

LEA Global Virtual Outsourcing Event – 17 July 2023

# Operational Readiness



Rising Star Association



INTERNATIONAL ACCOUNTING BULLETIN

# Session Facilitator & Co-developer of the LEA Global Virtual Outsourcing Conference



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[www.chiefseconds.com](http://www.chiefseconds.com)

# Panelists



Jeff Call,  
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Andrew Subramaniam,  
Partner,  
HW Fisher



Ronald Storch, CPA, Partner,  
Chief Operating Officer,  
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# Evolution of use of Technology and Outsourcing Models

- Began with SurePrep for individual returns in 2003 – stuck toe in water on test basis initially, Initial year usage was 25 returns
- Grew to 50 returns in 2<sup>nd</sup> year and went all the way up to 200 or so returns, when Section 7216 disclosures came out around 2010 initially went to SurePrep onshore version used that for several years until 2017
- Currently use Sureprep with an interim use of Xpitax for a couple of years for offshore individual return preparation
- Also substantial use of scan/verify to reduce data entry for staff

# Evolution of use of Technology and Outsourcing Models

- Have substantial administrative team that only does scanning to assist in the use of Sureprep and Scan/Verify and Scan pro, also previously used CCH Auto Flow
- Have started to use BOTs for simple repetitive tasks to reduce administrative burden on staff and administrative support personnel
- Started relationship with Partner firm for full offshoring model in India in 2020, initially started with our TAS practice and has evolved to Audit, Tax, Valuation and CAS as well
- Now have approximately 60 dedicated team members with our India partner firm and looking to continue growing that number



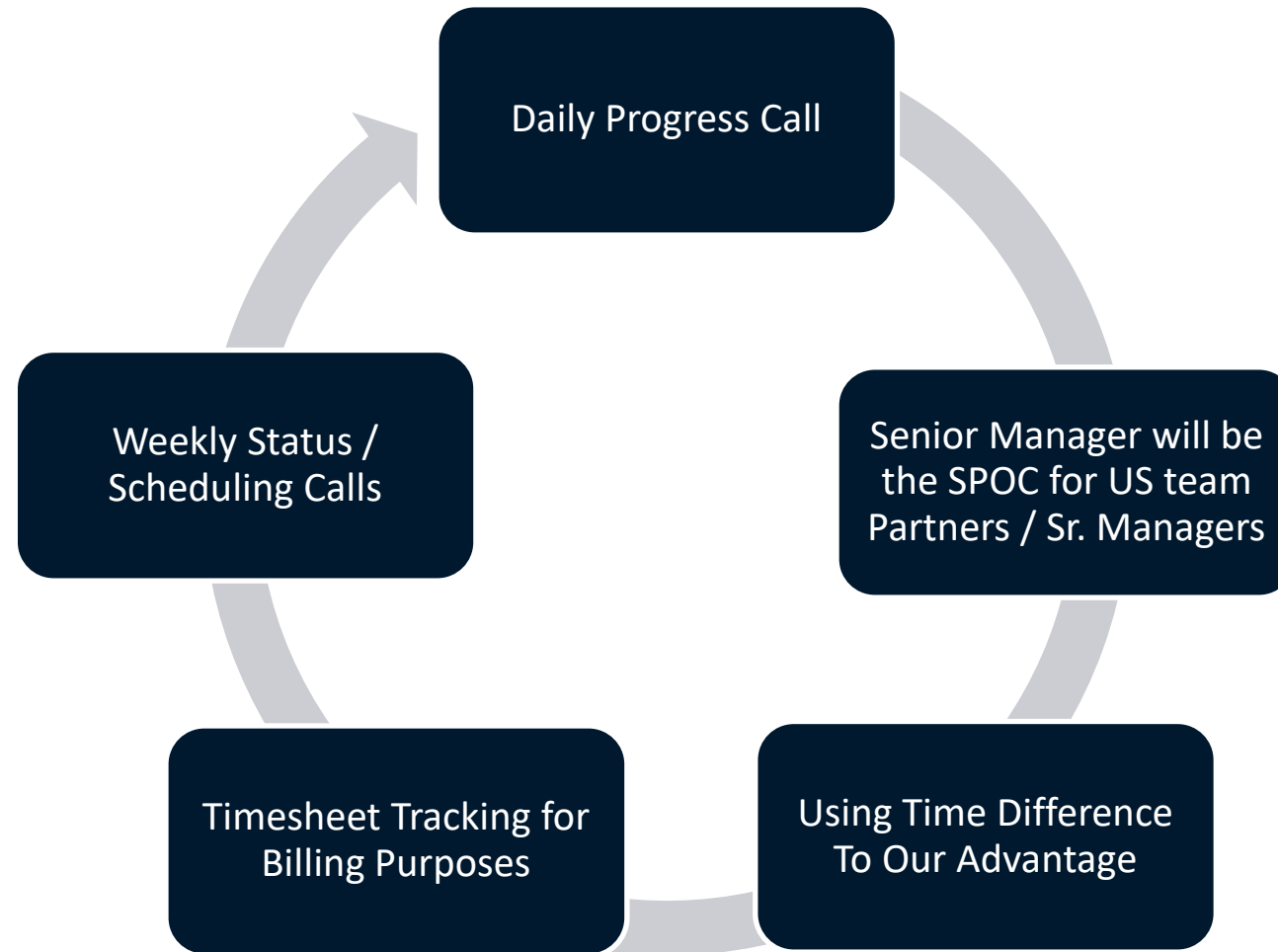


- ❑ Big 4 firms have teams in India with thousands of professionals supporting the US or Global teams.
- ❑ Other top firms in the US (i.e., Marcum, RSM, GT, BDO, Moss Adams, Citrin Cooperman, etc.) also have teams supporting from India.
- ❑ Cross-border teaming helps meet and exceed client expectations.

