

**Now Contains  
Cost Comparison Chart**

# Increase practice growth and profit



without  
increasing  
costs



# CONTENTS

<b>INTRODUCTION</b> .....	<b>3</b>
<b>RISK</b> .....	<b>4</b>
<b>OPERATIONS IN PRACTICE</b> .....	<b>5</b>
<b>SOLUTION 1</b> .....	<b>5</b>
<b>SOLUTION 2</b> .....	<b>5</b>
<b>THE FUTURE NOW</b> .....	<b>7</b>
<b>COST COMPARISON</b> .....	<b>8</b>
<b>BENEFITS</b> .....	<b>9</b>
<b>MAP TO SUCCESS</b> .....	<b>10</b>
<b>IN CONCLUSION</b> .....	<b>11</b>

## INTRODUCTION

I know you will have heard plenty about outsourcing and I am sure not all of it good. However, I can assure you from personal experience, there is plenty of good news and potentially great benefits for those who implement outsourcing correctly and efficiently.

As you will be aware, the tax and accountancy industry are facing a shake up, the Carter report threatened it (although now on hold), but how long before it resurfaces? Medium/National sized practices are looking for ways to reduce costs and are now awaking to the idea of outsourcing certain types of work in order to reduce costs and increase throughput.

All practices are going to have to consider their options far more carefully going forward.

Throughout this guide I will take you on a journey that will ultimately help you arrive at a destination. Firstly highlighting some considerations, then demonstrating how outsourcing can be achieved but far more importantly, take you through a 60 second decision tree that could mean YOU...

- Easily meet the new filing Deadlines
- Increase customer satisfaction
- Acquire more new clients
- Do more high value work

And **INCREASE YOUR PROFITABILITY.**

“**THE TAX AND ACCOUNTANCY INDUSTRY ARE FACING A SHAKE UP, THE CARTER REPORT THREATENED IT**”

## RISK

This area always has to be looked at seriously and the implications understood. To move any part of a business outside of your control can bring many complications. Here are a few of the main challenges:

- **Choosing the right partner**

Ensure they understand and interpret your needs and can supply your management information in real time.

- **Getting your processes right**

Make sure you have put together an appropriate and workable process model.

- **Data security and access**

Incorporate firewalls at points of weakness and enforce a secure login policy.

- **Systems failure**

Make sure a Disaster Recovery (DR) plan and facilities are in place.

- **Training and development**

Keep your remote team trained and provide development opportunities.

- **Climatic impact in remote location**

Safeguard yourself against a natural disaster occurring in their location, this should be within your DR plan.



“TO MOVE ANY PART OF A BUSINESS OUTSIDE OF YOUR CONTROL CAN BRING MANY COMPLICATIONS”

## OPERATIONS IN PRACTICE

There are a number of ways to implement this type of operation. Here are a couple I have seen in operation.

### *Solution One*

This is the more risky outsource model:

- **Make little/no investment**
- **Send clients papers by post**
- **Scan and email documents**

You then sit back and wait for the outsource centre to send back the completed work! Of course you will have to forego the real time access, take a punt or two with data security, but it would save you a whole bunch of money. However, as I am sure you will agree, there's a whole lot more risk in this model.

