





Introduction

What is Outsourcing

- It is the practice of sending certain job functions outside a company instead of handling them in house.
- It is the contracting out of a business process, which an organization may have previously performed internally or has a new need for, to an independent organization.
- It includes both foreign and domestic contracting, which may include offshoring described as “a company taking a function out of their business and relocating it to another country.”

Reasons to Outsource

- To seek internal savings to focus money and resources towards core business.
- Companies may outsource certain specialized functions, such as payroll and may find the same level of consumer satisfaction.
- Companies may also outsource some of the activities that involve expert knowledge which isn't available in-house.
- To fulfill certain activities which are temporary in nature.



Concerns

Management Processes

Greater physical distance between management and the employees often requires a change in management methodologies as inspection and feedback may not be as direct and frequent as in internal processes.

Our response

- Senior staff is responsible for only a small portfolio of customers.
- Use of latest communication technology i.e. skype, video conferencing, etc.

Quality of Service

Quality of service is often impaired when an organization outsource its business process or a service.

Our response

- Getting our customers to fill up customer feedback questionnaire periodically.
- Regular meeting with the customers to resolve any issues they have and taking negative comments on board very positively.

Security

When the actions are outsourced, the security of the data becomes of paramount concern to any organization because the people responsible for these actions are no longer directly employed or responsible to the organization.

Our response

- Stringent controls to ensure confidentiality of data and information received and produced.
- Regular review of these controls to ensure the controls are working at all times.

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Concerns

Language Skills

The end-user-experience is deemed to be of lower quality when a service is outsourced. This is exacerbated when it is combined with outsourcing to regions where the first language and culture are different. The visual clues that are missing in a telephone call may lead to misunderstandings and difficulties.

Our response

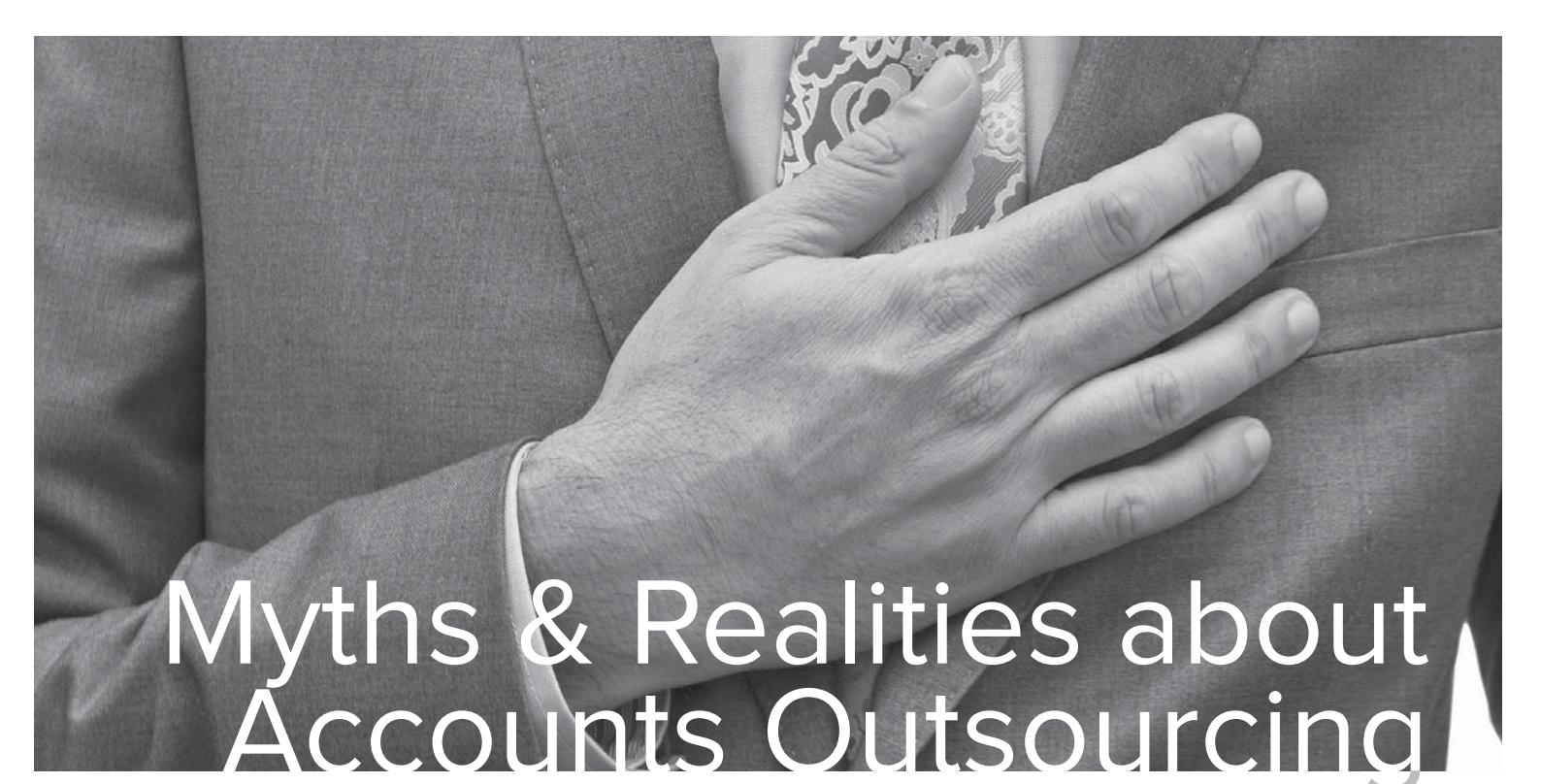
- *Getting our senior staff to take an English competence test.*
- *Regularly conducting in-house workshops on communication skills and personal development.*

