

# A Smarter Way To Run Your **Business.**

## The Guide to **OUTSOURCING YOUR BACK OFFICE**

Bookkeeping & Accounting





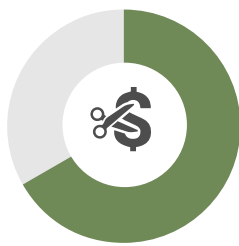
# Table of Contents

<b>Why Companies Outsource Core Functions</b>	<b>3</b>
<b>Benefits of Outsourcing Your Bookkeeping &amp; Accounting</b>	<b>4</b>
<b>When Should You Transition?</b>	<b>5</b>
Different Needs in different stages of the Business Lifecycle	
<b>Outsourcing Back Office Bookkeeping &amp; Accounting Options</b>	<b>6</b>
Types of Outsourced Bookkeeping & Accounting	
<b>The Four Financial Management Challenges of Growing a Business</b>	<b>7</b>
<b>Understanding Essential Best Practices in Bookkeeping &amp; Accounting</b>	<b>8</b>
<b>Management Accounting for Growing Businesses</b>	<b>9</b>
Team & Technology	
<b>The Transition to Outsourcing</b>	<b>10</b>
Choosing an Outsourced Partner	
<b>Who is GrowthForce?</b>	<b>11</b>

# WHY Companies Outsource Core Functions

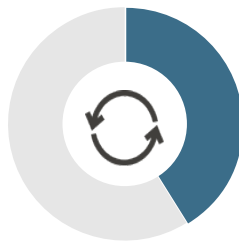
## A 2020 Deloitte Survey reported:

The fallout from COVID-19 is signaling a return to basics: shoring up value and driving down costs, with a renewed focus on risk management.



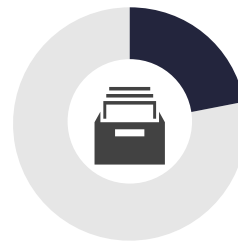
**70%**

of businesses cited **cost reduction** as the primary reason for outsourcing.



**40%**

claim that **flexibility** was the primary reason for outsourcing.



**20%**

of interviewees claimed the **speed to market** as their top reason for outsourcing.



# Benefits of Outsourcing Your Bookkeeping and Accounting



## 1. TIME SAVINGS

You need time to be focused on your core competency, your unique selling points and your competitive advantage – not manage the back office – so that you can put all of your effort and energy into strategy and driving business growth. Outsourcing can help you regain valuable time and improve productivity.



## 2. COST SAVINGS

Employee costs – like hiring, benefits, overhead, training and the cost of turnover when someone quits, are not cost effective when there's a better option. Outsourcing can help you save on:

- Salary and payroll taxes
- Employee benefits
- Costs associated with recruiting, hiring, and training
- Paying sick and vacation time
- Unemployment costs



## 3. EXPERTISE

Highly trained accounting professionals provide access to expertise most small businesses could never afford. From compliance, to industry experience to management reports, outsourced accounting can provide peace of mind, eliminate worry and allow you to drive growth.



## 4. FLEXIBILITY

With outsourcing, accounting staff expenses become a flexible cost. Their services and expertise are available on-demand vs. the fixed cost of hiring staff. If a crisis hits and your needs change, the services are flexible, if you have an employee on vacation, you can add services temporarily, to cover the day to day until your full-time employee returns.



## 5. SCALABILITY

Outsourced accounting services can also be customized to meet your exact needs, as they arise. Growing businesses are dynamic, not static, and as a result, their accounting and bookkeeping requirements fluctuate. Throughout the lifecycle of your business you can access only the services you need.



## 6. ADVANCED REPORTING

If you choose a quality strategic (Outsourced Accounting) partner with advisory services as a strength, you'll gain advanced reporting. Timely and accurate financials will allow you to have actionable financial insights – management reports that help you make smart decisions to increase profit.

