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Outsourcing can bridge the skills gap, boost productivity, and allow firms to focus on higher-value tasks without the burdens of additional overhead costs.

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*By Matt Sheridan.*

Today's accounting firms are facing many industry challenges, including a **major labor and talent shortage**. Many firms have been struggling to find qualified workers since early 2020 as many baby boomers retired and pre-existing shortages were accelerated by the Covid-19 pandemic. It is estimated that nearly **300,000 professionals** have left the industry for retirement or other roles in finance and technology.

As firms look to hire skilled professionals to complete the constant growing list of

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firms can consider: Business Process Outsourcing (BPO) or Knowledge Process Outsourcing (KPO).

### **BPO vs. KPO**

Both types of outsourcing, BPO or KPO, could work for your firm but the nature of the work being outsourced will differ. Business Process Outsourcing (BPO) is focused on outsourcing routine, repetitive, and low-skilled tasks such as data entry or management of third-party service providers. The focus of BPO is to efficiently complete the mundane tasks your team has on their plate to save you time and money. BPO providers often use automation and standardized processes to achieve these goals for a firm.

Knowledge Process Outsourcing (KPO) is focused on high-value, knowledge-based processes that require expertise in a specific functional area. The focus of KPO is to deliver specialized, knowledge-intensive services that don't just require standardized processes each time but need advanced analysis and domain expertise related to accounting. KPO providers often employ highly skilled professionals with specialized expertise and experience for these roles.

Both types of outsourcing will allow your firm's talent to focus on client-related tasks and their own growth. Firms will be able to scale up by taking on additional work and offering new services with the time and money saved on admin, hiring and training with outsourced teams.

### **Approaching Outsourcing**

The path to success for any firm with outsourcing is to first consider which option is best for you. BPO should be considered for high volume tasks that require limited training needs. Initial BPO tasks could be bookkeeping tasks such as recording

business activities into accounting transactions and recording income and expenses,

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satisfaction scores achieved, first time right rates, and dedicated customer support. For KPO, it's important to consider a dedicated manager as your one point of contact to help you grow and establish the relationship. A dedicated manager can make sure your team is receiving the day-to-day communication and coordination needed.

The challenges facing accounting firms today have made outsourcing an increasingly viable solution. Outsourcing can bridge the skills gap, boost productivity, and allow firms to focus on higher-value tasks without the burdens of additional overhead costs. Both BPO and KPO can empower your team to concentrate on client-related responsibilities and grow your business. As firms explore outsourcing, the key to success lies in choosing the right approach and allowing your firm to thrive and navigate today's challenges with confidence.

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