



How to scale and grow your accounting firm



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The accounting landscape is rapidly changing.

The struggle to find the right people with the right skills for specific jobs, along with high labor costs and the lack of capacity, is keeping firms from growing.

Overcoming these challenges requires the creation of a global accounting team so firms can finally free up time to really engage with customers and focus on providing high-value services while still being able to perform commoditised services at a profit.

How? By outsourcing.

This guide will show you how to supercharge your growth by building and growing a global accounting team through outsourcing.

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+ The benefits of setting up an offshore team

Access to highly qualified professionals

There are many qualified and highly skilled CPAs and accountants in the Philippines — professionals equipped with the right skills and attitude — who are ready to start working.

Cost savings on labor

TOA Global can help you hire a full-time global accounting team member with an annual salary ranging between *\$17,760 and \$23,376 AUD. This means you can hire three offshore team members for the cost of one onshore employee, allowing you to increase your firm's capacity by 200% for the same cost.

Delivery of quality high-value services

While more and more firms try out this business model, compliance services start to become more commoditised, putting pressure on prices, and in turn, allowing the competition to charge lower costs and deliver services more quickly because they're now more agile, mobile and cost effective.

Enhanced efficiency and improved productivity

Early adopters of outsourcing are now more agile, cost effective and more productive and can easily take even your long-time clients out from underneath you because they have global accountants who are more efficient and productive.

*Figures based on salaries of Level 1 to 4 accountants in the Philippines, including management fee but excluding one-time onboarding fee, government and TOA benefits.

+ Different approaches to outsourcing your services

Did you know there are several models of outsourcing? Discover the pros and cons of each one so you can choose the best model for your firm's business needs.

Freelancer

In this model, you post a task or a project you need completed on a site such as Upwork, and individuals or companies around the world bid on your job. You can then choose who you want to hire to complete the job. This model provides a quick and easy way to get a one-off project that requires special skills completed, or to obtain extra help during busy periods, such as tax season.

Pros

- + In terms of saving money, it's cost effective in most cases because different people and companies will be bidding for your work with different prices.
- + The time it takes for a job to be completed can be quick and seamless.
- + You can get the right skill set for the task at hand.

Cons

- + You could encounter a freelancer who acts like an agency: he or she will win jobs only to outsource them to other local companies to complete.
- + Some companies and/or individuals may fabricate or oversell their previous work and skills, meaning it will be a challenge to know if you'll get what you paid for until the job is done.
- + It can be difficult to brief the freelancer in detail on what is required, so there's a risk the work isn't always completed as requested due to a misunderstanding or miscommunication of what it is you really need.

The takeaway: The freelance model offers a quick, easy and cost-effective way to get jobs done. Check reviews of freelancers' previous work, as well as references.

Project-style work

Just like the name implies, project-style work is project-based. It involves outsourcing an entire project to a specialised outsourcing center. You provide the project requirements, and then the provider will carry out the development work, project management, and quality control through to the project's completion.

Pros

- + It takes a large portion of work off your hands.
- + The project can be completed cost effectively and in a timely manner.
- + You don't have to hire new staff.
- + You have a fixed cost for the work.

Cons

- + Often these outsourcing centers are set up by offshore companies with no local tax knowledge; it has all been learned remotely. With this lack of local knowledge, team members risk producing work of a lower quality that needs significant and detailed reviews.
- + The time zone and language differences may present challenges.

The takeaway: The marketing of specialized outsourcing centers can be convincing, but obviously, don't let that be your only determining factor. **Do your research** before handing over a project. Contact the center and ask questions about their knowledge of local taxation.

Business Process Outsourcing (BPO)

BPOs are a labor hire and service office all in one. The provider has the facilities, setup, office environment and management required for your global team members to work. They also recruit those team members and present you with candidates, so you can interview and choose who you would like to add to your global team. What's more, a BPO will manage the HR, payroll, and all other employee-related matters.