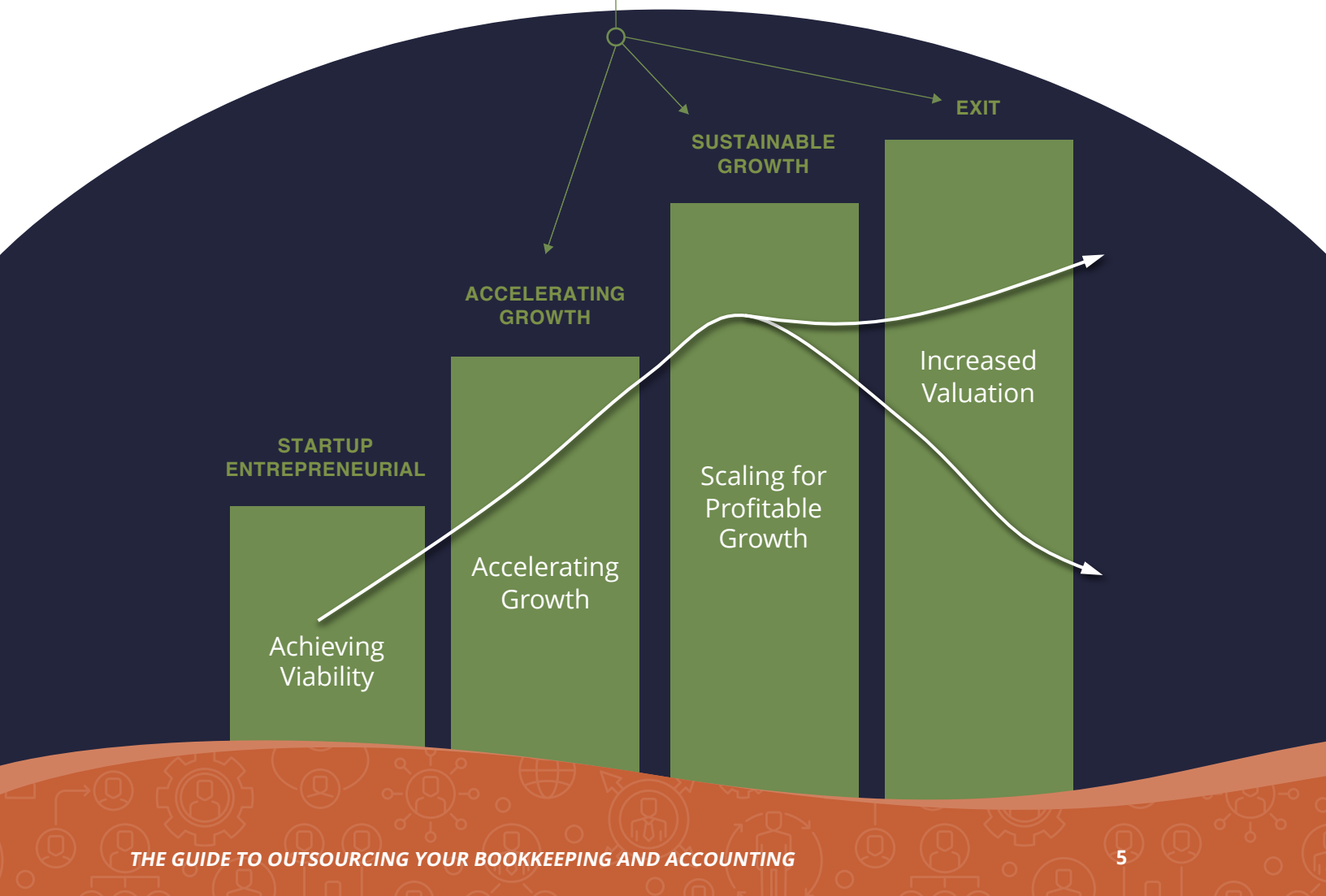
# WHEN Should You Transition?

Once you understand the types of outsourcing and their differences, another factor to consider before transitioning is where you are in your **business lifecycle** and where you want to be.

With accrual accounting, you see a more long-term view of how your company is doing, but businesses often struggle with growth after the startup phase. As you continue to add employees and increase sales, your infrastructure and back office become increasingly important. Your financial operations, your bookkeeping and accounting needs move from basics (compliance) to a more advanced back office with management accounting and eventually, CFO support services.

