



Tips for outsourcing bookkeeping resources for firms of Chartered Accountants

Ben Mekie of acuity associates outlines how to solve clients' bookkeeping needs without storing up problems.

As an accountant, responding to a request from your clients to find a competent bookkeeper can present significant challenge because:

- They will most likely only need someone part time.
- Nine times out of ten they will insist the person works at their premises.
- They will expect you to provide someone excellent for free.
- You know that anyone not registered with either the HMRC or their accounting Institute is carrying out a criminal act

Of course, if you have your own team of internal bookkeepers you will attempt to persuade them that this is the best solution, but what if they don't budge?

Most of the major recruitment players are less than ideal as they don't specialise in part time bookkeepers. You also know that their approach is simply to aggregate the CVs of those candidates who happen to have walked into their offices that week. They forward them and let the client make the choice, without any sort of technical vetting. This won't do, so you would probably look at the following options:

1. Use one of the tried and trusted bookkeepers you have been using for ages.
2. If they can't do it you ask around your partners or local practitioners to see if they know anyone who is available and trustworthy.
3. Put up an advert online on sites such as Gumtree, Monster etc.
4. Tell the client to find one themselves.

At a time when 'added value' is a key differentiator and clients are struggling with dwindling revenues and slow cashflow, the last thing they need is inaccurate management information and/or big bill at the year end from you. Both of these consequences will arise if they use an incompetent bookkeeper.

So, how can you keep crucial goodwill with your client and satisfy their request without wasting hours and hours of your valuable time for free? From your client's perspective, surely you must know a bookkeeper for goodness sake? You are an accountant after all!

You get the call (again), and go through the options. If you do have a trusted bookkeeper and they are free, you can recommend them and then go back to the large pile of work on your desk, delighted that there is one less thing to do - until the next request comes in, that is.

If this trusted person is too busy to take it on, you may decide to quickly ring around your office to see if there is anybody else up to the job. If so, this is great for you as you can refer the client and carry on.

If you have drawn a blank on these two, you now face the horror of choosing between taking it on yourself and spending hours or days selecting and interviewing. Does this sound familiar?

You might put an advert in Gumtree, Monster or any of the numerous web based recruitment sites describing in perfect detail precisely the skills and experience of the successful candidate.

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Over the next three weeks you receive between 100 and 800 responses of varying quality, from the completely unskilled gentleman currently working in McDonalds, to the frankly bizarre and inappropriate approaches taken by some to attract your attention. (One application I received featured a photo of the applicant's dog!)

As a conservative example, let's say there are 300 applications. Among these CVs and covering letters there may be a couple of candidates who might actually be able to do the work. How long will it take to dig them out? In my experience there will be 50 CVs that look OK, 30 that look pretty good and 220 which can be immediately deleted. Once you've deleted those 220, you read in detail the 30 that appear to be encouraging. The clock is ticking and you are earning nothing. The challenge now is to try and ascertain which of the CVs are over representing the applicants' skills and experience.

Once you have broken these 30 down into 12 then you will need to find the time, quickly since the client's need is usually very pressing, to interview all of the above to try and determine which ones are actually any good.

At the end of this process, you are just about ready to recommend the best couple to your client (free of charge of course) they call you and say they've found someone at £12 per hour which is in their eyes, of course, an absolute bargain.

This raises further questions. How technically competent or reliable is this person? How on earth has your client decided that they are not going to deliver a bunch of garbage to you at the year end? At this point you may have to do all the bookkeeping again, or at the very least make significant adjustments.

It is now that you need to decide whether you want the argument with your fellow partners about the write off to be made at the year end, or the argument with the client over your increased fees for checking and correcting inaccurate books. The selection and provision of bookkeepers for clients is an ongoing headache for firms of accountants.

If you have an in-house team of bookkeepers that breaks even, is a loss leader or, with scale, makes money then that is great. However, does it fall down when the client needs someone at their office? To service clients at their premises you need an individual who can deal with all the different facets of an accounts department from data entry to control account reconciliations, VAT returns and monthly management accounts.

Accountancy firms often have just enough capacity for their current workload but don't want to recruit another full timer. So are there any other options to resolve all these challenges and make the best use of your precious time?

One option is to use a resource that prequalifies bookkeepers. Taking up this kind of service can offer the following benefits:

- They will technically test all the candidates in advance.
- They provide the bookkeeper with monthly checklists to ensure all the essentials have been completed each month (or quarter).
- They are able to provide cover in cases of absenteeism or departure.
- They can offer bookkeepers on a white label basis, allowing you to enhance your service proposition to clients by offering quality bookkeepers who can work at their premises.

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