All you need to manage is the workflow and training for your new team members.

Pros

- + Specialised BPOs will understand your business and are set up to specifically meet your needs, whether that's financial reporting, preparing financial statements, finishing tax returns or completing any other accounting function.
- + You get peace of mind, because you don't have to worry about recruitment, staff management, HR and sick leave or the security of your financial data or accounting information. The BPO handles these responsibilities.
- + It's affordable, simple and easy to implement, and an easy way to grow your team.

Cons

- + Once your team grows beyond 25 people, it can become expensive in relation to operating your own BPO/office.
- + If you partner with a BPO that doesn't understand your industry or business, it can be difficult to communicate your needs and wants.

The takeaway: BPOs offer your firm improved productivity, increased capacity, and the ability to quickly reassign resources when necessary.

Build-Operate-Transfer Model

This model is a way to build a separate office outside your home country. At first, a provider will provide the workspace and office equipment, and will hire employees, much like in the BPO model. Then once you, the client, is ready to operate on your own, the provider transfers the entire operation over to you.

This model suits accounting or bookkeeping firms that want to grow their global team beyond 25 people. It becomes viable once you have 15 team members.

Pros

- + You can create your own work culture and environment, and control the whole process.
- + The costs are often less expensive than a BPO once you have more than 15 team members.

Cons

- + It often looks easier than it is, and setup can be costly.
- + There's a big learning curve involving a foreign culture and how it works. Without this knowledge, you will often pay "Western prices" rather than local prices, and staff retention will be low if you don't understand how to best manage your team.
- + It requires a time investment. We recommend you or a senior member of your team visits at least twice a year (if possible) to manage owners' tasks and interact with your global team members in person.

The takeaway: The time investment is worth it when it comes to building and maintaining a good work culture among your global team members. Going to visit them shows them you value them, and it helps make them feel like they're genuinely a part of your team.

+ Tasks you can delegate to a global accounting team

There are so many more tasks other than accounting that you can delegate to a global team:

Accounting roles

- + Bookkeeping
- + Budgeting
- + Cash-flow forecasts
- + Paraplanning
- + Payroll
- + Personal accounting
- + Tax returns
- + Finance brokerage
- + Tax planning
- + Estimation of assets
- + For accountants in Australia:
 - + Business Activity Statements (BAS)
 - + SMSF business advisory
 - + SMSF accounting
 - + SMSF auditing

Sales and marketing

- + Website hosting
- + Branding
- + Market research
- + Website design
- + Content writing
- + SEO services
- + Social media management
- + Video editing
- + Digital marketing
- + Graphic design
- + Web development
- + Email campaigns
- + Direct marketing
- + Outbound calls

Operations

- + Document conversions
- + Process documentation
- + Data entry
- + Document management

Client/customer Support

- + Inbound calls
- + Help desks
- + Software development
- + General administration

Administrative Support

- + Executive/Virtual assistant

- + Corporate secretarial



+ How to get your onshore team on board

Lots of firm owners are afraid of engaging their local teams in the outsourcing process. They're worried their staff will leave because they believe their jobs are at risk. You can avoid this and get your onshore team onboard by following these steps:

Empower them with your vision

Be open and share with them your plan for the firm. Be transparent about where the firm currently sits and where you see it in the next 10 years.

Ask them to enumerate tasks that can be outsourced

On the average, accountants unnecessarily spend 1.5 hours per day on administrative tasks. Ask your team to identify:

- + Tasks that can be delegated
- + Tasks they really value doing and are in line with their rates
- + Tasks that consume most of their time

Give them ownership and keep them updated with progress

Involve team members in strategy meetings and allow them to be more proactive. That way, they will take ownership and assume leadership qualities — this will also benefit their career growth.

Reassure them their jobs are safe

Assure your team members that offshoring is a growth strategy and not a cost-reduction strategy, which means they don't have to worry about losing their jobs to people in a different country. If anything, this will help grow the firm.

