

10 Reasons Why Your Marketing Agency Should Outsource Accounting

7 min read



Do you know how much time you and each of your employees spend with each client? Do you know the true cost of each of the services you provide? Are you charging the best price for your services? Do you know how profitable your marketing agency actually is?

Key Takeaways

- **How Can My Marketing Firm Benefit?:** Outsourcing is always less expensive than hiring full-time, in-house employees – especially high-level accounting professionals like controllers and CFOs...

- **Know Your Costs and Allocate Them:** An outsourced accounting provider can set you up with fully automated and integrated systems to improve expense categorization, employee time tracking, and...
- **See What Your Back Office Can Do for You:** If you're running a marketing agency and trying to manage your back office at the same time, then you're missing out on achieving your business's true potential and yours as a business leader...

These are all questions that your back office should be able to answer for you.

However, if you're operating a small or medium-sized marketing agency, then the odds are your in-house bookkeeping and accounting department are falling short of meeting your business's true back-office needs.

With outsourced accounting, you can get the answers to these questions and more to take charge of your company, steer it in the right direction, and make data-driven decisions that will lead to growth and profitability.

How Can My Marketing Firm Benefit From Outsourced Accounting Services?

1. Save Money

One of the biggest motivators for outsourcing accounting is the cost savings it can represent in your business. Outsourcing is always less expensive than hiring full-time, in-house employees – especially high-level accounting professionals like controllers and CFOs. As a result, outsourcing saves big-time on labor costs ([we're talking an average of \\$26K per year!](#)).

Also, outsourcing controller services and accounting services also results in more sound and secure accounting processes and procedures for your business with third-party checks and balances and a professionally established bookkeeping and accounting system. This protects your company's finances from both internal fraud and external risks.

Read More: [Cost Analysis: Outsourcing vs. In-House Accounting for Your Business](#)

2. Spend Time Focused on Your Business

Unless you're running an accounting firm or another type of financial services business, then bookkeeping and accounting likely aren't your core competencies. However, they're still necessary skills for operating a business.

Many business owners make the mistake of trying to save money by handling the back office tasks on their own. Unfortunately, this leads to the business owner not only hiring full-time, in-house employees for assistance but also spending their own time on the back office work. This time spent in the back office is time that you're could be spending focused on your core competencies, like marketing consulting and services, in addition to managing and growing your business.

When you [outsource finances](#), you get to take advantage of the cost savings associated with outsourcing in addition to major time saving as well.

3. Work With a Team of Service Business Accounting Experts

If your marketing agency is looking for an outsourced accounting provider, it's important to choose a company with experience in service-based businesses because the management of these companies differs greatly from that of a product-based business.

In a service business and a creative one at that, your people and their ideas are your products. As a result, pricing strategy, time tracking, and human capital management strategy are more important than ever. To run your business at an optimal performance level designed to maximize profits, you'll need management accounting services that provide you with the most appropriate financial reports and key performance indicators to help you make the right data-driven decisions.

4. Know Your Costs and Allocate Them

An outsourced accounting provider can set you up with fully automated and integrated systems to improve expense categorization, employee time tracking, and cost allocation so that you can know your true costs.

As a result, you'll be able to pull profit and loss statements by just about any category (job type, customer, employee, department, etc.) to determine which aspects of your business are the most profitable and which might actually be costing you money.

You cannot sell your way to more profits. If your margins aren't strong enough, then they won't improve no matter how much you sell. You must, instead, focus on the right aspects of your business, control costs, and improve your pricing model to see your profits soar.



[How much does an outsourced accounting partner cost?](#)

5. Optimized Pricing

When an outsourced accounting provider helps you understand your true cost of doing business and the profit margins you're earning on each type of job and client, you can improve your [pricing model](#) – whether you use value or cost-based pricing – not only to attract more clients but also to ensure you're bringing in the kinds of profits you need to stay in business on every job, every time.

Read More: [You Can't Fix Your Pricing Problem Without Doing THIS First](#)

6. Optimal Payment Terms

In addition to charging the right amount, it's also important to time your [sales cycle](#) to avoid cash flow shortages in your business. If your customers are set up with 60-day payment terms, you might find that your operations and cash flow improve immensely by transitioning customers to 30-day payment terms, up-front payments, retainer fees, or a subscription-based model.

An outsourced accounting service provider can help you identify the best way to improve your payment terms for improved cash flow and all-around smoother operations.

7. Always Be Compliant and Ready for Taxes and Audits

While taxes and audits are not the most exciting part of bookkeeping and accounting to think about, they are very necessary to avoid wasting money on slow audits, tax penalties, and non-compliance fines. An outsourced controller will ensure your back office is set up so that you are always tax-ready and audit-ready throughout the year, successfully avoiding any wasted time or money.

“It's extremely efficient and it's value-ridden for us because for the money that we pay GrowthForce and what we get, is just ... it far exceeds anything we could expect out of hiring a staff of people to do the same thing. ”

Andy Cauthen

President, PlanNet Marketing

[The secret to this Marketing Agency's rapid growth and ability to seamlessly scale? Read the full case study here.](#)

8. Faster and More Accurate Automated Processes

Outsourced accountants are focused solely on bookkeeping and accounting, which means they're highly experienced in accounting for your specific industry and type of business, in addition to being highly knowledgeable about the latest accounting tools and technology.

An outsourced accounting provider will set your business up with easy-to-use accounting software that automates the most tedious, time-consuming manual bookkeeping and accounting processes.

As a result, you and your employees will no longer waste work time recording expenses, requesting reimbursements, tracking time, sending payments, or mailing invoices manually. So, your company's productivity can increase simply as a result of more streamlined back-office processes.

More automation also means reduced opportunities for human error like double entries, missed entries, and typos. So, you'll have [financial reports](#) that you can rely on to be both timely and accurate.

9. Avoid Cash Flow Shortages

With an improved back office, you'll have accurate historic financial data available that can help you track cash flow trends and forecast cash flow in your company. As a result, you'll be better able to identify and prepare for any seasonality within your clients' demand and its effects on your cash flow.

10. Lead With Data-Driven Decisions

The last but arguably the most important- start making decisions backed by data.

Marketing Agencies Need Industry-Specific Accounting!

Outsourcing your back office to an experienced and reputable outsourced accounting provider can help you make better decisions in every aspect of your running your marketing agency – from perfectly timing new hires and offering the best incentives to your employees to increase productivity, to optimizing your pricing, expanding to new markets, and more.

An outsourced provider will ensure you have the financial reports you need when you need them while also helping you learn how to read, understand, and apply the information contained in them.

See What Your Back Office Can Do for You With Outsourced Accounting Services

If you're running a marketing agency and trying to manage your back office at the same time, then you're missing out on achieving your business's true potential and yours as a business leader. Choosing to outsource your accounting services not only gives you the time to focus on leading your business but also helps you create a back office that empowers your company to set goals and implement data-driven strategies to achieve them.