Take a few moments to CONNECT with your neighbour

#QBConnect | WiFi: Connect2018

CPD Process

In order to receive CPD credit

– Be sure to sign in or scan your badge for this session

– You must stay in the session for the duration of the training

– This session is eligible for 1 hours of CPD

– CPD certificates are emailed directly to you within 4 weeks of the conference date to the same email address you used to register

intuit quickbooks.
CONNECT

Today's speaker

Educational Background

• Bachelor of Commerce, Management, Economics and Finance

Professional Background

• Large Financial Corporation to Entrepreneur

• Managing Partner of three organizations built on offshore outsourcing.

Jaspreet Saran
Managing Partner,
Source Desk Global

intuit quickbooks.
CONNECT

Sourcedesk Global – Outsourcing Done Right!

Canadian Outsourcing Firm with Service Delivery Centre in India

ISO 27001:2013 & ISO 9001:2015 Certified

Agenda

What is Scaling?

Outsourcing as a Solution to Scaling

Case Study

Getting Started

How to Choose an Offshore Outsourcing Strategy

Security

How to Ensure the Outsourcing Venture Succeeds

What is scaling?

- When a **business** is able to **scale** their operations, this means that they are able to handle a growing amount of work or sales in a capable, **cost-effective manner**.
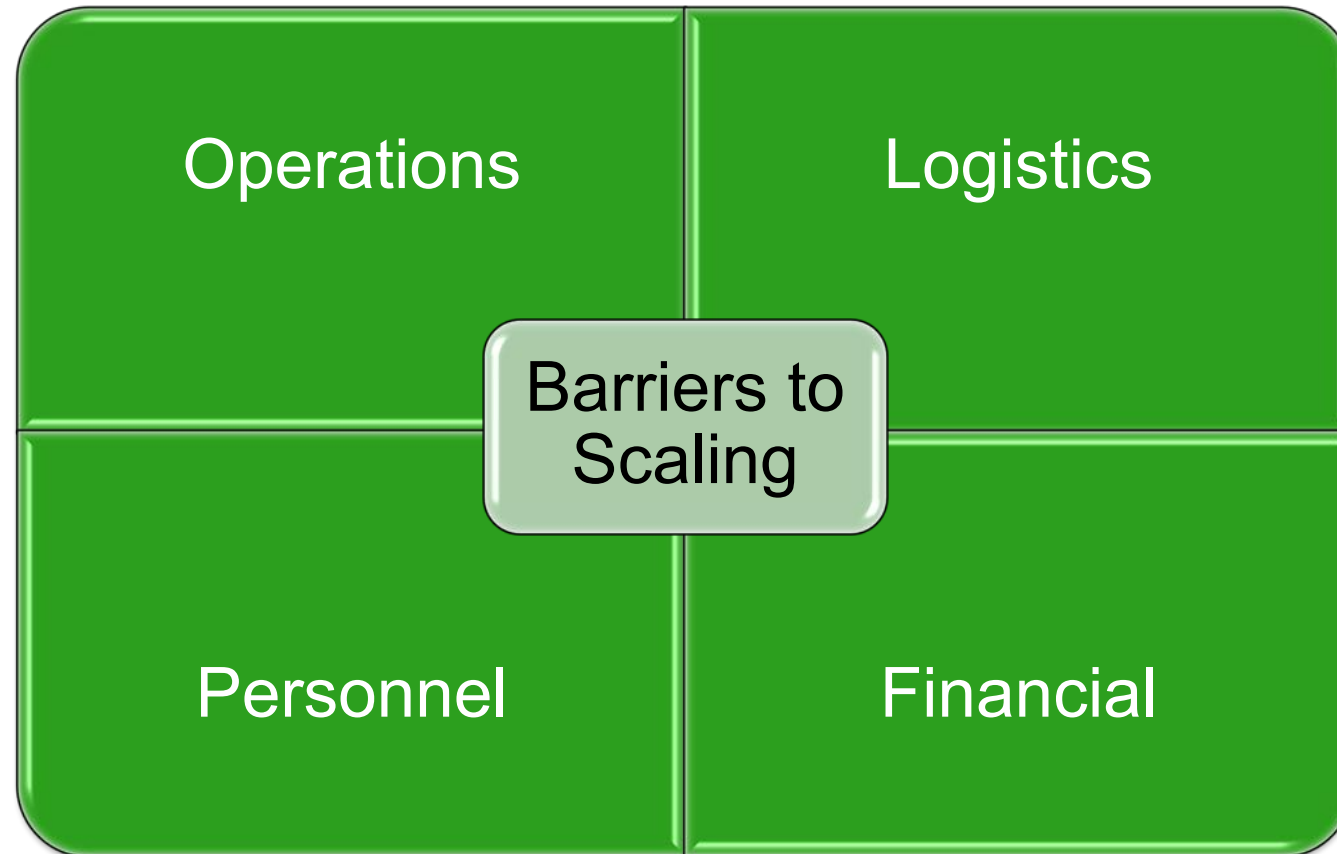
intuit quickbooks.
CONNECT