Startups should focus more on compliance and keep overhead costs low to invest as much as possible into the business. However, **venture-backed startups** that need more complex reporting should outsource.

To survive **growth stages**, strategic decision-making and shrewd cash flow management are critical. Outsourcing with a solid financial foundation empowers business leaders with efficient cash flow management, and insights for making data-driven decisions to facilitate strategic growth.

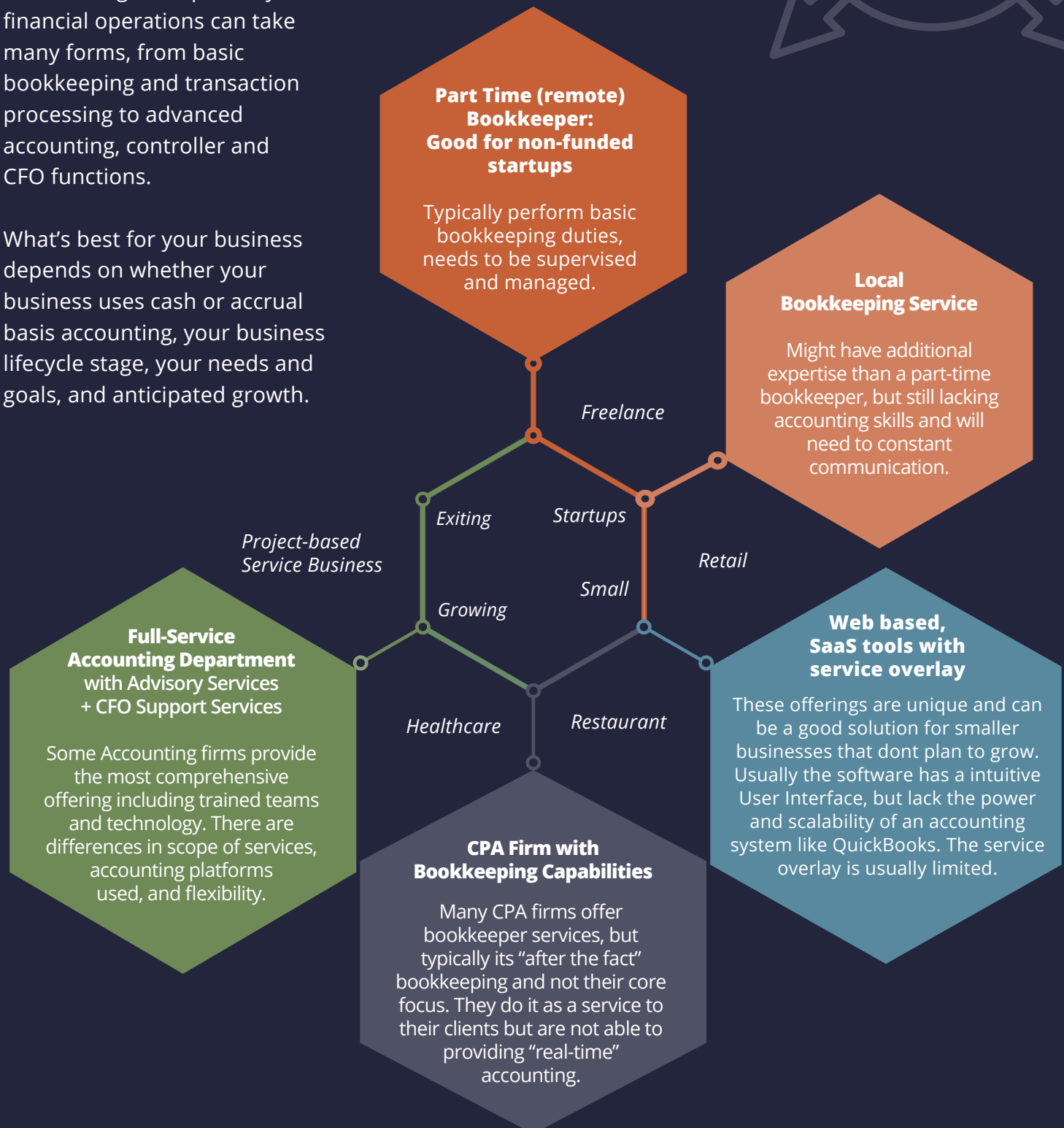




# Outsourcing Back Office Bookkeeping & Accounting

Outsourcing all or part of your financial operations can take many forms, from basic bookkeeping and transaction processing to advanced accounting, controller and CFO functions.

