

OUTSOURCING & YOU

(A NEWSLETTER FOR ACCOUNTING PROFESSIONALS)



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DO ACCOUNTANTS NEED TO CHANGE THEIR BUSINESS MODEL NOW?



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HOW TO MOTIVATE YOUR TEAM FOR OUTSOURCING



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SAPPHIRE OVERVIEW

WELCOME TO A NEW YEAR 2022

Another tax year has passed by and we are proud to have prepared more than 5000 tax returns this time. In terms of sheer volume, we have nearly doubled our numbers for tax returns, Ltd Company accounts and VAT this year. The year promises to be more stable as compared to last one with hope of receding pandemic. The outlook for accounting industry is more promising with no major policy changes on the horizon this year. The focus in the last two years have been use of digital tools in the practice and helping clients to get on board with that. Digitalisation is helping clients be more organized, and helping accountants to be more quicker in their work with decreased workloads.

We have also digitised our portal enabling our clients to see TAT dates on real time basis. This has helped us in faster turnaround & our clients to assure timely delivery of their work. Overall, 2021 was a challenging & exciting year for us and our clients. We opened another office at one more location in Chandigarh helping us in our expansion plans. We look to increase our strength to nearly 100 persons by the end of this year. As of now we work with more than 25 TaxAssist practices covering around 40 locations apart from 20+ other practices in UK. We foresee positive traction for our services amongst existing clients & the accounting industry in general. Looking forward to strengthening relationships and building new ones! Cheers to A New Year 2022!

TIPS TO GROW YOUR ADVISORY BUSINESS

Here are some tips & tricks that can help you to grow your advisory business:

- 01 Choose A Niche
- 02 Get your first Contact
- 03 Join industry forums in the niche sector identified for advisor
- 04 Write relevant blogs and get them published online
- 05 Make Use of Technology
- 06 Build Your Brand
- 06 Accounting Outsourcing

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SAPPHIRE VANTAGES

- Quality of Services
- Quick Turnaround
- Huge Cost Savings

ACCOUNTS OUTSOURCING SERVICES

- VAT Returns
- Tax Returns
- Final Accounts Production
- Payroll
- Bookkeeping

Automation is changing how accountants do compliance work. And margin erosion is changing how they get paid for their services. Accountants are under increasing pressure to make their businesses more profitable while somehow managing a bigger workload.

THE ACCOUNTANCY INDUSTRY IS FACING THREE ISSUES THAT AFFECT PROFIT:

- Increased Automation in compliance matters.
- Increases in the cost of production.
- Erosion of profit margins.

INCREASED AUTOMATION IN COMPLIANCE MATTERS

Ability to serve new geographical areas with help of cloud accounting. The practices can market their services over a vast range of geography & be able to effectively provide their services too.

INCREASES IN THE COST OF PRODUCTION

Staff wages are the biggest expense of any accounting firm. And most of the firms I've spoken to lately say the cost of hiring, training, and retaining good staff is mounting.

Brian from Accounting plus is one boss who has been feeling the squeeze. "The pressure to keep increasing the local labour conditions meant my staff expected a certain level of salary," he said. "So my mark-up and charge-out to clients for my fees has started to escalate, but my clients are resisting a fee increase."

Shortage of good staff is especially a problem for firms outside of the main centres. To recruit someone new you face ever increasing wage costs to attract the senior talent you need.

EROSION OF PROFIT MARGINS

Accountants are also under increasing pressure to reduce or maintain their prices for annual returns.

CA Paul Walker notes that his clients now expect to pay less for him to do more. "Clients see my compliance service in a cost-versus-benefit light," he says. "Clients who use MYOB or Xero have been saying: 'We've done all the hard work for you. Surely your fees should now be in the hundreds of pounds?'"

Firms need to move to a leaner production model for their business. Outsourcing your compliance tasks plays an essential part in reducing the cost of production. Reducing costs is especially important as the world navigates the economic havoc brought about by the COVID-19 pandemic. It also frees up time to start working on growing your business advisory services.

THERE IS AN URGENT NEED FOR OUTSOURCING ALL COMPLIANCE MATTERS WHICH INCLUDE:-

- 01 Payroll
- 02 Book-keeping
- 03 Annual accounts and working paper files
- 04 Management accounts
- 05 Tax returns

Ability to develop & target a niche clientele all over the country by using cloud services e.g. say providing personalised service in a very specific sector of agriculture which would not have been viable eventually because of a low number of prospects.

The main focus areas for accounting firms going ahead should be face to face communication /Advisory/ Value added services delivered to clients.

THE FIRMS SHOULD AIM FOR:

- To get more clients into software which will be essential for MTD filings.
- To carry out regular client reviews say monthly or quarterly enabling greater communication with / advisory to clients.
- To provide more advisory, forecasts and cashflows.

This strategy is a win win for all of for the accounting firms and brings them into the modern era, providing to clients the service they deserve and adding value. Ultimately these services shall bring about greater client retention, thereby freeing staff to tackle attracting and onboarding new clients. The firms need to look into social media Updation & need to create content, regularly update clients on topical issues and provide a library/better information – PR / CRM.

