxes (10%)	\$4,180	NONE	\$4,180	100%
Employee Benefits (43%)	\$18,000	NONE	\$18,000	100%
THE BOTTOM LINE	\$63,980	\$24,000	\$39,980	62%

2. Focus On Growth

This may seem obvious to some, but every minute you spend on your books is a minute you aren't growing your business. There are plenty of bookkeepers and accountants out there that can do your books faster and better than you. So while you are focus on growing, selling, hiring and raising more money, your outsourced accounting team can handle all of your invoicing (A/R), billing (A/P), vendor relationships and financial statements.

3. Access To Expert Accounting Resources

By outsourcing you will have access to a team of skilled accountants having a wide range of experience in the area. This ensures your books are always up to date, payroll is done on time and you are not at risk of being subject to penalties due to inaccurate paperwork and underpayments.

4. Save on Technology Costs

Choosing the right invoicing, time tracking, expense reporting or payroll software can be arduous. So, stop doing it! Your outsourced accounting team is in the business of knowing all about the best technology solutions to streamline your needs.

5. Reduce Risk

More than one in five small businesses will have money stolen from them by trusted employees (an average loss is \$200,000). It can be hard to enforce a strong checks and balances system without making honest employees feel distrusted which reduces company morale. Thankfully, outsourced accounting offers the perfect solution.

When you fire an outsourced accounting service provider, you not only save money, time and stress by having experts handle your financial reporting. You get a third party to audit your

money trail. You will decrease your risk of internal fraud by having impartial standards of checks and balances, which will help improve compliance.

6. Grow with Confidence

Outsourcing accounting departments are infinitely scalable and will assign new bookkeepers to your account on an as needed basis to grow with you. They also keep an outside eye on your business and help you understand what all of those numbers mean. Your provider will be able to help you examine your profits and losses when making your financial plans and business strategies. Remember, your bookkeeper isn't just there to crunch numbers, they are there to help your business thrive.

Relying on an accounting outsourcing company is a good thing. It is not just an alternative.