What's best for your business depends on whether your business uses cash or accrual basis accounting, your business lifecycle stage, your needs and goals, and anticipated growth.



# The Four Financial Management Challenges of Growing a Business

Your business goals and anticipated growth should be supported by a back office that is organized, efficient and provides actionable insights for decision-making. If your business is in the accelerating or sustainable growth phases of the business lifecycle, you'll need strong financial management to get through inevitable financial challenges.

**Here are the four financial challenges that negatively effect businesses:**

**Inefficient  
Accounting  
Systems**



**Limited or  
inconsistent  
Cash Flow**



**Vulnerabilities  
to Risk**



**Poor  
Profitability**



## HOW DOES OUTSOURCING ADDRESS THESE CHALLENGES?

Outsourcing all or part of your **financial operations** offers a flexible solution, with various levels of expertise for you to access, while your business continues to grow. As you begin to experience these challenges, the strength and scalability of your back office structure should support your needs as you navigate through them.

# Essential Best Practices

Understand best practices in business bookkeeping and accounting so you know what's important when choosing the best option for transitioning to an outsourced partner.



## AUTOMATION & INTEGRATION

Leveraging **business process automation** to eliminate double entry, errors and wasted time.

Your accounting system should **integrate and sync all data** that exists in electronic form. This type of integration unlocks the potential to assess, for example, timesheets with respect to:

- ✓ **Billing systems**
- ✓ **Payroll for job costing**
- ✓ **Profitability reporting, with respect to any aspect of your business**



## STANDARDIZATION

Standardized weekly and monthly processes to **ensure accuracy, timeliness and sound practices.**

Methods of standardized policies and procedures require:

- ✓ **Checklists**
- ✓ **Documentation of all best practices for billing, collections and cash flow management**
- ✓ **Investment in training of those standard processes**



## PROCESSES & REPORTS

It is important to have a defined process for month-end close to successfully complete **compliant, audit-ready, accrual-based reports** each month.

Throughout the month be mindful of:

- ✓ **The reports you need to help you make decisions**
- ✓ **Who uses those reports and with what frequency they should be distributed**
- ✓ **The types of decisions that will be made by looking at the reports**
- ✓ **The trends you want to see in key performance indicators**



## REDUCE FRAUD

Separation of duties and internal controls with checks and balances is necessary for your processes, policies and procedures.

Specific steps in your bookkeeping and accounting processes should be completed by different individuals to ensure a second set of eyes and various duties divided, such as:

- ✓ **One person to authorize a transaction**
- ✓ **Another person to record the transaction**
- ✓ **A third person to reconcile the account**

# Growing Businesses Need Management Accounting

Management accounting is a method of accounting necessary if growth and profitability are important to your business success. It turns your data into actionable insights you can use to make data-driven decisions.

Management accounting provides management reporting that will help your business improve strategic decisions that drive growth and profitability.

## Management Accounting

enables you to make data-driven decisions for your business.



## Management Reporting

gives you the financial information needed to make better decisions that improve your business operations.

