

SHOULD YOU OUTSOURCE?

Paul Saville, of Braant Accounting, explores the benefits of outsourcing bookkeeping and accounting services



Paul Saville

graduated with a Degree in Economics. He qualified as a chartered accountant in 1984, with Touche Ross (Deloittes). After qualifying, Paul spent time working with clients in manufacturing, IT and financial services, as well as specialist assignments into the investigation of multimillion dollar Luxembourg-based banking fraud. He then moved into commerce generally where he held numerous senior finance positions. He now specialises in providing SMEs with advice, help and support in their accounting and taxation requirements.

HFMWeek (HFM): In a financial landscape increasingly influenced by technological advancement, is it more important than ever to keep the books in order? If so, why?

Paul Saville (PS): In general, it is more important than ever. Accounting and bookkeeping has never been seen as being the most glamorous part of a business. It is also an area which has traditionally struggled to hold the interest of managers. This disinterest coupled with the perceived lack of excitement in the accounting sector has brought about many instances in which businesses have overlooked accounting for far too long and have suddenly been faced with an intimidating mess to clean-up. In the simplest of terms, it is comparable to a plumbing system in a house; hardly the most dazzling subject, but nonetheless absolutely essential. It is a highly complex area which if mismanaged or even totally evaded, will only clog up and cause further damage. Unfortunately, in addition, accounting and bookkeeping is not an area which attracts considerable interest from businesses, particularly from small businesses driven by an entrepreneur, who most commonly focus on the front-end, sales and marketing. A misconception regarding the reason behind outsourcing is often that businesses are persevering with 'traditional' accounting techniques, which is incorrect. We feel that the area is simply underinvested, neglected and understated. A large amount of companies do not realise how important this sector is and the significance of keeping everything in order.

In terms of technological changes, these rapid advancements are not only industry-wide – but global. A reoccurring factor throughout business is that the bookkeeping side of things is often underinvested and neglected, and as these technological developments endure, our sector will only continue to rapidly advance and require further attention.

HFM: What unique accounting services does Braant offer that set it aside from competitors?

PS: A significant amount of our employee base has collected a tremendous array of real-world experience. Throughout my career, I have been finance director and head of finance and as a group we can genuinely say that we have "been there and done that". We don't come from an academic background where we run with highly paid consultants who haven't amassed any practical experience. We have all got first-hand, practical experience, which we believe is exceptionally important.

When you look at larger accountancy practices, they tend to be run by people who haven't done anything aside from work in the accountancy profession and have never actually been out there at the coalface, whereas we have. It is mainly our experience that sets us aside from competition. We are also not a massive outlet and can provide a more personalised service. Braant are very hands on and would never only remotely manage a project, we would be in there and doing it.

HFM: Why should fund managers outsource the accounting functions of their business?

PS: To put in the most basic format, accounting is not a core area of expertise for most fund managers. It is increasingly important for fund managers to spend their time making the money and leave the back-end work to people who are experts in the area. Outsourcing certainly relieves a burden, if I was a fund manager I would not want to get involved in the accounting and bookkeeping, it is not an area which I would be interested in, I wouldn't know how to do it and would be prone to making mistakes if I attempted.

What better way to make money than to relieve those at the top of distractions so that they can concentrate on what they are extremely good at?

HFM: Have you seen an increase or decrease in fund managers looking at outsourcing? Why?

PS: There has been a run-on capital within the industry over the last few years which has started to consolidate down, meaning businesses have to focus more on the front-end, inevitably increasing the requirement to get some-

body in to deal with the back-end. There has been an increase in fund managers looking to outsource. When you look at the way in which the regulatory environment shifts, for example reporting, it is very difficult for managers to keep up with it and easy to understand why that is the case. Regulation is a driver in terms of managers looking to outsource, it changes on a regular basis and if your job is to try and make the money, why would you want to be trying to keep up-to-date with a constantly changing regulatory environment?

Operating in the most cost-efficient way, in order to meet obligations, is another driver for managers looking at outsourcing. Additionally, if Braant can offer some good financial or management administration, I think that is where they can start to see a value from the low cost operation.

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HFM: What key industry trends will be of significance to accounts/bookkeeping in the near future?

PS: Regulatory reporting requirements are a huge factor and one which I cannot see decreasing in frequency anytime soon. From the bookkeeping and accounting side of operations, cloud accounting is really driving down unit cost, because there is a diminishing requirement to have people on-site anymore, it is no longer a necessity to designate office space and much of our work can be done off-site. This ultimately creates further space which could then be used for a trading desk rather than using it for accountancy.

The industry is certainly shifting towards an understandable off-site reliance, but there are still many organisations who see HR, IT and accounts as predominantly in-house functions. Although, for more and more, especially at the smaller end of the industry, there is a growing conception that these functions are often unnecessarily retained in-house and can be easily outsourced.

However, there will still be many cases where there is a requirement to retain staff on-site. We specialise in pulling together the best teams, with the right knowledge, for

the job in hand. It is critical that people, or teams, with solid working knowledge can be used to take control of back room accounting functions with minimal learning time. We're finding that many firms have less time to dedicate to the recruiting staff internally and need immediate expertise. Staff turnover is also a big problem, although this tends to be eradicated by outsourcing. ■

Braant is a leading firm of London accountants and bookkeepers supporting all FCA regulated sectors including hedge funds. Their financial services accounting team are specialist accountants with expertise in the systems and processes required to maximise efficiencies, reduce risk and save time, as well as comply with regulatory, legal and tax legislation. Braant provides all levels of support, from financial reporting preparations to turnaround accounting, tackling crisis situations, as well as complete outsourced solutions, on-site or off-site. Braant's service is comprehensive and bespoke, and includes the fundamentals of statutory and client money audits, tax compliance and tax advisory services.