Outsourcing will also enable firm owners to promote onshore staff into higher-level roles, now that they won't be bogged down by work "just to get the job done."



+ Getting your business ready

Having the right systems and processes in place can support your success. We recommend these steps to get your business ready for outsourcing:

Map out the process (from first contact with client to output delivery)

Don't feel overwhelmed by the idea of mapping out your journey. Start with the core tasks the team needs to complete. Use workflow mapping software like LucidChart and create training videos/instructional material for each step.

Document the process

Record everything your staff does through screen-capturing apps (Camtasia, Screen Capture or Jing) and then transcribe it to have a detailed guide of your processes. Other helpful tools include GoToWebinar, Zoom and Skype for Business.

Use a client management system

You can use a client management system (like Basecamp, Workflow Max or Salesforce), to create a system that will help track and monitor tasks.

+ How to train and manage your offshore team

Follow these guidelines to establish an efficient offshore team:

Week 1

During the induction phase, have your team member go through the training videos and processes documentation to give them a good understanding of the work they'll do and get them up to speed with the process and workflow.

Weeks 2 and 3

Appoint an onshore "champion" to be the point of contact and go-to person for your global team. He or she will ensure the team works seamlessly by facilitating communication rhythms. During this time, the champion should:

- + Provide face-to-face training
- + Build rapport
- + Get to know them and vice versa

Weeks 4 to 8

Make sure your champion establishes regular meetings to train and review the global accounting team's output. Repeat this process until it becomes integrated into the team's routine. As tasks become more familiar, less training will be required.

Week 9

Revisit your global team to conduct further training or introduce higher-level tasks that you want them to take on. This is also an opportunity to establish a stronger bond with them.

Week 10 and onwards

To ensure continued productivity, schedule regular visits to the Philippines so you can continually provide training. Remember that the small investment in airfare will pay off in increased productivity.

+ Best practices in managing your global accounting team

Make your offshore team members feel like part of the business

- Include them in all internal communications
- Communicate with them regularly
- Provide training
- Assist them with any issues or concerns
- Provide opportunities for development
- Make them feel they always have someone to turn to for any matter

Appoint a “champion” in your onshore office and a team leader in the international office

A “dedicated champion” will be responsible for training and reviewing the work of your global team. He or she will liaise with the team leader to ensure that operations are seamless and that issues are resolved.

Work on communication styles

Although your Filipino staff is highly fluent in English, there are still some subtleties of written and verbal communication that can lead to misunderstandings. Identify these nuances and take the time to become familiar with the team’s culture to ensure effective communication.

Manage expectations

For the best chances of success, establish clear expectations in terms of workloads and key performance indicators (KPIs).

- Set realistic targets and KPIs
- Get your team productive in three months
- Continuously provide assistance so they can achieve the targets you’ve set
- Be aware they may not get there on Day 1

Conduct regular face-to-face meetings

Regular face-to-face meetings with your global team members are important not only to discuss work, but to foster a collaborative work environment and a good culture. It will also help keep your team members engaged.

Some of the communication software that you can use includes Zoom, Skype and Microsoft Teams.

Set regular meetings

Establish strong communication rhythms (regular meetings) so both onshore and offshore teams are given the chance to engage in their work, check in or change direction when needed. This will also help avoid constant interruptions.

+ Final thoughts

Offshoring can play a vital role in your accounting firm's success. Unless you want to get left behind, it's time to adopt a more global approach to running your business.

More than 750 accounting and bookkeeping firms worldwide have done just that with TOA Global and are now enjoying the benefits, such as increased scale and growth.

And by leaving the hiring, recruiting and resource management up to TOA, these firms have bid goodbye to the struggle of attracting top accounting candidates and are saying hello to more time to work on their businesses instead of in them.

If you'd like the same for your firm, then sign up to receive a **Free Accounting Outsourcing Strategy and Plan**.