### *Solution Two*

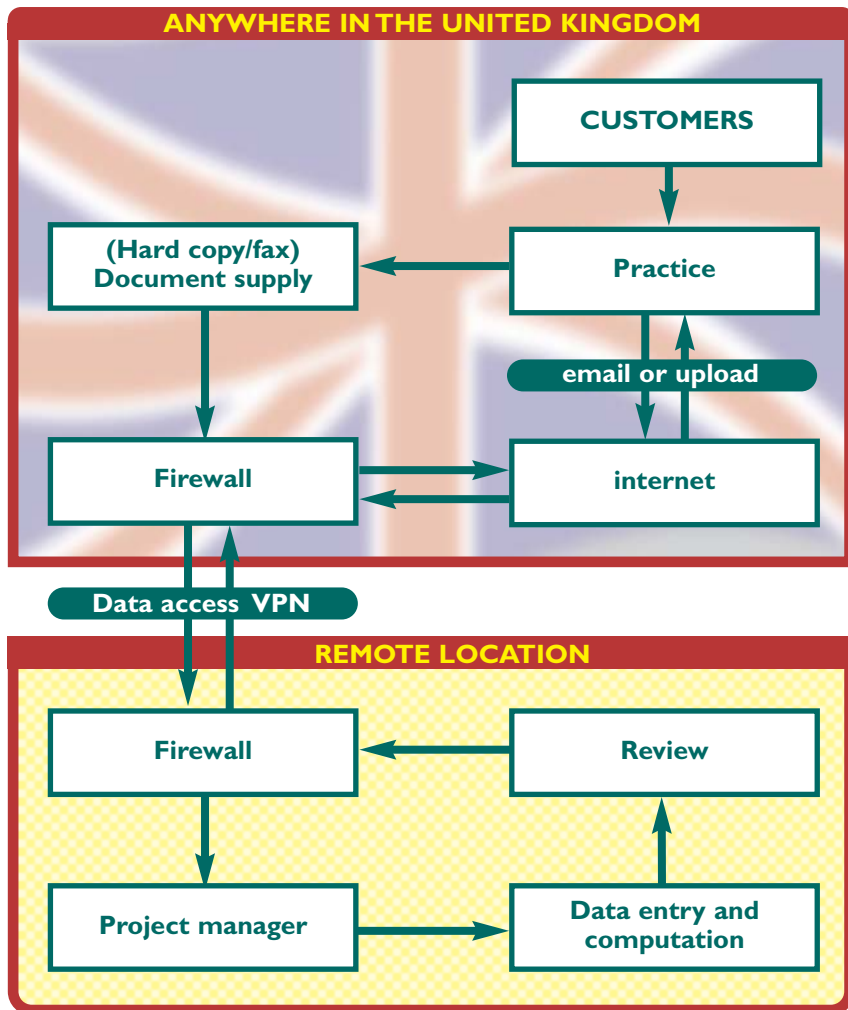
A truly effective outsourcing model can be expensive to set up if you need to have real time access and sight of work progress, turn around times/reports. The following areas are where real costs soon ramp up:

- **Private leased line/s between your office and the outsource site**
- **Electronic document imaging**
- **Data security**
- **Remote working platforms**
- **Firewalls**
- **Telephony connectivity**
- **Training**
- **Mapping your processes**



And this list goes on. So does the investment. This type of model will easily absorb hundreds of thousands of pounds and then require annual fees for licenses, maintenance and updating.

*A typical schematic for an effective operation could look like this.*



However, what if you could have solution two, with all of its benefits, without the time to set it up, the money required up front and ongoing, none of the responsibility for support and training, but still get the work done that you needed doing! Now that would be something.

## THE FUTURE NOW

Now I know all this seems great, but to really benefit you have to invest money and time, both maybe in short supply or you simply do not want all the hassle to get this type of operation up and running.

Would it not be far simpler if you could just plug into an existing facility and reap the benefits. Imagine some of the possibilities:

- **No up front investment**
- **No more data entry work**
- **Do not have to manage the work flow/process**
- **Seeing real time progress information online**

Put simply, a turnkey solution at a fixed cost for each case completed, which can be turned on/off as required.



## COST COMPARISON

Here I would like to try and give you an idea just how cost effective outsourcing this type of work really can be. In addition, when added to some of the other benefits we have already touched on earlier you, your practice and more importantly your clients, can really benefit.

In the table that follows, I have put together some average figures that are based both on my personal experience & nationwide averages. Of course it would be a very easy exercise for you to apply your own figures to obtain an actual comparison. Please also bear in mind that I have not included the impact of such things as:

- **Management Time**
- **Employment Law**
- **Distraction of growing your business**
- **Earlier filing date than January, thus leaving staff to find other things to do.**

In House SAI00 Production		Out Sourced SAI00 Production	
ITEM	COST	ITEM	COST
Salary	£20,000.00	Compliance Outsource Service (From, Ex VAT)	£51.35
NI	£2,400.00		
Pension	£1,000.00		
Holiday	£2,538.36		
Sickness	£769.20		
Training	£1,500.00		
2 months (no tax work)	£3,461.40		
Overheads	£3,000.00		
<b>Total</b>	<b>£34,668.96</b>		<b>£12,837.50</b>
Client Cases	250	Monthly DD discount 5%	£641.88
<b>Av £/Case</b>	<b>£138.68</b>		<b>£48.78</b>

*Comparison based on medium case complexity, all documentation to be supplied, final return will be issued electronically.*

“

**A POTENTIAL FOR A COST SAVING OF AN AMAZING £89.90 ex VAT**

”

## BENEFITS

- **Lower costs**
- **A known service level agreement**
- **Less employment problems & risks**
- **Time leverage**
- **Ultimately increased profits**

You will also have freed up your time and that of your staff which could now be channelled into acquiring new clients, providing higher end services (such as planning advice), increasing client service levels.