The Difference Between Scaling and Growth

Its very important to understand the difference between **Scaling** and **Growth**.

- Growth is achieved by simply increasing your revenue (signing up new clients).

- If every project you get requires the same amount of time, money and effort as the previous project then your business model is not scalable.
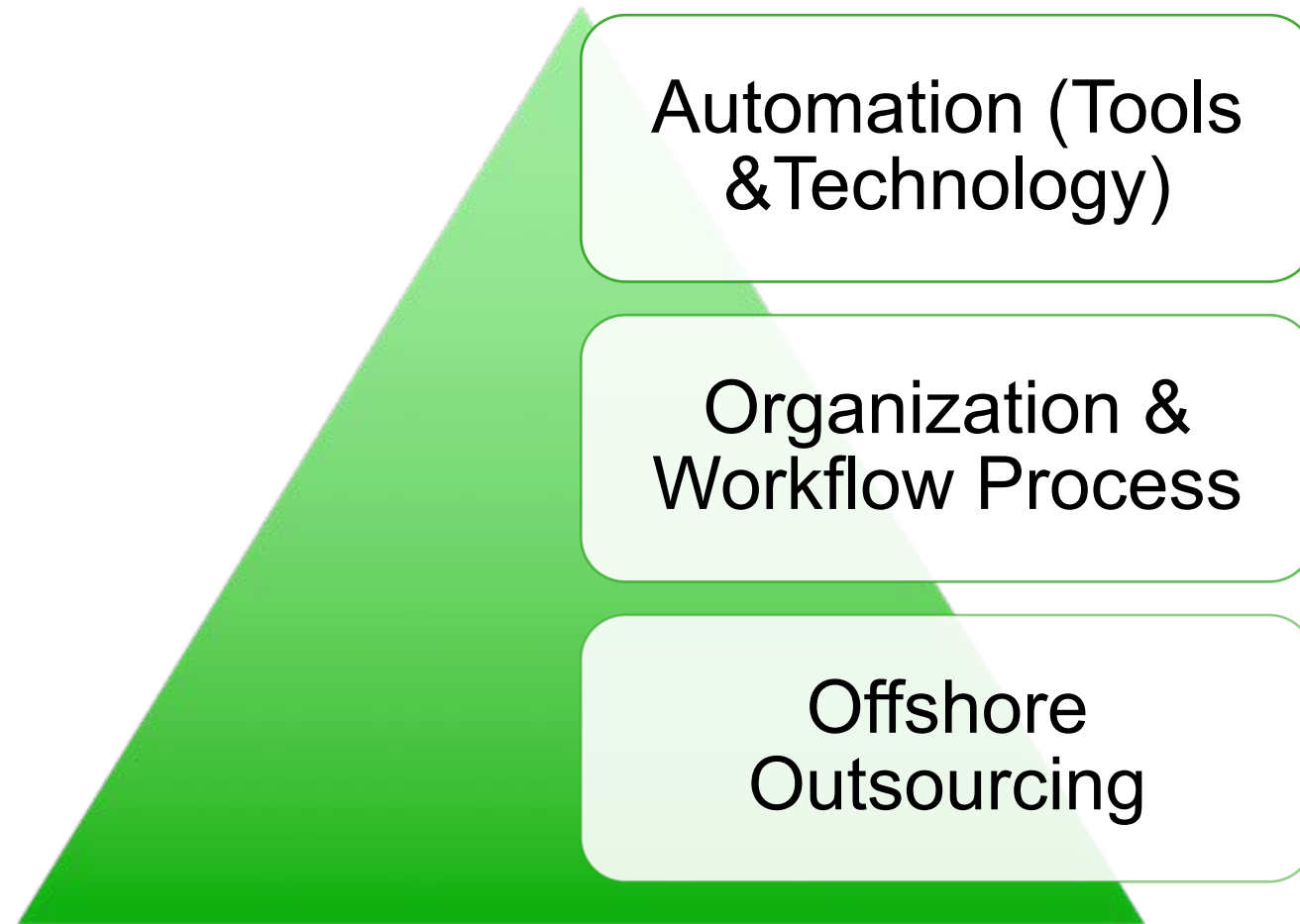
Most small to medium size businesses focus on Growth.

