

THE BACK ROOM

Prepping

THE KEY TO SUCCESSFUL OFFSHORE OUTSOURCING

Businesses of every size outsource certain functions. The hiring of an accountant, for instance, is so commonplace that few people would even consider it to be outsourcing. As a business gets larger and more complex, the owners may increasingly look to bring in outside expertise. A rapidly growing business can use outsourcing to add expertise, either by introducing a new service or by contracting out a particular business function. This means they become more agile in the marketplace.

There are many challenges facing the accounting industry in New Zealand, Australia the United States of America and the United Kingdom. Technology is rapidly improving, and this is having a dramatic effect on the way accounting businesses are run. To make this paradigm shift, accounting practices need to change their focus and become more advisory based. Outsourcing assists in this regard by potentially reducing costs, freeing up efficiencies and releasing local staff to create capacity and allow rearrangement of duties in the onshore team.

Think of accountants as surgeons; they're specialists who do high level work including consulting with the client, performing the operation and being accountable for the outcome. The offshore team are comparable to nurses, who prep for the operation, assist the surgeon during the procedure and complete the post-op work.

Prepping for the operation - in accounting terms, prepping the client's files for End of Year Annual Accounts- is one of the keys to the success of our system. It's one of the core functions of the offshore team, because it can involve up to 70% of the overall task.

By breaking this process down into many smaller parts we have generated a list of tasks for our offshore team to complete, along with comprehensive documented procedures and checklists.

The Doctor / Nurse analogy

Tasks that can be assigned include:

- Setting up Financial Reports, Mapping/ Report Codes and Minutes
- Setting up Tax Returns for all entities.
- Completing repetitive journals
- Performing an analytical review and then creating a personalised client questionnaire and list of missing information

- Setting up Workpapers and completing:

1. Fixed Asset reconciliation
2. GST / BAS / VAT / Sales tax reconciliations
3. Wage reconciliation
4. Bank reconciliations
5. Creditors and Debtor Reconciliations
6. Loan & Hire Purchase Reconciliations
7. Interest & Investment Reconciliations

Advantages Of Prepping

Effective prepping means we get a majority of the work done quickly and efficiently using:

● PERSONALISED CLIENT QUESTIONNAIRES

This gives us a far better response rate, the correct information being received and less time going backwards and forwards with queries.

● WORKFLOW SCHEDULING

Because the initial prepping can be completed at our discretion then completed when capacity allows, this provides more flexibility with managing workloads.

● TRAINING

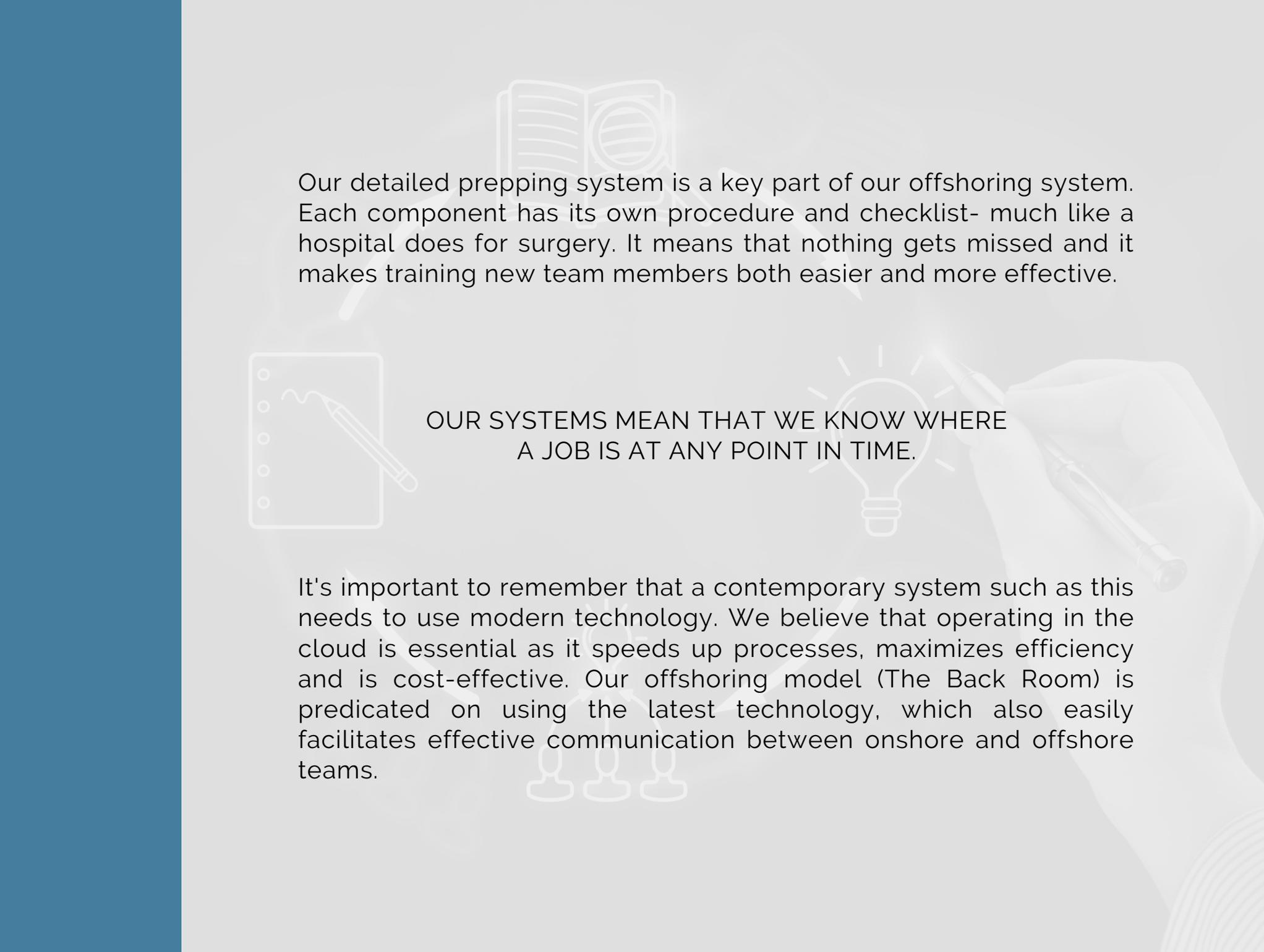
Prepping is great training for new employees and offshore staff. Because it's process-driven and repetitive, new staff get solid experience with systems and software.

