

Why Most CAS Outsourcing Initiatives Fail

Many small to medium CPA firms are taking advantage of the opportunity to offshore their back-office workflow. These firms are finding that Knowledge Process Outsourcing (KPO) workforce solutions give them the platform to concentrate on other areas of their business while their practices still grow.

By combining human assets with collaboration and business intelligence platforms, KPO is a viable option for many firms. These CPA firms can achieve process improvement gains safely and at scale.

CPA firms get to enjoy healthy savings while improving their operations. It's a win all round. But is it the same for everyone? No. *Many CPA firms that offshore their back-office operation fail.*

Why do they fail?

Let's start by remembering why CPA firms go down this road in the first place. According to recent surveys, one of the leading issues in 2021 facing companies like these is staffing.

So, it's natural for them to outsource their back-office functions. KPO is a good fit for this need as it offers access to suitably qualified workers at attractive rates.

Who are CPA firms outsourcing to? They are outsourcing to specialist offshoring firms. We can all agree that many such specialist offshoring companies have mastered how to successfully offshore well-defined, process-based jobs like call centers and data-entry. But can every offshoring firm do KPO?

The answer is no. That's where the failure comes in. It's not CPA firms failing at their job, it's the specialist offshoring firms!

This leads to a situation where only 15% of CPA firms say they are "very satisfied" with the financial and operational performance rendered by specialist offshoring firms.

**"It's not CPA firms failing at their job,
it's the specialist offshoring firms!"**

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What's the solution?

Specialist offshoring firms don't always understand that successful KPO means getting three things right:

1. **Work Management:** This is the part of the game that pretty much all offshoring companies get right. Everyone can implement an online collaboration platform to ensure transparency and control.
2. **Process Management:** Another easy win. Companies can provide metrics driven monitoring to ensure goals are met for efficiency, quality, and profitability.
3. **People Management:** This is where most specialist offshoring people fail. Human capital management is an essential component for a successful KPO engagement. However, it is a tricky skill to get right across cultural and geographical boundaries.

People Management is everything

But, offshore staff get paid, why can't they get it right? This seems like the obvious question, but it's not that simple. Overseas workers still need:

1. **Good leadership practices:** this means communication and inclusive management.
2. **Employee engagement:** they need to feel their jobs are secure and that they can keep a healthy work life balance.
3. **Knowledge Accessibility:** they need good collaboration channels, information sharing, and systems they can count on.
4. **Workforce optimization:** their own work conditions need to be improved and enhanced to get the best out of them.
5. **Learning capacity:** they also need training and development, and they need to be valued and supported.

How not to fail

Offshoring helps you manage the work, but not the people. That's why, after managing remote professional teams for over 20 years, Accsurant understands that offshored KPO is not simply about managing an offshore team, it is about managing those teams while being mindful of a different cultural context, but still getting the basics of People Management right.

To learn more please visit www.accsurant.com or contact our practice principal, **Yann Beullan-Thong** at ybeullan@accsurant.com