#QBConnect

quickbooks.
CONNECT

The Four Barriers To Scaling

Operations

Logistics

Barriers to Scaling

Personnel

Financial

intuit quickbooks.
CONNECT

How You Can Scale Your Service Business

Fundamentally, Accounting and Bookkeeping Firms are less scalable, this is the case with most service based business.

How You Can Scale Your Service Business (continued)

Automation (Tools &Technology)

Organization & Workflow Process

Offshore Outsourcing

Agenda

What is Scaling?

Outsourcing as a Solution to Scaling

Case Study

Getting Started

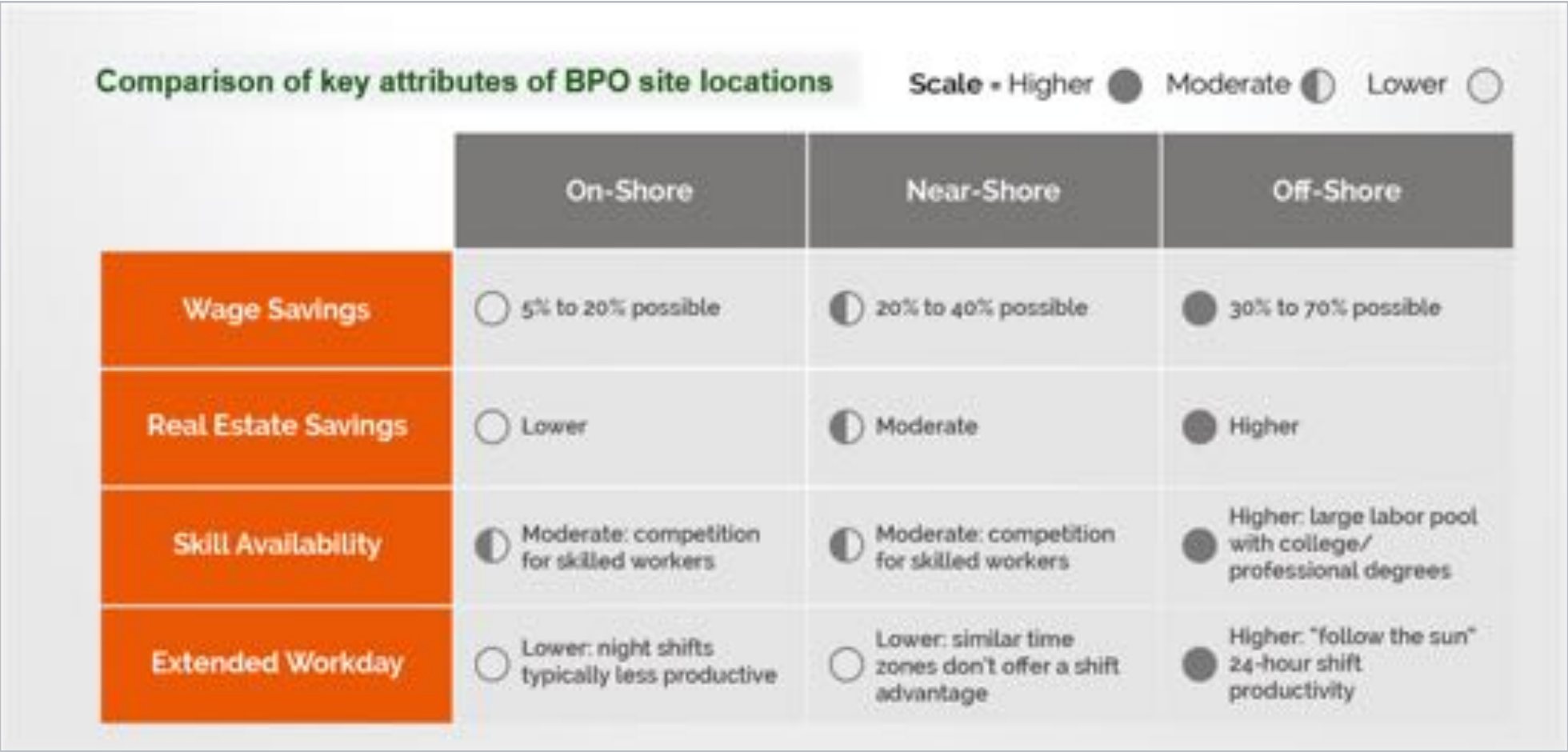**How to Choose an Offshore Outsourcing Strategy**

