

Finance & Accounting Outsourcing Market Outlook Based on Recent Market Research

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OUTRIGHT BPO SERVICES



Outsourced Finance & Accounting Services

Business Process Outsourcing (BPO) is a subset of outsourcing that involves the contracting of the operation & responsibilities of specific business functions or processes such as data recording, service, accounting, third party service providers. Financial planning and accounting are two critical components of running a successful business & over past decades, globally many entrepreneurs have decided to outsource these two critical functionalities to professionals. Simply because entrepreneurs then can have tremendous long-term impact in their business.

Global market research shows that in COVID 19 crisis Finance & Accounting outsourcing estimated at US\$36.9 Billion in year 2020, is anticipated to reach a revised size of US\$51.5 Billion by 2027 with a CAGR of 4.9% over 2020-2027 (analysis period).



Global Business Process Outsourcing Market by end -use ,2018-2026(in Million USD)
Source: (Inc Ameri Research, 2019)

Finance & Accounting Outsourcing trends in recent years-

- **Real time Data**

Since the Finance & Accounting as an industry that started to move faster in to digitalization world, it makes easier to keep financial data up to date. Therefore, by using a fully integrated accounting tool, accounts can easily update your books in real time when the transaction occurs. Therefore, entrepreneurs can understand their financial position & make data driven decision.

- **Highly sophisticated automation**

It is important that all businesses to adopt to new technologies such as AI, machine learning to automate all possible processes. As a company when we do not compete with the market by using these technologies this will impact your business in many areas including, productivity, communication delays, process slowness, increased in staff involvement which will also eventually lead to burn out. Outsourcing your finance department can help you eliminate traditional accounting methods that rely on manual financial processing and replace them with automated workflows.

- **Personalized service packages**

Since every business is now focusing mainly on customer centricity & understanding of business uniqueness there is a shift towards customization & this has become many salesmen's unique selling point. In early stage of outsourcing services, it was common for companies to hire an accountant who comes to their office premises more frequently to handle the tasks. However, with the recent technological advancements, it's now common for the business and the accountant to never actually meet in person. Companies have a global pool of experts to tap into, and it has become easier for them to discover a finance and accounting partner that meets their needs.

- **Advanced financial modeling**

Without a timely and accurate cash flow forecast, your company may run into future problems and surprises, which is why financial modeling is so important. By creating financial models with a wider range of inputs, you'll be able to predict future outcomes and opportunities more accurately and plan accordingly.

Advantages of Outsourcing Activities:

- **Improve inhouse efficiencies**

There are many ways that you can increase your company efficiencies by outsourcing your accounting services

- Accounting service provider is equipped with information to let you know when you have unnecessary expenses & identify the cost saving opportunities without compromising work quality & efficiency.
- When you outsource your accounting activities, entrepreneurs & their managers get more time to focus on business core aspects.
- Reduce hiring & infrastructural costs

Building and managing in-house finance and accounting departments can be costly. From the hiring, onboarding, and training costs to salary and benefits to office space and equipment, you will have to spend thousands of dollars to handle your financial and accounting needs. But if you outsource the finance department, you won't have to cover many of these costs.

How do you know if the Outsourcing is the right choice for your company?

You can evaluate on the following aspects & if your answer is "YES" then you are taking the right decision at right time.

1. If you cannot handle or afford a full-time, in-house staff
2. If you can not afford on advance technology, but you believe that having a cloud-based financial team that already works with the latest cloud-based accounting software will allow you to access outstanding bills, AP and AR aging, general ledger reports, and financials within a mobile app or web browser.
3. If you are unable to find quality workers or having quality issues with current workforce.
4. If you do not have critical numbers you need to make the right business decisions

The outsourced finance and accounting industry continues to demonstrate its value to business of all types and sizes, which is why it has begun to secure their trust. As a result, many companies are now more willing to outsource complex financial functions. Instead of just outsourcing for bookkeeping services, companies are now looking for partners to help them create project valuations, forecasts, cash flows models, and other complex financial functions.