

The Best Way to Advance Your Engineering Firm's Bookkeeping

7 min read



Running an engineering firm provides plenty of opportunities for creatively flexing your problem-solving muscles.

Key Takeaways

- **Choose the Right Financial Management Software for Your Engineering Firm:** With a better back office, you can set SMART goals and track your achievement progress. You can create a financial strategy to support your business plan and future vision...
- **Keep Pace With Business Growth:** With your business growing, it's important that you anticipate your future needs so that you can increase the capacity of your back office's function so that it is ready when you need it...
- **Why Choose to Outsource Engineering Accounting Services:** Understanding how to use your financial data means that you'll be able to make data-driven decisions to lead your business to a more successful future...

With so much time and attention focused on delivering solutions to your clients, however, little time, energy, and resources are left for focusing on your back office and the business side of your engineering firm.

As a result, many firms' bookkeeping and accounting functions suffer. A firm's financial health can suffer, too, because maintaining a sound back office and knowing your numbers are essential to running and growing any successful business.

Consider the following bookkeeping and accounting best practices to help you improve the business side of management in order to advance your engineering firm.

The Top 3 Bookkeeping Best Practices to Advance Your Engineering Firm

1. Choose the Right Financial Management Software for Your Engineering Firm

You have likely implemented modern, technology solutions such as computer-aided design to streamline and improve the core function of your engineering firm, and you should do the same across departments to improve overall operations.

If you have manual processes in place in your back office, then you must automate your bookkeeping and accounting system. It is best to use financial management software

(such as [QuickBooks](#)) and a suite of integrated applications that are designed for (or easily customized to accommodate) engineering firms, businesses in the AEC industry, and service-based businesses in general.

Financial management software saves time, work, energy, and resources while also improving the function and abilities of your back office. With the right software system and tools in place, you'll have reliable and current financial data available at all times. As a result, you can begin using this data to make better leadership decisions in your firm.

With a better back office, you can set SMART goals and track your achievement progress. You can create a financial strategy to support your business plan and future vision. Additionally, financial management software can help you improve operations and workflow, increase productivity, improve performance, and maximize profits to grow and advance your business.

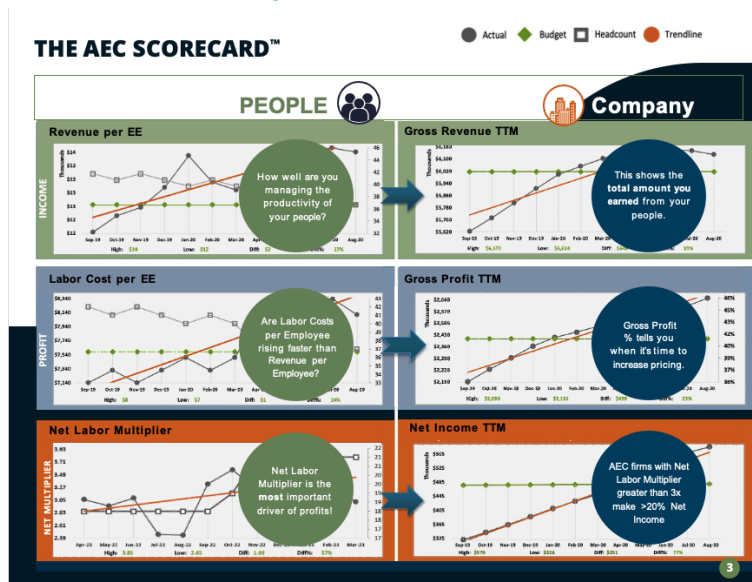
Read More: [How Much Do Bookkeeping Services for Small Businesses Cost?](#)

2. Keep Pace With Business Growth

As your engineering firm grows, you also need to ensure your bookkeeping and accounting function is keeping pace with the increased needs of your larger business. As you take on more clients and projects, your financial function will have more moving parts, making it more difficult to manage [cash flow](#), receivables, invoicing, payables, payroll, budgeting, project management, and more.