Security

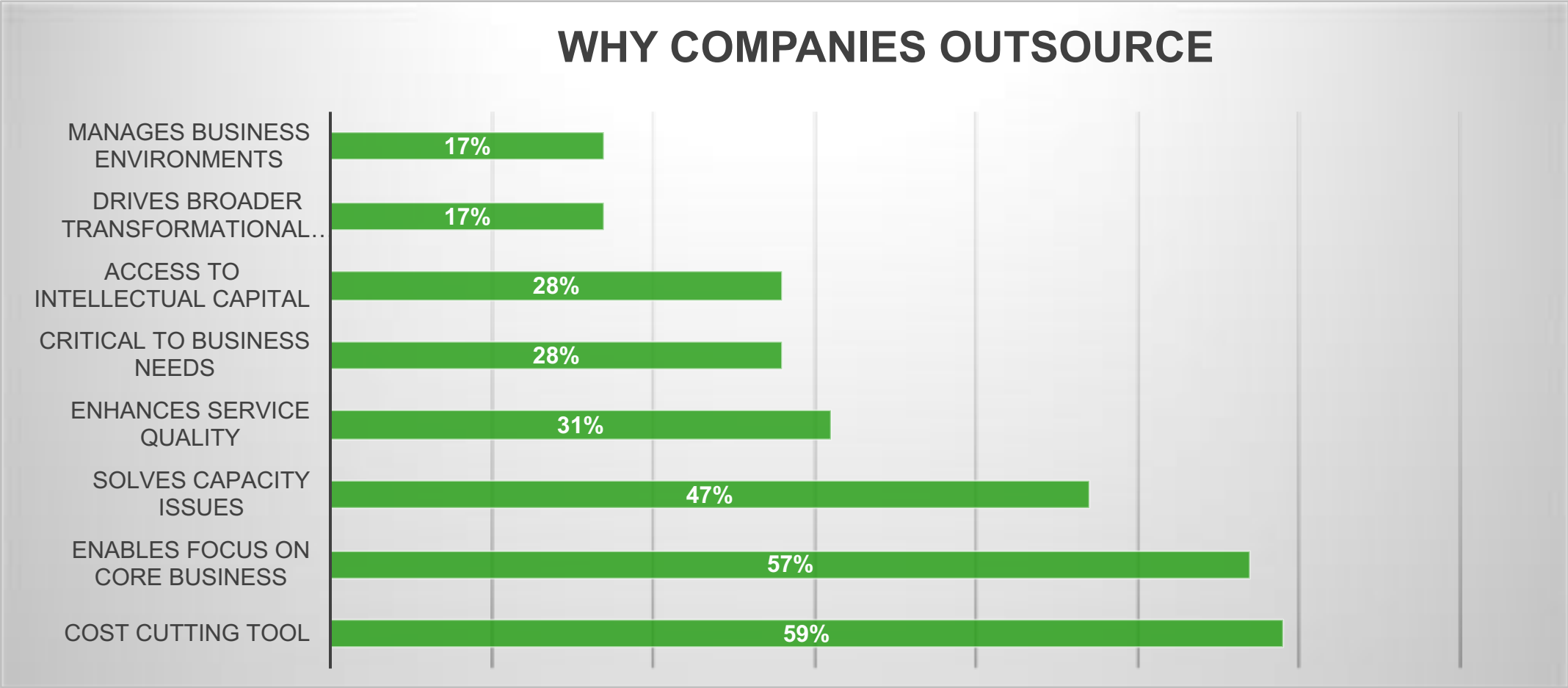**How to Ensure the Outsourcing Venture Succeeds**

