

Evaluating Outsourced Accounting: 7 Key Questions Every CFO Should Ask



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As someone who works in the world of outsourced accounting, I receive several recurring questions when Chief Financial Officers (CFOs) are considering outsourcing their accounting function. Interest in outsourcing the accounting function is often driven by cost factors, efficiencies, a system upgrade, and access to specialized expertise. Intuitively, outsourcing makes sense to a lot of organizations. However, this is not a decision to be taken lightly.

Here are the seven most common questions I receive from CFOs:

1. What specific accounting services does Dean Dorton offer?

Dean Dorton's accounting services are customized to our clients' needs. This includes data entry, bill pay, bank reconciliation, customer invoicing, customer receipt management, month-end close, financial reporting, management meetings, and CFO services. We provide our clients with an accounting system designed to efficiently meet their operational needs. We work in three models:

1. Full Outsourcing: Data entry to controller or CFO-level services.
2. Co-Sourcing Option A: Dean Dorton works with the client controller to provide accounting support.
3. Co-Sourcing Option B: Dean Dorton provides controller or CFO-level services, working alongside client team members.

2. How do you ensure confidentiality and security of financial data?

Dean Dorton utilizes multi-factor authentication across all platforms involved in receiving, storing, or distributing client information. This includes email exchange, the accounting system, electronic bill pays, and client data retention.

3. Can you provide examples of cost savings achieved for other clients?

This is a tricky question because there may not be *direct* cost savings. I typically turn this question around and ask, "Have you ever thought about the financial, mental, and physical cost of interviewing, hiring, retaining, and training an internal accounting department?"

My contemporaries like to argue that outsourced accounting services enhance the quality of the accounting function at a rate that is less than what would be required to build an accounting function of equal value internally. That is more

than likely true. What is true is that continuity risk and accounting recruitment and retention costs disappear when the accounting function is outsourced.

4. How do you stay compliant with current accounting standards and regulations?

Multiple team members in our outsourced accounting department are CPAs. This certification requires ongoing professional training to maintain the credential. Our team meets bi-monthly to discuss accounting standards and industry trends impacting our clients and we collaborate with colleagues from our tax, assurance, and consulting services. Dean Dorton is a large accounting firm with deep resources within the accounting industry.

5. What is your process for handling and resolving errors or discrepancies?

I appreciate this question because it acknowledges that small errors will happen. Our goal is to make sure any errors are small. Error prevention begins by evaluating workflows for where the greatest risk for error exists. We document these workflows to help ensure that all parties agree on accounting procedures to be performed. If an error is found, we immediately notify the client's team. We then take action to remedy any operational issue the error created and adjust existing workflows to prevent the error from recurring.

6. Can you scale your services to meet our growth?

Absolutely! Our services are adaptable to your changing needs. Scaling (growing) businesses makes for great outsourced accounting clients because the accounting service can be established before the client's operations are overly complex. This allows us to increase our services with you and prevent unhealthy habits from forming. This also helps ensure the quality of the accounting data over a long period of time. It is common for our service model to move from a co-sourcing model to a full outsourcing model over the relationship.

7. What is your communication process, and how often can we expect updates?

Effective communication is key to our client relationships. We introduce our clients to their accounting team at the onset of the engagement. All client relationships have a designated account manager who is responsible for the client's experience. The frequency of communication varies by client, but we typically have some form of communication with our clients weekly. Our goal is to have regularly scheduled meetings with client management to discuss financial health, key metrics, and strategic objectives. We use telephones, virtual meetings, email, and chat when interacting with our clients, and face-to-face meetings.

Deciding to outsource your accounting function is a strategic move that can bring about significant advantages, including access to specialized expertise, enhanced efficiency, and the ability to focus on core business operations. At Dean Dorton, we are committed to providing a seamless, transparent, and highly effective outsourced accounting service that aligns with your business's growth trajectory and financial health. Our team's dedication to excellence and continuous improvement ensures that we remain at the forefront of accounting best practices, offering you peace of mind and a robust foundation for your accounting needs.

Do you have additional questions about outsourced accounting? If so, please [contact Justin Hubbard](#), Director of [Accounting & Financial Outsourcing at Dean Dorton](#).