With your business growing, it's important that you anticipate your future needs so that you can increase the capacity of your back office's function so that it is ready when you need it. You do not want to be caught in the future with a business that is too big for its back office or stuck footing the bill now for a back office that is too big for the current size of your firm.

Engineering firms struggle to know whether their projects are profitable.
This [guide](#) has the answers.



[The AEC Scorecard™](#): The only KPI scorecard designed exclusively for AEC Firms.

3. Look to Outsourced Bookkeeping Services

For small and medium-sized businesses, creating an in-house back office is often unaffordable. At the minimum, your bookkeeping and accounting function should be run by no fewer than three employees to ensure adequate separation of powers and duties in addition to the proper checks and balances. Despite the cost, your back office is not a smart place to cut corners in order to save money; it is simply too important to the financial health, survival, and success of your engineering firm.

For many SMBs, [outsourcing](#) is the perfect solution because it provides your business with exactly what you need at an affordable price. Instead of paying the full salary and additional employee costs of hiring a bookkeeper, controller, and [CFO](#), you can access the services of these professionals for a fraction of the cost. As a result, you get the bookkeeping and accounting department your engineering firm needs at a price your business can afford.

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

Why Choose to Outsource Engineering Accounting Services?

In addition to the obvious cost-savings benefits of outsourced bookkeeping and accounting services for engineering firms, these services offer a whole host of benefits, including:

- A Team of Experts - With outsourcing, your business can afford to work with the top talent (i.e. the most expensive employees) in the bookkeeping, accounting, and financial management industry. As a result, you'll benefit from the experience and insights of the best financial minds available.
- Industry Insights - When outsourcing your back office, choose a provider with extensive experience and a successful history of working with engineering firms and service-based businesses in the AEC industry. As a result, you'll gain meaningful insights from a third-party perspective into your own business and industry.
- Comprehensive Compliance - With an outsourced provider, the burden of maintaining compliance shifts to the reputable, outsourced third party. An outsourced accountant will ensure you have systems in place to help your engineering firm maintain compliance. The outsourced provider helps to establish the proper systems that are up to the right set of accounting standards. This helps ensure you're compliant with all of the rules and regulations that your business is subject to follow. Additionally, you'll always be audit-ready and tax-ready, making these occasions much less stressful and worrisome for you.
- Constant Coverage - In-house bookkeeping and accounting departments often suffer from serious consistency issues that arise as a result of employees being out of the office or leaving their jobs. With outsourced bookkeeping and accounting, however, you never have to worry about coverage during employee vacation, sick leave, PTO, or turnover. You can always be assured that payroll will be processed and you'll receive your [financial reports on time](#).
- Risk Mitigation - In addition to having a three-person team in charge of your back office, you'll also have a highly experienced team responsible for establishing or improving your bookkeeping and accounting system. This will ensure that sound processes are in place and that your electronic bookkeeping and accounting systems are secure, as well.
- Tools and Technology - Experts in the bookkeeping and accounting industry have extensive experience working with a wide variety of tools, technology, and financial management software. So, we can readily assist you with selecting the products that are going to work best for your business and meet its unique set of needs.

- Financial Management Education - An outsourced back office means that you can leave the bookkeeping and accounting to your outsourced team and spend your time focused on the core function of your engineering firm. However, outsourcing also provides you with the opportunity to learn how to read, understand, and use your financial reports, financial data, and key performance indicators. With expert guidance, you can learn how to use your back office to improve your business, management, and strategy.
- Better Business Leadership - Understanding how to use your financial data means that you'll be able to make data-driven decisions to lead your business to a more successful future.
- Improved Operations and Maximized Profits - With financial insights, you'll be able to make specific, data-driven changes to your operations to increase efficiency, productivity, performance, and profits.
- Scalability and Flexibility - Outsourced services are easily scaleable, meaning you can expand your back office as your business grows. As a result, you'll never pay for more back office than you need and you'll never risk being caught in a tight spot with a back office that isn't built to handle your business's volume.

Outsourcing your engineering firm's bookkeeping and accounting department will save you time and money while bettering your business. Outsourcing helps you build a list of must-have best practices into your bookkeeping and accounting system while meeting your needs and providing the financial data necessary to grow your business the smart way.