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Strengthening Businesses

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Client accounting services. Outsourced accounting department. Whatever name you

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integrate the numbers of their business to what they do, day in day out.

What is our profit per FTE (full time equivalent)? How did the last big deal we closed affect our bottom line? How much money do we have in the bank and is it in line with our expectations? Who's paying us on time and who isn't? These are just some questions that CEOs should have answers to so they can navigate their company to hit their targets. Guess what? It is the accounting department that is in charge of making that possible.

A truly valuable outsourced accounting department should deliver much more than "timely and accurate" financial information. That's just table stakes. Sure, having a team of accountants and well defined systems and processes means that the mechanics of accounting are being done right, which is a lot more than what most entrepreneurs can say about their existing arrangement. But, more importantly, the high value benefits of an outsourced accounting department lies with helping the entrepreneurs understand these numbers in the context of their business.

It is only when the numbers are understood in the context of the business can the entrepreneur even begin to attempt to change them. We call it internalizing the numbers. We call it moving the needles. After all, this is what the entrepreneur buys in accounting, not just pieces of white papers with black numbers on them and certainly not the accountant's billable hours.

From the View of Accounting Firms

So how is this beneficial for the accounting professionals of the world?

The new model of an outsourced accounting department combined with cloud technologies elevates accountants from the role of order takers (after-the-fact, borderline irrelevant-in-the-world-of-business) to a position with real potentials of becoming, or returning to, a truly valuable and integral part of clients' businesses.

With better data from the beginning it allows us to amplify our expertise no matter

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clients will gladly pay for their expertise. But no one is really out to buy a set of tax returns.

A&A firms have developed a core competency in audits and attestation. Auditors are not even allowed to be in the trenches cleaning things up, even if they see a client absolutely struggling at understanding just exactly what a roll forward schedule is. The worst audit engagements are those that are dragged out forever and feel like they are never going to end, with the result being that everyone at the client site is angry because the auditors are interfering with their “real work” because of the auditor’s “silly” schedule requests and questions.

Meanwhile, the audit team of six is getting flustered in the conference room built for four. Not to mention it always feel like it's either Antarctica or the Sahara Desert in there. What if, just what if, the client's accounting team actually operated a lot like an audit team and understood all of the weird auditor terms we use like roll forward and PBC and open items and tickmarks? Wouldn't every audit engagement be like a dream? We may even be profitable again at these engagements.

Focusing on Core Competencies

Now this is not a battle cry for every accounting practice out there to start an outsourced accounting department. It is my vision on how the new outsourced accounting model will transform the lives of the entrepreneur and accountant, and my perspective on the benefits that this paradigm shift will bring to us simply by allowing us to focus on each of our own core competence areas.

In the new knowledge economy, it is no longer about being a one-stop-shop or being all things to all people. It is about finding your core competencies, finding your passion and becoming really kick ass at it. Entrepreneurs will return to doing what they do best, building businesses, only this time they will be equipped with better financial insights to help them navigate through the rough sea of entrepreneurship.

Accountants? For once we will have a real shot at being relevant in the world of

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