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Work on the Business, not on the Books



A common complaint among business people is that there simply aren't enough hours in the day. Well at least some of that time is taken up with keeping an eye on the books, paying suppliers, making sure the weekly payroll is right and other tasks that are not really core to growing your business.

Business people have enough on their plate at the moment and one way of reducing their workload is to outsource all or part of their accounts function.

Fergal Melia, Client Service Manager with Russell Brennan Keane says "The benefits of doing so are not just about saving time and hassle. Outsourcing your accounts is not only seen as a time saver anymore – it can lead to real cost savings. The market out there for accounts, payroll etc. is increasingly competitive and service providers are actually dropping their prices to adjust to the current market. This presents a real opportunity for small businesses".

Now is the time to talk to your accountant and see if they can play a more hands on role in your business. We would talk to our best clients at least once a week, and get to track their key financial data from month to month through real time accounts processing and because of this we can advise them at an early stage what part of their business needs to be worked on.

There are four key areas which can be outsourced:

Accounts

Outsource your complete accounts processing function including the input of invoices, supplier account reconciliations, input of banking transactions, reconciling your till receipts to lodgements etc.

The experts can then give you the key financial information– your monthly revenue, your key costs and how they compare to prior months, the amounts owed to you from your customer's and the supplier amounts owed. This can be done on a weekly or monthly basis.

The real benefit of this is that you get control back. You know if you made money each month and you can compare this to the previous month and the same period in a prior year. This information can be presented to you literally on one page, without having to trawl through reams of statements and invoices yourself!

Payroll

Business's that process payroll in-house are regularly faced with a number of dilemmas such as changing regulations and tax rates. They have to ask themselves the question is it worth having staff trained up and spending time on something that is a non-core activity and essentially an administrative task.

We have seen instances where the cost of maintaining payroll has dropped significantly when you outsource the whole payroll function. Moreover you have peace of mind that it is being done right, regulations are being followed and complete confidentiality is adhered to. Most payroll providers offer a fixed guaranteed cost so there should be no fee surprises.

Revenue

One of the most stressful things for any SME is making sure all Revenue returns are up to date. Indeed one of the consequences of the recession is that Revenue authorities are more likely to impose interest and penalties where returns are overdue or payments are not kept up to date. This is a needless stress for your average SME who can handover this stress to a qualified specialist who will prepare the Vat returns, the monthly P30's, chase up on withholding tax refunds due etc.

The trusted outsource provider can prepare the returns, submit the returns and actually organise payment through Revenue on line without the business owner having to get involved at all.

Banking

This is the premium service level and it would allow real time access to your bank accounts by your outsource team to maintain and manage yours accounts online. This would include processing payroll online, making supplier payments online and even keeping a close eye on your bank charges which seem to be increasing for every business at the moment.

The benefit of this is that your financial affairs can be kept up to date on a daily basis and you should be able to log into your accounts from the comfort of your home any weekend to check your accounts and the key financial indicators.

Fergal Concludes "Accounts are best left to the experts who have the resources. Business people should get out of the back office and get in front of their customers. The benefits are two fold. The business owner gets to focus on what they do best, talking to customers and building relationships. Meanwhile the finance function is managed by a team who can provide them with the key financial information in a cost effective manner".

If you would like to discuss your individual circumstances further, please contact Fergal Melia on 01 6440100 or email: fmelia@rbk.ie.

About RBK

Russell Brennan Keane is one of Irelands leading business advisory and accountancy firms. With 50 years experience providing professional advisory services to a range of clients in the mid to large corporate market in Ireland, from offices in Dublin, Athlone and Roscommon.

Press Contact:

Gillian Mullan

Tel: + 353 (0)90 6480667 / 0860585245

Email: gmullan@rbk.ie