❑ **2022 Select Big 4 announcements / statements:**

- ✓ *20% of the Deloitte's global workforce is in India – Punit Renjen, Deloitte Global CEO.*
- ✓ *Deloitte, KPMG, PwC and EY are on hiring spree to hire 80,000 people in India in 2022 – News Reports.*







# Lessons Learned in Outsourcing evolution

- Dedicated internal BT team members with responsibility to oversee offshore team and ensure they are being appropriately utilized and trained for each respective service area
- Dedicated team members are regularly interacting with offshore team for training and development
- Need to have internal finance team tuned into economics of offshore arrangement so they can monitor it just as they would monitor onshore staff utilization and profitability
- Insist on partner usage of offshore resources to optimize economics of the resources and getting them up to speed training and development wise



# Choosing the Correct Vendor and Hiring Correct Talent

- Taking the time to get to know the vendor you want to hire and ensure they have the proper staffing to support your need
- Does the Vendor have the correct infrastructure to support your company? How quickly can they expand, if needed?
- Each vendor should provide you with at least one if not more manager to oversee the account and answer any questions and address any issues that arise.
- Ensure the vendor has proper IT security measures in place

# Keys To Success

- Understanding Cultural Differences
- Often vendors follow different Holidays schedules then in the U.S Communicate these in advance to the team member so that there are no surprises
- Daily communication with vendors and associates
- Manage expectations with you internal teams
  - Keep in mind most offshore vendors have a time difference, associates working in different shifts
  - Having a minimum of 4 hours of overlap time until an associate if fully trained is helpful to ensure productivity
  - Offshore associates usually preform a level below their titled level. For example, a “Senior” preforms as a “Staff.”

# Onboarding Process

- Having an organized onboarding process – How do they access the systems, who do the associates report to etc. (*Similar to your onshore associates*)
- Create manuals for all new hires to follow, how do they access the systems, what forms are they required to fill out
- Create a training program that each associate will go through when they are hired. (You can have a series of recordings for them to review)
- Assign the associate a contact person to reach out to with any questions
- Monitor the completion of independence forms

# Things to Avoid

- Rush hiring - hiring too many associates at the last minute, can cause a decrease in quality candidates and often causes performance issues.
  - Plan your offshore needs over the summer to avoid compression in busy season.
- Understanding SEC guidelines of the 20% rule use of offshore resources on public company engagements. Ensure your engagements do not exceed that threshold
- Don't ignore under-utilization of an offshore associates. It may be signs to either a performance issue, or an internal issue.

# Strategies for transitioning inhouse services/functions to outsourced resources

- Find a series of repetitive tasks that are done daily.
- Ask the question: Can the task can be accomplished off-hours?
- Analyze the cost saving of hiring an offshore resource (instead of hiring onshore)
- Ensure you have the proper IT structure to support the role you are looking to perform
- Set up interviews to meet the candidates before they start
  - Take your time interviewing – it may take a couple candidates before you find the right fit.





# HWFisher

EXPRESS YOUR TALENT.  
DEPEND ON OURS.



# HW Fisher Business Solutions

Your Backoffice



# Overview?

- Established in 1933
- Progressive medium-sized, top 30 UK accountancy firm
- Over 20 partners and 300 staff
- Advise Entrepreneurs and Owner Managed Businesses
- Based in Central London but with national coverage
- Have been outsourcing for more than 20 years

# Why HW Fisher?

- We are your back office and support.
- Dedicated resource.
- The team are fully trained and qualified.
- We use technology to streamline or even remove menial tasks.
- We continuously test and review new cloud-based products.
- We grow with your business.



# What Services

- Year end accounts
- Year end tax obligations including corporation tax matters
- Bookkeeping and management accounts
- Personal tax returns
- Trust accounting



# Range of Services

**Agile services**

**Flexible service offering**

**Cloud based**

**Cover for sickness and absenteeism**

**Teams with industry knowledge**

**Accredited team members in the required software**

**Assisting management streamline processes**

**Identify optimal systems for our clients**

# Business Process Outsourcing

## Transactional Services

- Processing sales and purchases
- Balance sheet reconciliations/Bank reconciliations
- VAT returns
- Credit control management
- Large volume transaction processing

## Reporting Services

- Monthly/quarterly dashboards
- Monthly/quarterly management accounts
- Rolling forecasts
- Statutory accounts
- Cashflow forecasts
- HMRC reporting requirements

## Strategic Services

- Cash flow management and advisory
- Credit control advisory
- Data Analysis - periodic reviews of financial data
- Business review and commentary



# CFO Services



# Other Services

- HR & payroll support
- IT & digital set-up and on-going support
- Corporation tax computations and submission
- Compliance – GDPR and privacy policies
- Identifying and supporting grant applications
- Insurance review

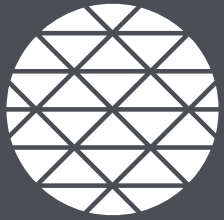


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