## Management Reports Help You Answer Questions Like:

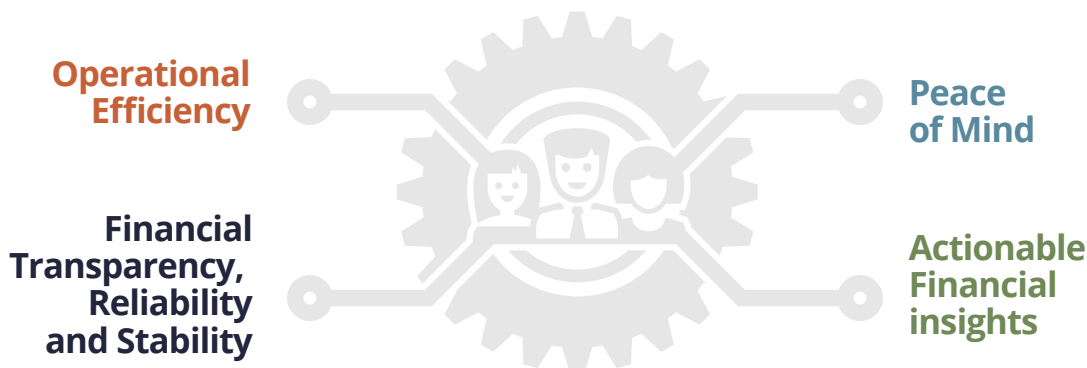
- ? *Am I pricing my jobs right?*
- ? *Which jobs and clients are most profitable?*
- ? *How can I improve operations to reduce expenses?*
- ? *What investments should I make in development and marketing to grow my sales?*
- ? *How much can I afford to spend on customer acquisition?*



## TEAM & TECHNOLOGY

The combination of the right team & technology is the biggest differentiator when it comes to the right outsourced accounting service provider.

When you pair a stellar accounting advisory team, that offers management accounting, with an up-to-date, optimized system of technology, your organization will benefit from results, like:





# Choosing a Partner

Considerations when choosing an outsourced accounting firm:

## 1. Experience

How long has the firm provided client accounting services?

## 2. Specialization

- a. Do they have experience with your industry?
- b. Do they specialize in your accounting software?
- c. Do they offer CFO support services?

## 3. Technology

Are they able to build or optimize your accounting systems to automate and integrate all your financial data?

## 4. Team

- a. How many people are on a team?
- b. What are their roles?
- c. Will you have a dedicated team or is it more like a call center?

## 5. Expertise

What level of experience and training does the team, and the company, have?

## 6. In the U.S. or Offshore?

Offshore may work for global, transaction heavy businesses, but not a great fit for others, especially service-based businesses.

## 7. Where do they work

Do they work in an office or service center, or do they work out of their homes? If so, are they managed and trained consistently?

## 8. Communication

How do you communicate with your team? Can you get in touch when you need them?

## 9. Scope

Are they able to deliver the scope of work that matches your needs? Are they flexible? Do they offer daily/real-time service or once per week batch processing? Or can they provide either?

## 10. Transitioning

How will they manage the on-boarding transition process, and how long will it take?

## 11. Your Responsibilities

What are the responsibilities, deadlines and expectations of my staff, any third parties, such as my CPA?

## 12. Scalability

Are they able to grow, or cut back on services depending on your business needs?

## 13. Reporting

Do they provide a reporting package that includes management reports customized to your organization's drivers of success?

## 14. Security

Will my business's data be protected? (The best firms understand the importance of security. They invest and become experts in both physical and digital security.)

## 15. Access to QuickBooks or Software Platform

Do they limit or restrict your access to your own accounting system? Some firms do this, but choose one that does not restrict access and is willing to work with someone in your organization (& train as needed).

# Why GrowthForce

We believe in building a transformational relationship– that’s scalable as your business grows– with a reliable, expert back office partnership you can trust.

...People, processes and tools that deliver timely, accurate financials.

Our dedicated team of accounting professionals provide **outsourced bookkeeping, management accounting, controller, advisory and CFO support services** focused on your business needs.



**Over 20 Years  
Experience**



**In-Depth  
Onboarding**



**Catch Up  
Clean Up**



**Smart Back  
Office**



**Policies &  
Procedures**



**Management  
Reporting, KPIs &  
Scorecards**



**Scalability**



**Dedicated  
3-Person Team**

GrowthForce’s exceptional blend of team and technology sets us apart in the accounting industry. In addition to the core bookkeeping and accounting services, we’re experts and helping you integrate your accounting systems, improve your cash flow, reduce your risk and increase your profits.

*"Do what you do best and outsource the rest!"*

—Peter Drucker

# GrowthForce

If you are new to the idea of outsourcing your back office bookkeeping and accounting, or if you are currently outsourcing but are ready to transition to a more professional partnership– Let's start with a conversation...

**Start a Conversation**

Learn more about us - Visit us online:

[www.growthforce.com](http://www.growthforce.com)

