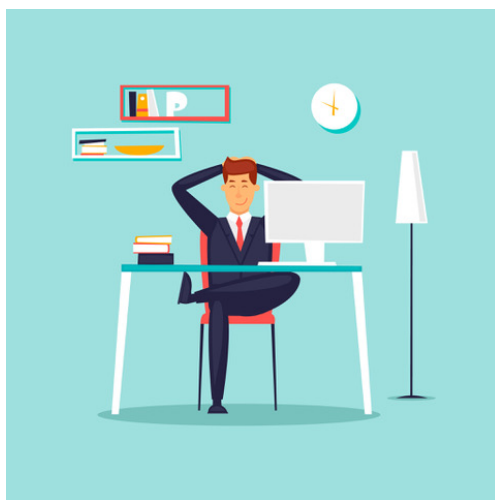


# Top 7 Benefits of Accounting Automation and Outsourcing



While this article spells out 7 benefits of Accounting Automation and Outsourcing, and we highly recommend you read about all of them, here is a quick list of the top 7 benefits:

1. Cost Savings
2. Time Savings
3. Reduction in Error and Risk
4. Increase in Efficiency
5. Increased Flexibility, Quality Services
6. Tracking and Reporting
7. Improved Cash Flow

Accounting automation and outsourcing provide a unique opportunity to receive accounting support from talented professionals without the added expenses associated with in-house resources. When making the decision to outsource your accounting functions, it's helpful to weigh the pros and cons and talk to a trusted leader in finance and accounting process automation and outsourcing.

Benefits of outsourcing your company's accounting services often include:

## 1. Cost Savings



It can be costly to hire an in-house accounting team with the required expertise, in addition to the necessary program costs, payroll taxes, salary, insurance, benefits, and time off.

Companies often choose to transfer recurring operational activities to an outside supplier with better technology, business processes, and lower costs to improve outcomes and maximize profits while minimizing risks.

Typically, this rationale is supported by certain advantages that outsourcing provides to a business in terms of cost-savings and reduced ongoing investments in an internal infrastructure required to perform the same activities in-house.

Experienced outsourcing professionals can do the same job at a lower cost and your company will also save money in the transactional cost for accounts payable processing since you will pay per invoice rather than per hour.

## 2. Time Savings



Since the outsourcing professionals you will be working with are highly trained in accounting, the time that it takes for them to process invoices for accounts payable is less than what it would take for an in-house team. Your company will also save the time required to recruit and train a new employee.

## 3. Reduction in Error and Risk



The risk of paying a fraudulent or duplicate invoice increases with multiple people manually handling each invoice. Accounting experts are up to date on all the latest regulatory requirements and carefully monitor relevant laws and regulations to stay current on processes.

## 4. Increase in Efficiency



One feature of outsourcing work to an external provider comes in the form of efficiency. Because the external party typically specializes in a specific area, the contracting business can quickly and easily take advantage of the technology, best practice experience, and high-level professional skills provided by the outsourcing firm.

With access to the outsourcing company's expertise, a business can rely on tasks being performed more quickly and with more accuracy than having to scout the professionals to hire and train in-house. Employee retention is always a concern, and when critical staff members choose to move on, the void that is left is often hard to fill.

## 5. Increased Flexibility, Quality Services



Another important benefit is that outsourcing companies also have the flexibility to meet changing business demands. This feature allows a business the option to outsource part of a function, an entire division, or even specific responsibilities depending on its strategy.

This a la carte approach allows a business to outsource based on current needs which leads to cost savings by requiring less investment in a fully-staffed internal infrastructure that may not always be required throughout the year.

The outsourcing company that you hire is also specialized in the work they do. They have to hone their skills constantly in order to keep up with the competition, so they often provide top quality services. For example, outsourced AP solutions will have systems in place to handle both a PO-backed or non-PO-process, discrepancy resolution, vendor management, and sometimes admin support.

## 6. Tracking and Reporting




Outside professionals can offer reporting on cost per invoice and time to payment, and routines such as analysis, month and year-end close, reconciliation and AP document management.

## 7. Improved Cash Flow



Hiring professionals to deal with accounting for your company will help to predict your cash flow and they can even help you come up with ways to get some extra cash for your business.

While there are many advantages to outsourcing accounting, you may find that there are risks to consider as well. Skilled and transparent accounting outsourcers like IQ BackOffice can address any concerns that arise. 

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*IQ BackOffice, based in El Segundo, California, is a global leader in business process outsourcing, delivering customized solutions for its clients, which range from boutique to multibillion-dollar firms.*

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