

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

resources toward activities that improve the satisfaction of your firm's clientele while also supporting the firm's bottom line.

Jun. 24, 2020



Running an accounting firm requires managers and partners to direct their attention at several functions of the business, such as servicing clients, reaching out to and closing on new clients, maintaining regulatory and ethical compliance, keeping employees engaged, developing and directing the firm's overall strategy, among other critical tasks.

This puts a special emphasis on the value of time and resources throughout the firm, as any inefficient use of time can set the firm back relative to its competition. One inefficient use of time that could be outsourced to third-party firms is collections. By

outsourcing collections, accounting firms have the opportunity to both improve

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

you've already provided.

Worst of all, it directs these resources away from all of the crucial functions mentioned previously, chief among these being procuring new clients and servicing your active, paying clientele. By outsourcing your collections, you can channel your staff, technology, and managerial energy toward supporting your clients better than before. No longer would you be forced to chase down delinquent accounts that may never bear fruit.

Instead of making incessant calls to delinquent clients, you'll be calling your valued clients to check in to see how they are enjoying your service and what you could do to make it better.

Gaining a New Source of Cash Flow

Not to be outdone by improving your client service, gaining another source of cash is a 'no-brain' decision, especially in the tumultuous economy we are living in. Many firms choose to simply chalk up delinquent accounts to their bad-debt. You'll be able to gain a competitive advantage against your competitors by essentially doing less internally. However, the only way you can ensure a substantial inflow of cash is if the collection option you choose has an effective strategy in pursuing payments from debtors, and this is not always the case.

Among third-party collections options, two popular choices are collection agencies and collection law firms. Although collection agencies can be a simple solution for your firm, with their advanced technologies requiring little input on your part, their disappointing collection rate should give you pause before you pursue a relationship with an agency.

Often times, the extent of an agency's efforts in collection are to call the debtor and ask for repayment, a futile effort considering you or your staff have likely done this

on multiple occasions. Another tool they wield is placing the debt on the debtor's

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

However, if the debtor is not complying with these requests, the attorney can move to file a lawsuit and receive a judgement in court on your behalf. From there, the firm will be allowed to garnish wages, bank accounts, and tax returns; seize cars; lien property; and compel a debtor's appearance in court to satisfy a judgment.

It's also important to note the differences in legal compliance and ethical behavior between the two options. Doubtless, you've read or heard on the news about a collection agency getting caught in trouble for their misdeeds. The problem for you is this directly reflects on your firm, since the agency is just that- an agent working on your behalf. It also puts you at risk for legal penalties and lawsuits, representing a drain to your cash flow and a stain on your reputation. Collection law firms tend to thoroughly understand the law they practice and be far more cautious in their actions.

Conclusion

Outsourcing collections is a major opportunity for your firm to refocus its time and resources toward activities that improve the satisfaction of your firm's clientele while also supporting the firm's bottom line. In evaluating your outsourcing options, your foremost point of evaluation must be effectiveness in collections, and collection law firms far exceed collection agencies in that respect.

Ultimately, it would allow you to carry out the purpose of your firm: to serve your clients in the best way that you can.

=====

Ryan J. Fishman is the managing partner at Fishman Group, P.C. They have succeeded in making the recovery of accounts receivable a profitable endeavor for more than four decades. Today, they use automation technology partnered with the experience of their

attorneys and staff to seamlessly integrate with their clients; manage compliance in

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

(NASBA) as a sponsor of continuing professional education on the National Registry of CFP Sponsors.

© 2024 Firmworks, LLC. All rights reserved