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Plans to Hit Aggressive Growth Goals

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Imagine having 80 of the finest, Ivy League-educated minds at your disposal for 10 days. They encompass a variety of academic backgrounds from science to medicine to law. Their sole purpose is to thoroughly examine your firm, customer base, industry and challenges and then return with recommendations and a solid business plan designed to accelerate your firm's growth.

Sounds like a fantasy, doesn't it? But what I'm actually describing is the [Harvard vs. MIT Case Competition](#). This competition, held every August and organized by the Harvard Graduate Consulting Club and the Consulting Club at MIT, teams up graduate students and postdoctoral fellows from each college and asks them to dig into the real-life business challenges of a selected "client" firm. The final

presentations are judged by a panel of consultants from top firms such as McKinsey &

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I started accounting at UCLA by night. In order to do my job as a bookkeeper, I battled L.A. traffic to work on-site at clients' offices. I wasted countless hours on data entry, tracking down owners to sign checks and other mundane tasks. Desperate for a solution, I took the leap to cloud accounting options such as Bill.com, Xero and QuickBooks Online.

The results amazed me. One of my larger clients required 10 to 12 hours a month at the office. After implementing cloud-based Bill.com for accounts payable, I was able to cut down the time to pay bills by two-thirds. I took that extra time to do valuable analysis that contributed to my client's financial performance on a much higher level. It was also a lot more fun for me. With results like this, I knew I had a business in the making.

Thanks to strong demand for cloud bookkeeping, Cloudsourced Accounting grew quickly from the beginning. But my business partners and I often wondered if we were on the right path. Cloud bookkeeping is a nascent industry. There are lots of possibilities and not many rules. Were there different ways we could develop our firm? Should we outsource abroad to lower labor costs? What type of customers should we focus on? These were a few of the questions that we posed to the Harvard and MIT teams.

The Competition

The competition kicked off with a presentation, by me, for the 20 teams (10 from Harvard and 10 from MIT). I did my best to tell the competitors succinctly who we are, what we're doing and where we want to go. The teams spent another two days working with consultants and industry experts to refine their presentations. Maria Sentic, our COO, joined me for a day of Q&A with the teams. Each team got 15 minutes alone with us to ask anything they liked. We also provided answers to

questions from the teams via email. On the last day, four groups were selected to

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people. After evaluating our customer base, the winning teams determined that Cloudsourced Accounting is most successful with professional services such as medical, dental and legal. It's an ideal focus that offers a large potential client base and a high-profit margin.

2. **Balance online and offline accounting:** When it comes to finance, accounting and bookkeeping, small business owners want a local presence – even if they never schedule an office visit! This provides Cloudsourced Accounting a distinct advantage over traditional firms. Because our firm is completely online, we can locate a bookkeeper in just about any city without additional overhead cost.
3. **Don't offshore:** As a business owner, you have to explore every option that will increase your competitive edge – even if it means moving jobs overseas. (For the record, we were not enthusiastic at all about this prospect.) After analyzing the numbers, the winning team advised against offshoring. Cloud technology, with its ability to multiply efficiencies, supports virtual operations that contain costs, thus diminishing the incremental savings of offshoring. We would still be saving money, but we would not be giving up one of our strongest marketing advantages – that we use the best U.S.-based bookkeepers available.
4. **Don't underestimate the potential for growth:** We gave the competition teams a very ambitious target for growth – 500 percent annually for the next three to five years. We worried that perhaps we were too aggressive. Amazingly, the contestants analyzed the market for bookkeeping services and concluded that this is an achievable goal. They shared that only 3 percent of the 30+ million small- and medium-size enterprises in the United States are using cloud-based bookkeeping software. Yet the estimated adoption rate by 2020 is expected to be 78 percent. There is a gigantic opportunity for growth here.

Based on the feedback from the competition, we have multiple initiatives in progress

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Blake Oliver, CEO of [Cloudsourced Accounting](#), has more than 10 years of experience as a bookkeeper and accountant managing accounting systems for a variety of small businesses and nonprofits. He earned his bachelor's degree from Northwestern University's Bienen School of Music, majoring in cello performance. Always good with computers and numbers, Blake picked up bookkeeping after graduation to support his music habit. He believes firmly that the future of accounting is in the cloud and loves leveraging technology to cost-effectively free up the time of busy entrepreneurs.

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