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## BUSINESS PROCESS OUTSOURCING

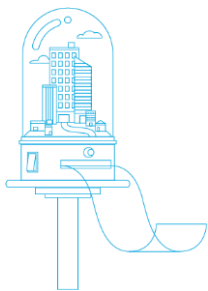
More than a back office

In these uncertain times, many companies are rethinking their business strategies and looking at solutions through a completely different lens. Those that perhaps haven't considered outsourcing their back office previously, may have now recognized that they survived a sudden shift to managing a remote environment and that a transition to an outsourcing partner could now be exactly what their business needs.

Outsourcing the accounting function provides companies with increased efficiency, skilled resources, process consistency and sometimes even lower costs. However, many companies underestimate the magnitude of benefits that outsourcing can provide to their finance and accounting function. Having the right outsourced partner can elevate the back office to another level, creating significant and often unexpected value.

Some common challenges that companies are currently facing are highlighted in this article, as well as how having the right outsourced partner providing support in these areas can help them reset for success.

## THIRD-PARTY REPORTING REQUIREMENTS



Reporting is a significant and ongoing challenge for many middle market companies. Regardless of whether a company is in the startup phase, or is well established, third parties are pushing for timely and accurate financials.

A finance and accounting outsourcing (BPO) team can significantly streamline the reporting process. This will allow companies to eliminate Excel-based reporting, reduce time preparing financial information, and provide transparency to stakeholders.

## BUDGETING AND FORECASTING

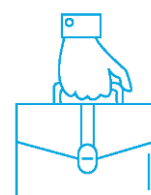
Many middle market companies are operating without a well-defined budget, let alone reforecasting their budget based on actual results throughout the year. The forecasting process is only effective with accurate financial information throughout the year and effective insights into future potential impacts to the budget. The impact of the COVID-19 pandemic has required companies to develop new strategies to determine how their business will thrive in difficult economic conditions.

An effective BPO solution will provide support in the areas of budget development and forecasting, including accurate budget-versus-actual reporting.

## AUDIT AND TAX COMPLIANCE

Many companies require an annual independent audit as well as tax compliance. The data gathering process for these requirements can be overwhelming with an understaffed or unskilled accounting department. Moreover, the constantly evolving technical accounting and audit pronouncements paired with updates to tax laws can make it extremely difficult to keep up with all the changes.

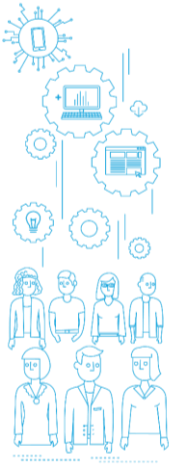
A BPO solution provides more efficient implementation of new accounting pronouncements, and results in a more proactive approach to incorporating these changes into financial statements. In addition, access to the information needed is another important aspect to a smooth audit and tax process.



## INTERNAL CONTROLS

Through effective segregation of duties and documentation of internal controls using proven best practices, a company's back-office can be elevated to provide more insight and value. Companies that might be anticipating a transaction in the future can rest easy with a BPO solution, providing audit-ready reconciliations and a strong reliable system of controls. Furthermore, with a strengthened control structure and an unbiased external perspective, BPO can lower the likelihood of misappropriation of assets or fraud.

## ENHANCED PEOPLE MANAGEMENT



In the current employment market, many companies simply cannot afford to hire for each of the levels of a true accounting department with the right skill sets in accounting, let alone those who will keep up with the latest developments. Instead, they often bring in people they can afford instead of people who can enhance key processes and help the company succeed and grow.

However, BPO solutions can provide more experienced resources with insights gathered from other similar companies. In addition, the right outsourcing provider will deliver this experience not only through the core accounting team, but also with extensions of that team via technical accounting, tax and industry expertise to provide support when needed. With outsourcing, you no longer have to worry about ongoing turnover and recruiting troubles, as reliability and consistency are increased within the finance and accounting function, and transition within the team is a smooth process.

## CHOOSING THE RIGHT PROVIDER

While BPO can enhance critical areas for companies—even beyond the areas listed above—all providers are not created equal. The provider selection process is the key element to getting the most value and gaining the most efficiency and insight from an outsourcing relationship. With a growing number of outsourcing options, companies must be careful to choose a provider with the right mix of skill sets, industry experience and capabilities.

The right outsourcing partner should be a trusted advisor—it will be an extension of the company, so the partner should exhibit consistent values. The wrong fit can be counterproductive and costly, so companies must perform a thoughtful due diligence process before selecting a partner.



With RSM Business Process Outsourcing (BPO) services, you have access to an enhanced suite of services that are tailored to meet your company's unique needs. That gives you time to focus on growing your business and remaining competitive.

From start to finish, we use a collaborative approach, because surprises regarding financial information and reporting are unacceptable. You work with responsive RSM professionals who have the broad experience and industry knowledge your company needs.

## CONCLUSION

BPO solutions are a key strategy for middle market companies, providing several measurable benefits as well as intangible values. The right outsourcing partner and strategy can deliver not only customized finance and accounting solutions, but can also increase stability and clarity into financial information and ultimately allow management to focus on what matters—the success of their business.

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