Types of Outsourcing

On- shore: On-shore outsourcing keeps processes in Canada and uses Canada based labour for the work.

Near-shore: Near shore outsourcing locates the process in a country with the same geographical region as the Canada. Destinations include U.S and Mexico where shared borders make it easy to transport documents for daily processing.

Off-shore: Off-shore outsourcing locates the process in a distant country to benefit from lower labour costs and 24 hours work days. India, Philippines and Ukraine are among the top BPO destinations.

intuit quickbooks.
CONNECT

Comparing Outsourcing Models

Comparison of key attributes of BPO site locations   Scale ▪ Higher ⬤ Moderate ◐ Lower ◯

	On-Shore	Near-Shore	Off-Shore
Wage Savings	◯ 5% to 20% possible	◐ 20% to 40% possible	⬤ 30% to 70% possible
Real Estate Savings	◯ Lower	◐ Moderate	⬤ Higher
Skill Availability	◐ Moderate: competition for skilled workers	◐ Moderate: competition for skilled workers	⬤ Higher: large labor pool with college/ professional degrees
Extended Workday	◯ Lower: night shifts typically less productive	◯ Lower: similar time zones don't offer a shift advantage	⬤ Higher: "follow the sun" 24-hour shift productivity

intuit quickbooks.
CONNECT

Outsourcing as a Solution to Scaling

WHY COMPANIES OUTSOURCE

MANAGES BUSINESS ENVIRONMENTS	17%
DRIVES BROADER TRANSFORMATIONAL...	17%
ACCESS TO INTELLECTUAL CAPITAL	28%
CRITICAL TO BUSINESS NEEDS	28%
ENHANCES SERVICE QUALITY	31%
SOLVES CAPACITY ISSUES	47%
ENABLES FOCUS ON CORE BUSINESS	57%
COST CUTTING TOOL	59%

intuit quickbooks.
CONNECT

#QBConnect

Canadian Businesses and Offshore Outsourcing

- Canadian corporations have been reaping the benefits of outsourcing since the late 90's.
- Canadian Banks, Crown Corps and even the Government practise Offshore Outsourcing.
- The Big 4 have set up their Service Delivery Centres across cities all over India.

Most small and medium size businesses in Canada have not utilized this strategy to assist scalability.

intuit quickbooks.
CONNECT

Canadian Businesses and Offshore Outsourcing (continued)

Staff Allocation by Country – Based on Big 4 SDC for Individual and Corp Tax

Country	Team Size	Population	Outsource Rate
Canada	60	37 Mil	0.00016
Australia	117	25 Mil	0.00047
UK	180	55 Mil	0.00033
USA	1281	326 Mil	0.00040

- Australia Outsource Rate is almost 3x more then Canada
- UK Outsource Rate is 2x more then Canada
- USA Outsource Rate is 2.5x more then Canada

Local vs Outsourcing Rates

Position	Local Rate	Outsource Rate	Salary Savings
Associate	$30/hour	$10-$14/hour	60%
Senior Associate	$40/hour	$14-$16/hour	62.5%
Manager	$50/hour	$16-20/hour	64%
Senior Manager	$60/hour	$20-25/hour	62.5%

- In addition to the staff savings, outsourcing does not require office space, computer hardware/software, health benefits, sick leaves, vacation time, retirement benefits or payroll taxes.

intuit quickbooks.
CONNECT

Agenda

What is Scaling?

Outsourcing as a Solution to Scaling

Case Study

Getting Started

How to Choose an Offshore Outsourcing Strategy

Security

How to Ensure the Outsourcing Venture Succeeds

#QBConnect

Case Study

Background Of Client:
CPA Firm from Brighton, MA with 3 Partners and 10 Staff.

