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Christopher Stark • Jul. 27, 2022



As we prepare for the upcoming tax season, many firms are preparing for the impending deadlines, increased workload, and long nights.

To help lighten the load and setup for success, many firms have turned to outsourcing. Essentially, outsourcing is when a business hires a **third party** to provide services or complete certain tasks for the business.

Why Is Outsourcing Such a Hot Topic Right Now?

There are several reasons why outsourcing is such a popular topic in today's [business](#)

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particularly with staffing shortages. Outsourcing helps ease overwork and allows existing employees to thrive.

- **Reduced costs.** Operational costs can be reduced by outsourcing accounting tasks such as payroll, engagement letters, or bookkeeping; allowing current employees to pursue more profitable and rewarding projects and endeavors.

Outsourcing is a viable option for CPA firms striving to address significant labor challenges.

What Types of Outsourcing Are Firms Leveraging?

Here are some different outsourcing scenarios available to CPA firms.

- **Offshoring.** A common type of outsourcing is when work is outsourced to a foreign country. A CPA firm can also leverage an offshore company to bring talent to a firm in the U.S., embed with the U.S. team, and complete the work domestically.
- **Onshoring.** This occurs when work is outsourced, although the work never crosses international borders. Keeping work within the U.S. is a comfort for some CPA firms. The work is relocated to either lower-cost locations or where talent resources are more readily available in the U.S.
- **Consulting, part-time and gig work.** Outsourcing work is flexible and varied depending on the CPA firm's needs. It can include short- or long-term contract work and can vary in scope.

The different modalities CPA firms are leveraging are all encapsulated under outsourcing. Globalization is part of the outsourcing dialogue and can open many new doors.

How Does Globalization Impact CPA Firms?

International services are a thriving area of growth for accounting practices of all

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need for some adjustment of hours to coordinate teams.

- **Technological differences.** Tech experts recognize latency is more of an issue than the actual bandwidth, even in foreign countries with advanced internet. Virtual desktop infrastructures and methodologies are being explored as an effective strategy for latency and other limitations.

Globalization has caused CPA firms to expand their mindsets. Understanding compliance and regulations is also imperative when exploring outsourcing options.

What Are Some Compliance and Regulatory Challenges of Outsourcing?

C-suite executives are having to respond to compliance and regulatory challenges of outsourcing.

- **Maintaining client trust.** Compliance and regulatory concerns are a primary concern for administrators considering outsourcing while focused on fostering client trust and promoting integrity.
- **Create virtual desktop infrastructure.** CPA firms of all sizes are exploring virtual desktop methodologies to handle people who may never come into an actual office.
- **Retain data.** A CPA firm with a robust cloud solution is able to set the standards and security protocols, and the data stays with the firm.

Cloud-based solutions satisfy regulatory and compliance obligations while giving firms the agility, speed, and scalability to leverage outsourcing opportunities. Data security is also top of mind for firm administrators.

How Do CPA Firms Protect Their Data?

Data security is of paramount concern to CPA firms when exploring outsourcing.

- **Transitioning to least-rights systems.** Companies can gravitate toward an

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expert data protection regardless of the areas outsourced.

What Areas Provide Outsourcing Opportunities for CPA Firms?

There are several areas where CPA firms benefit from outsourcing.

- **Help with taxes.** Individual or business tax returns are tasks commonly outsourced. Although taxes are helpful to outsource, the conversation about outsourcing generally stops at taxes.
- **Seek experienced accountants.** Participants polled at an outsourcing workshop indicated they are not seeking help from accounting interns or associates. Rather, they need help at the experienced, senior, or even managerial or operational level.
- **Provide advisory services and audits.** CPA firms are seeking outsourcing support with operational or auditing responsibilities and reviews.

Outsourcing is viable and practical for CPA firms when considering the current labor shortages and trends toward globalization. Partnering with a best-of-breed virtual provider specializing in CPA firms will help set the stage for successful outsourcing. Also, outsourcing provides multiple opportunities to leverage work. Teaming with a progressive, cloud-based provider makes the transition smoother and safer.

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