● THROUGHPUT

With effective prepping and use of the client questionnaire, once the client information comes in, the job can be turned around very quickly.

● OPEN JOBS

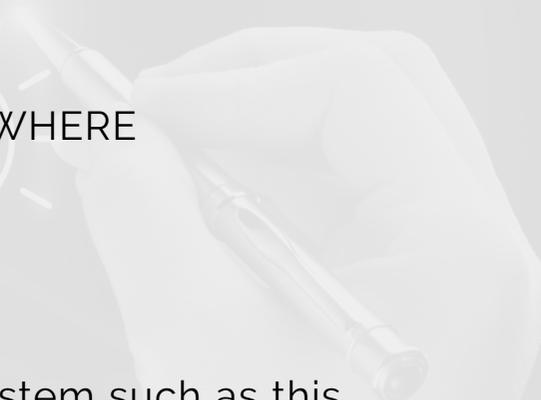
We were able to reduce the number of open jobs per Senior Accountant. This reduces inefficiency resulting from job pick-up and put-down.



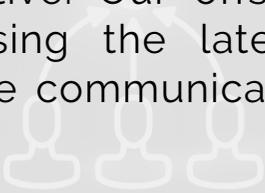
Our detailed prepping system is a key part of our offshoring system. Each component has its own procedure and checklist- much like a hospital does for surgery. It means that nothing gets missed and it makes training new team members both easier and more effective.



OUR SYSTEMS MEAN THAT WE KNOW WHERE
A JOB IS AT ANY POINT IN TIME.



It's important to remember that a contemporary system such as this needs to use modern technology. We believe that operating in the cloud is essential as it speeds up processes, maximizes efficiency and is cost-effective. Our offshoring model (The Back Room) is predicated on using the latest technology, which also easily facilitates effective communication between onshore and offshore teams.



WHY USE THE BACK ROOM

At The Back Room we believe in thinking differently. We like to challenge the status quo and are always looking at ways to innovate and be more efficient.

For this reason, we have partnered with Xero Accounting Software (www.xero.com). We are passionate about Xero and we believe it is a game changer for Businesses and Accountants. One benefit of using Xero, is it is very easy to set up Offshore Teams for an Accounting Firm.

We have been a part of the cloud wave and have seen it in action. Riding this wave and embracing change can help you to develop a sustainable business with better relationships, productivity and profitability.

The Back Room allows us to train and to use our dedicated team to complete a variety of tasks, not confined to compliance work, which improves workflow turnaround.

Enquire now to see how our expertise and experience in setting up an Offshore Team could benefit you.

Email: info@thebackroomop.com

Site: www.thebackroomop.com

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WITH US**