Goal Of Client:
Assist current team with bookkeeping tasks and increase utilization on core CPA services.

Barriers:
New Process and Change Management

Opportunities to Scale with Offshore Outsourcing/ Case Study

Team Size:
Started with 1 outsourced FTE and after 1 year had increased to a team of 6

Cost Savings:
Total Cost was $156,000/year compared to in-house cost of $400,000 (based on the salaries of their current team).

Revenue Increase:
After 2 years – The firm was able to increase revenue by $1 Million

Additional Value Add:
Due to the internal training and expertise using QBO, we were able to migrate over 150 Clients to QBO which further increased our ability to handle more clients for the firm within the same team size.

Integrated important apps like Hubdoc and Receipt Bank to further streamline the bookkeeping process.

intuit quickbooks.
CONNECT

Complexities to Scale with Offshore Outsourcing/ Case Study

- Change Management and a New Workflow Process

- Review Procedures

- Knowledge Transfer

- Standard Operating Procedures and Statements of Work

Agenda

What is Scaling?

Outsourcing as a Solution to Scaling

Case Study

Getting Started

How to Choose an Offshore Outsourcing Strategy

Security

How to Ensure the Outsourcing Venture Succeeds

intuit quickbooks.
CONNECT

"

When a business or market slowdown inevitably occurs, those with the best core business practices will be better positioned to survive and thrive through the cycle."

Jonathan Ebinger

When should you consider outsourcing?

- You need assistance with the workload.

- Hiring, managing, training and firing bookkeepers is eating too much into your work hours.

- More staff is needed but your budget is not enough for local staff.

- You want to increase your profit margins and utilize current resources on value added activities.

Should you outsource?

#QBConnect

Cloud Technology & Automation Help Outsourcing

Outsourcing and resource utilization is best when you can provide a consistent flow of work within a streamlined process.

Quickbooks Online and the range of integrated apps – makes outsourcing much easier thanks to the following:

- Cloud based software which can be accessed from anywhere in the world.

- Important security features.

- Bank feeds automatically push transactions directly into QBO.

- Software like Hubdoc and Receipt Bank allow for collection/fetching of supporting documents and bank statements.

Processes that Need to be in Place for Success

- Workflow Management Software

- Time Tracker Software

- Review Process with Accuracy Measures

- SOP's – Standard Operating Procedure

- SOW's – Statement of Work

- Evolving Lessons Learned

- Project Rotation Plan

intuit quickbooks.
CONNECT

Level of Detail in Workflow Management

Level of Detail in Workflow Management (continued)

Which KPI'S are Effective for BPO?

- Timely execution of tasks

- Deadline delivery score

- % of material errors

- % of immaterial errors

- % of time spent on non-billable tasks

intuit quickbooks.
CONNECT

Agenda

What is Scaling?

Outsourcing as a Solution to Scaling

Case Study

Getting Started

How to Choose an Offshore Outsourcing Strategy

Security

How to Ensure the Outsourcing Venture Succeeds

#QBConnect

How To Choose An Offshore Outsourcing Strategy

Selecting the Best Location

Selecting a location for your business process is an important consideration, which will determine how successful the outsourcing engagement is. The decision to work with an outsourcing service provider, should incorporate a rigorous evaluation of the following:

- Labour Costs

- Process Improvement

- Automation Expertise

- Industry Knowledge

Top Offshoring Outsourcing Locations

1st

2nd

INDIA

- Highly skilled labour at a low cost-point

PHILIPPINES

- Sophisticated labour force with a great service culture

intuit quickbooks

CONNECT

Freelancer vs Agency vs Facilitator

FREELANCER	OVERSEAS FIRM	FACILITATOR (Local Firm with Overseas Office)
• Limited Bandwidth • Individual or one-person team • Seasonal/Temporary Contracts Only • Fixed Resources • Requires Full Management	• High Bandwidth • Access to Varied Specialized Talent Pool	• High Bandwidth • Access to Varied Specialized Talent Pool • Transition Effort • Hands-on Client Management • Efficient Creation of Managed Service Model • Customization of Outsourcing Strategy

intuit quickbooks.
CONNECT

Agenda

What is Scaling?

