

LEA Global

# Adding Capacity Without Hiring Staff

February 9, 2023



Rising Star Association



INTERNATIONAL ACCOUNTING BULLETIN

**SENTIENT**  
SOLUTIONS FOR ACCOUNTING

# Welcome – This Webinar Will Begin Momentarily

## Housekeeping Items

- This webinar will be recorded.
- The link to the recording and PowerPoint will be posted on the Events registration page on LEA's member portal post-webinar. An email will also be sent to today's attendees, post-webinar, with this information.
- Please use the chat box to share comments or questions.
- This webinar is eligible for 1 Continuing Professional Education (CPE) credit.
- Four (4) polling questions – will be initiated in the background throughout the webinar to monitor engagement as required by NASBA standards.
- Your CPE certificate will be emailed to you in a couple of weeks.
- You will receive an email asking you to complete an evaluation of this webinar. Please take time to complete this as your input is valuable when planning for future webinars.



**Mike Walton**  
VP of Growth  
Sentient Solutions



**Doug Mueller**  
Director of Tax  
Anders CPAs + Advisors

# Agenda:

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01

*Introduction About Sentient  
Solutions and Anders CPAs*

02

*Why Outsourcing?*

03

*Win Attributes – from Client and  
Provider*

04

Panel discussion -  
Questions

# Poll Question #1

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Are you currently using, or considering using, outsourced resources for Tax, Audit, or Client Accounting?

Yes

No

# SENTIENT

SOLUTIONS FOR ACCOUNTING

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- Based in Louisville, KY with offices in Hyderabad, India and Guadalajara, Mexico
- Venkat Sharma, Founder and CEO
- Company focus – help accounting industry clients build capacity through innovative technology and customizable outsourcing solutions
  - **PAM™** – Financial Statement Review Automation Software
  - **Outsourcing:** Audit/Attestation, Tax, Client Accounting Services (CAS)



**ANDERS**  
CPAs + ADVISORS

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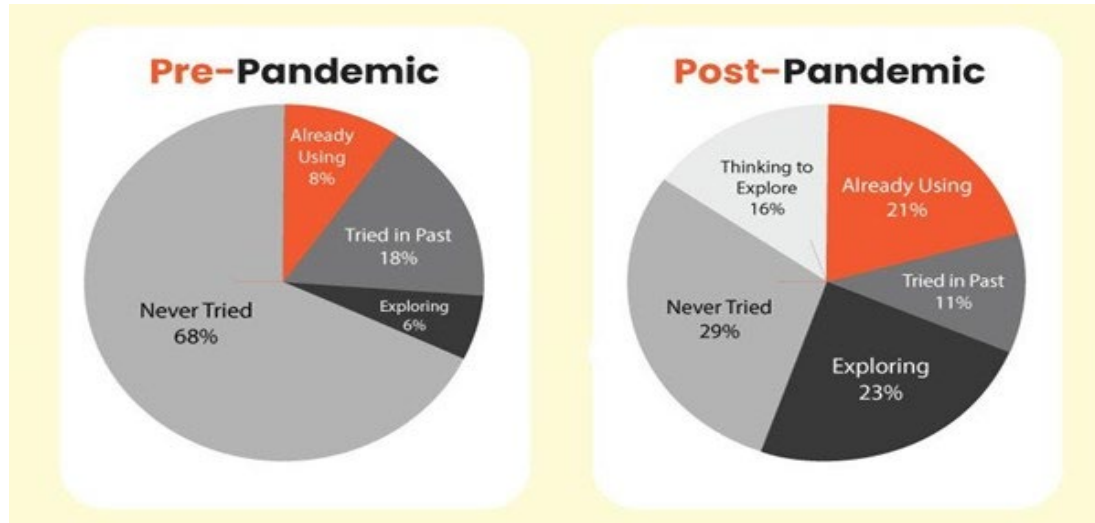
- Founded in 1965 and based in St. Louis, MO
- 39 Partners and 400 employees
- Inside Public Accounting Top 100 - #89
- Providing Tax, Audit & Assurance, and Business Advisory services

**“So, in a way, having a good offshore strategy in place is a way to keep great talent. In fact, in the top high-performing tax & accounting firms, I wouldn’t be surprised if about 15% to 20% of all billable hours are done offshore within the next three years.”**

**- Allan Koltin**



Before the pandemic, about 8% of the accounting firms used offshore staffing, today the number of those using or considering has grown to over 50%. The pandemic and subsequent staffing issues have changed the way accounting firms develop offshore teams.



# Outsourcing or Rightsourcing?

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- Capacity, Capacity, and Capacity – a key ingredient of growth
- Ramp up your workforce easily and swiftly without any overhead costs – quick path to increased clients. Outsourcing=Growth engine
- Significant increase in revenue and profitability.
- Alleviate staffing challenges and pressures – tax season stress
- Enhanced security and technology simplify the processes and workflow.
- Sentient model offers customization based on specific needs.
- Leverage work down while freeing up existing staff for other, core revenue-generating work. Keep C-level clients vs firing them?
- The dedicated outsourced team becomes an extension of your team.

## Poll Question #2

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What is the key challenge your firm is currently facing that outsourcing may alleviate or lessen?

Staffing issues

Capacity

Profitability

## Why Outsourcing? – Staff focus

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- Lack of talent - Labor issues are a primary concern for C-suite executives in the accounting industry. Outsourcing is one solution CPA firms have used to address labor shortages in the accounting profession. CPA firms are trying to figure out how to get work done efficiently and effectively with limited talent resources.
- Continued growth - Outsourcing helps CPA firms continue to be productive and grow without being restricted by a lack of available talent.
- Retain existing employees - Employee burnout in CPA firms is a relevant concern, 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.

## Challenges – Compliance/Systems?

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

## Poll Question #3

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What is your #1 motivation for using or considering outsourcing?

Adding staff

Adding capacity

Growth opportunities

## Win Attributes – Provider perspective

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- Is everyone on board? Build consensus
- Make it part of your strategic plan
- What are your goals, and where are your needs? Specific experience?
- Identify champion, internal contacts
- Work with a provider to understand IT needs and security controls

## Win Attributes – Provider perspective

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- Communicate, Communicate, Communicate
- Develop metrics and KPIs to measure progress, goal achievement
- Make outsourced staff feel like they are part of a team
- Start discussions early to ensure staff is in place
- Remember – dedicated teams want to be part of something



## Win Attributes – Firm Perspective

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- Be ready internally with leader/partner/manager buy-in
- Commitment of partners/managers to assign their clients
- Have liaisons/”buddies” at management and prep levels for questions on the process. Recommend one person for each level for consistency
- Communicate with outsourced staff as much as possible

## Win Attributes – Firm Perspective

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- Start as quickly as possible on procedures/workflow, especially if you are new to outsourcing
- Start as quickly as possible on IT/security matters
- Start early on client approvals, engagement letters, 7216s
- Plan early – summer or fall to have staff in place and ready for busy season
- Treat outsourced staff as a full member of the team in every way

## Poll Question #4

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What area of your practice could benefit most from added capacity?

Tax

Audit

Client Accounting

All of the above

## Roundtable discussion and Q&A

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