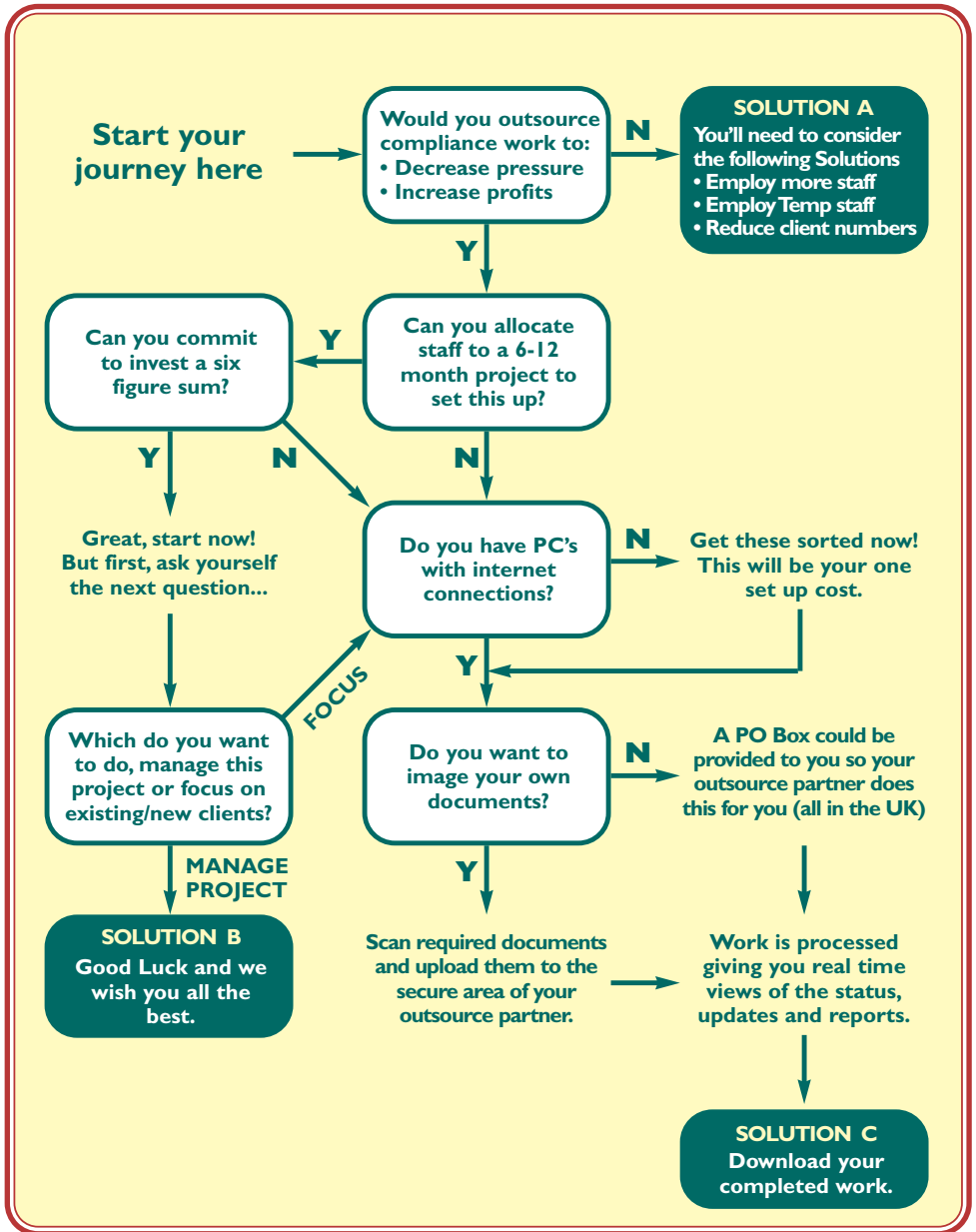
Just work through the map to success over the next page to establish what next steps you should be taking.

“

**FAR SIMPLER IF YOU COULD JUST PLUG INTO AN  
EXISTING FACILITY**

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# MAP TO SUCCESS



## IN CONCLUSION

Now you will have arrived at either station A, B or C but where does your journey go from here?

**Solution A** – Please tread carefully and keep your eye on the outsourcing market as it may become more appropriate to you later.

**Solution B** – Develop the entire model for yourself that's good news, at least you have taken the time in reaching a decision.

**Solution C** – No real up front costs, No ongoing costs, No lengthy projects. Just a real turnkey solution, you could be up and running in a matter of weeks and reaping the benefits. Just pick up the phone and we will do the rest.



**Call: 0800 975 8389**