Outsourcing as a Solution to Scaling

Case Study

Getting Started

How to Choose an Offshore Outsourcing Strategy

Security

How to Ensure the Outsourcing Venture Succeeds

Security

Security Concerns with Outsourcing

- What can a business do to mitigate security risks internally?

- How do you find out if an outsourcing partner has systems and processes in place to reduce security risk levels?

- How adopting the latest tools and technologies can further prevent security risks?

intuit quickbooks.
CONNECT

Agenda

What is Scaling?

Outsourcing as a Solution to Scaling

Case Study

Getting Started

How to Choose an Offshore Outsourcing Strategy

Security

How to Ensure the Outsourcing Venture Succeeds

#QBConnect

Why Offshore Outsourcing Fails

- The most frequently reported reason for outsourcing programs to be perceived as failures. Deals have fallen short of expectations from a financial and/or service delivery perspective.

- Almost 50% of respondents terminated an outsourcing contract prematurely.

intuit quickbooks.
CONNECT

Why Offshore Outsourcing Fails (continued)

- Different outsourcing strategies are not analyzed to determine the best fit.

- Outsourcing Implementation is not well planned for success.

- Task transitions effort was minimal.

- Lack of time and resources allocated during ramp up period.

- Failure to establish and refine a workflow process.

- Maintaining review and accuracy measures

intuit quickbooks.
CONNECT

How to Ensure the Outsourcing Venture Succeeds

- Communication & trust

- Finding the right people

- Establishing and maintaining the right processes

Source: Jo Owens – Global Teams

#QBConnect

Ensuring Long-term Success

Move from Outsourcing to Smart Sourcing

Outsourcing: Focus on cost reduction

- Streamline back office tasks
- Works well with predictable process
- Commoditized process
- Efficiency
- Vendor management
- Tight monitoring or operational risk

Smart Sourcing: Focus on creating value and seeking innovative solutions

- Enhance value proposition
- Help you manage the unknown
- Service differentiator
- Excellence
- Trusted advisor
- Lower risk through better processing

intuit quickbooks.
CONNECT

https://www.forbes.com/sites/valleyvoices/2016/06/08/smbs-outsourcing-four-letter-word/#58e7fed2327a

https://www.tuko.co.ke/286593-advantages-disadvantages-outsourcing.html#286593

https://www2.deloitte.com/us/en/pages/operations/articles/global-outsourcing-survey.html

https://www2.deloitte.com/content/dam/Deloitte/nl/Documents/operations/deloitte-nl-s&o-global-outsourcing-survey.pdf

https://www.statista.com/statistics/189800/global-outsourcing-industry-revenue-by-service-type/

https://www.roberthalf.com/sites/default/files/Media_Root/images/rh-pdfs/accounting_finance_benchmarking_report_2016.pdf?elqTrackId=8baaba6b5ca6438ab0a8cafb0e4ba943&elq=2d3a4533932a47ca93572dafab530400&elqaid=1301&elqat=1&elqCampaignId=
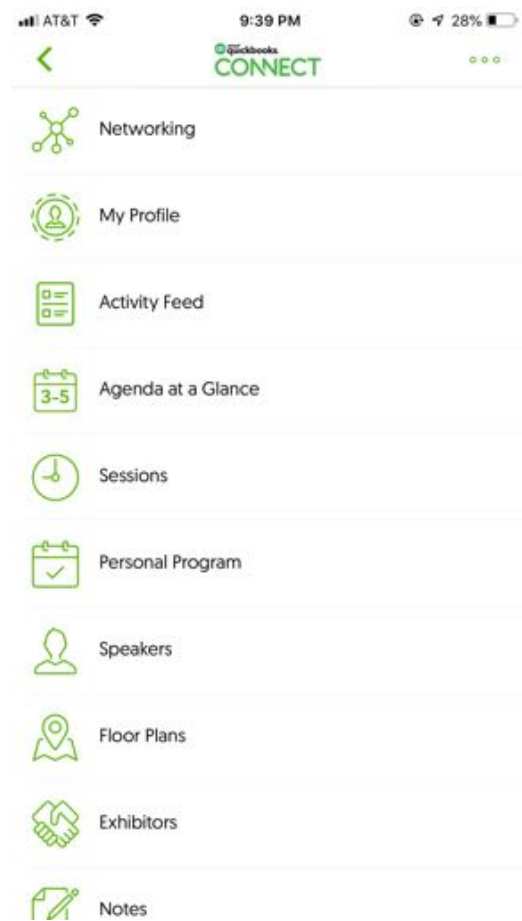
https://cxi.today/finance-accounting-outsourcing-survey/