In an ever-changing business model, taking note of key accounting movements will help enhance business decisions, compliance and success. Making changes to your practice is not as simple as taking on an outsourcing company and beginning to offer advisory services. It's a business transformation process that needs careful consideration and time to implement. It requires leadership skills to manage staff, make changes to your internal processes and realize the vision of where your firm will be in next coming years.

So, in sum accounting industry is facing a turning point for its business model- Is it time for you to look transforming your accounting practice? We believe that accounting professionals need to keep up with changes that are happening at a much faster pace than before. Speak to the team of Sapphire to see how we can help you to transform your business into a powerhouse of productivity. We carry your inputs and transformed to outputs and create value adding option. We consider it is possible to reduce cost and grow profitably with disciplined approach to business transformation.

In these days, outsourcing of accounting and finance functions is becoming a necessity for business because of various reasons. The very first challenge that any business is likely to face while deciding to outsource these functions is that of a possible lack of buy-in from people inside the company. It creates an illusion among employees about their future job roles and job security in the company. If you want to be successful on your outsourcing journey, you need to take your employees on board with you. We all know readiness to change is not natural and there is always a resistance to that. Let us see what can be done to reduce resistance and make them aware of the new opportunities & challenges that will come along the way.

KEEP THE LINES OPEN OF COMMUNICATION

As an employer, you should have a continuous communication to your employees through various channels. You can send them an email, call them, or send text message detailing company strategy and need to outsource. It eliminates misunderstandings and encourages them to voice out their opinions. Make sure that your employees get clear, directive message on a consistent basis which is expected and also important. This exercise helps to develop trust between employee and employer. Moreover, you also might need to convince your employees one by one. Face to face communication will help you to convey contractual information so that they feel they are heard and well informed. It will also help you to make your employee understand the need for change.

LET THEM KNOW WHAT THE COMPANY'S GOALS ARE

In order to achieve success, your employees need to strongly align with company's goal. Managers should set clear goal and encourage employees to conquer. It will motivate them and keep everyone on the same page. It help you to run your business more effectively and efficiently. Surely, the better employees understand and align with the company goal, the higher will be the chances of their staying on board and to contribute towards company.

START TRAINING SESSION & EDUCATE EMPLOYEES FOR NEW OPPORTUNITIES

It is good to involve employees about new operations & procedures. Managers should start training sessions and educate employees for new opportunities. It will improve their productivity and performance. It helps employees to grasp the new business opportunities and vision expected through outsourcing. It develop future performance and helps focused on more employee growth. And if it works well, your employee get a clear picture about new roles and responsibilities. It will definitely lessen the effect of changes from outsourcing.

WORK WITH MANAGERS TO CREATE A SENSE OF URGENCY IN CHANGE

Managers should develop an environment with a healthy level of urgency. Make sure employees completely chip into new change. In the earlier stages, employees might have some concerns. But manager's actions and activities can involve employees through proper communication, support and guidance. It can help in molding employee opinion of urgency in change. Manager's approach can affect the degree to which resistance bogs down the change.

ESTABLISH A CHAIN OF ACCOUNTABILITY AND RESPONSIBILITY

When possible, allow employees to take responsibilities and run with it. Hold them accountable for the quality and timeliness of an outcome. No doubt accountability and responsibility is sensitive part in outsourcing process. On the other hand, it is a major factor in building trust among employees. Establishing a chain of accountability and responsibility result in quality work. Your company employees are accountable for smooth functioning of the work flow process. Providing complete and accurate information to clients will help in proper time utilization and avoid delays.

SHOW YOUR GRATITUDE AND REWARD GOOD WORK

To boost up employees productivity, introduce incentive package as rewards for their outstanding performance. In addition, encourage them for better work ethic, more opportunities and express your appreciation. It will keep them motivated to go above and work for long term with company. Make sure your team feel valued and concern. Studies revealed that happy employees are more productive.

WISH TO OUTSOURCE YOUR WORK?

Catch on how Sapphire can help you towards your journey to become a profitable and productive organization. We have a team of experienced and highly professional accountants readily available. They will take over your compliance work and proceed our business relationship to another level. Do contact us to start your outsourcing journey with us.

3Q'S



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SAPPHIRE VANTAGES

- 01 Proven track record of serving UK practices since 2005.
- 02 Only outsourcing company in INDIA exclusively dedicated to UK accountants with 100% focus on accounting & related services.
- 03 Run & managed by qualified accountants as an outsourced accounting practice.
- 04 Serving nearly 50+ accounting practices.
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- 10 Fastest engagement working model ensuring quickest client onboarding & start of service.
- 11 High management involvement in client relationships & work management.

SAPPHIRE QUALITY

- 01 Two level review of all the jobs.
- 02 FTE's work managed & monitored by Team Leader at no extra cost.
- 03 Highest standard of staff recruitment & training procedures.
- 04 ISO27001:2013 certification with regard to Information Security managed system
- 05 ISO 9001:2015 Certification to provide outsourced accounting services.



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