https://www.accountingdepartment.com/blog/security-concerns-in-outsourcing-accounting-information

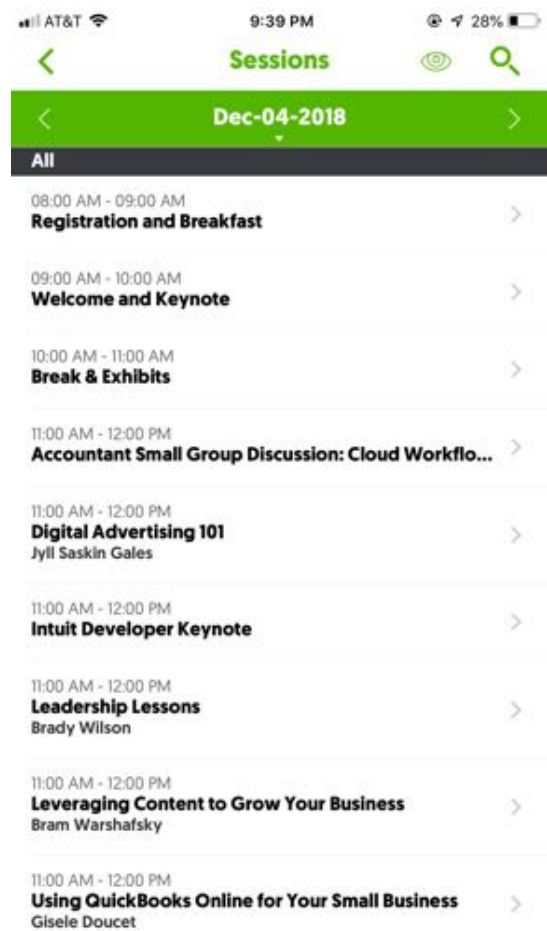https://www.capitalnumbers.com/blog/hiring-a-freelancer-vs-an-agency-developer-which-is-better/
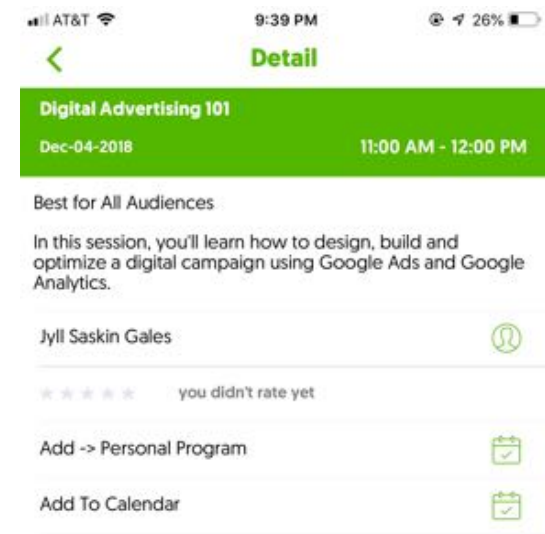
Questions?

Rate this session in the mobile app

1. Select **Sessions**

2. Select **Title**

3. Add **Rating**

Material Download

Session slides can be found on the QuickBooks Connect agenda page

1) Find the session on the agenda

2) Select + for more information

3) Download PDF of slides

https://can.quickbooksconnect.com/agenda/

11:00 am–12:00 pm

Breakout Sessions

Digital Advertising 101   +

Leveraging Content to Grow Your Business   +

Leadership Lessons   +

Using QuickBooks Online for Your Small Business   +

Warrior Approach to Productivity   • session repeats   +

Accountant Small Group Discussion: Cloud Workflows   +

Intuit Developer Keynote   • session repeats   +