Qualifications of Outsourcers

Companies looking to outsourcing their activities should evaluate the capabilities of the providers. It is often a concern whether outsourcing providers have relevant qualifications, skills and experience to ensure the same output will be produced as would otherwise be produced had the outsourced service carried out in-house.

Our response

- *All our senior staffs are qualified chartered accountants.*
- *All our support staffs are commerce graduate.*
- *Managing director and the Quality control manager are both UK qualified accountants and have vast UK experience.*



Myths & Realities about Accounts Outsourcing

Outsourcing business processes is no longer the exclusive domain of big business efficiency and profitability. Nowadays small business organizations are taking to outsourcing to increase their business efficiency and profitability. What began with IT-based transaction processing has since expanded manifold to cover all aspects of business like Accounting, HR management, public relations consultancy, financial services etc.

However, myths are still abounding about accounting business process outsourcing; particularly among small business entrepreneurs who are still not sure whether such step can really create value for their enterprise, as in their perception, only big business can benefit from these initiatives. Confusion still prevails on selection of accounting functions that can be outsourced to maximize returns. But, the fact remains that accounting business process outsourcing is absolutely viable for small businesses too and has tremendous possibilities of cost saving and value.

Myth: Accounting outsourcing is for big businesses only.

Reality: False. It applies for small businesses equally.

The popular perception that accounting outsourcing is only for big business with abundant wealth, profound resources and multiple locations is misleading. The fact remains that small business can reap great returns too by outsourcing accounting functions.

Myth: Outsourcing is only about transaction processing and accounting has no place.

Reality: False. Almost all non-core business activities including accounting can be outsourced.

After its start a decade ago, big business houses mostly outsourced transaction processing activities using high-end technology platforms. The situation has now totally changed. Big and small companies routinely outsource Accounting, HR, Financial Services, PR and similar functions to cost-effective destinations like India.

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Myths and Realities about Accounts Outsourcing

Myth: Accounting outsourcing needs complex IT integration.

Reality: False. Just a secured server and internet connectivity can work.

It's a misconception among small business that outsourcing requires extensive IT integration. For management of outsourced accounting portfolio of a small business, just a secured server and Internet connectivity is sufficient to procure value-added services.

Myth: Accounting outsourcing divulges key operating information.

Reality: False. The services are 100% reliable.

No offshore service provider would risk his business possibilities by unauthorized use of accounting data of the outsourcing company. Through secure FTP software, offshore units transfer all the documents securely into the client server. The customers will import the accounting files into their Accounting Software. Thus there is no possibility of any breach of data security.

Myth: Accounting outsourcing cuts jobs, harms economy of outsourcing country.

Reality: False. It promotes growth and efficiency.

Small business outsourcing accounting services is a major budget-balancing act and an option for increasing business returns and lowering process time that does not call for job losses. This is particularly more relevant for the small business sector because by outsourcing functions like accounting, they can save costs without compromising on quality and channel this cost saving to hiring people for operational areas to increase productivity and market sales. Ultimately, there is no loss of employment opportunities. Moving away from non-core functions, jobs become available in high-end sectors and to meet the requirements of such jobs, levels of professional expertise, skills and knowledge of the human resource base of the country increase significantly. The host country is the ultimate gainer from outsourcing.

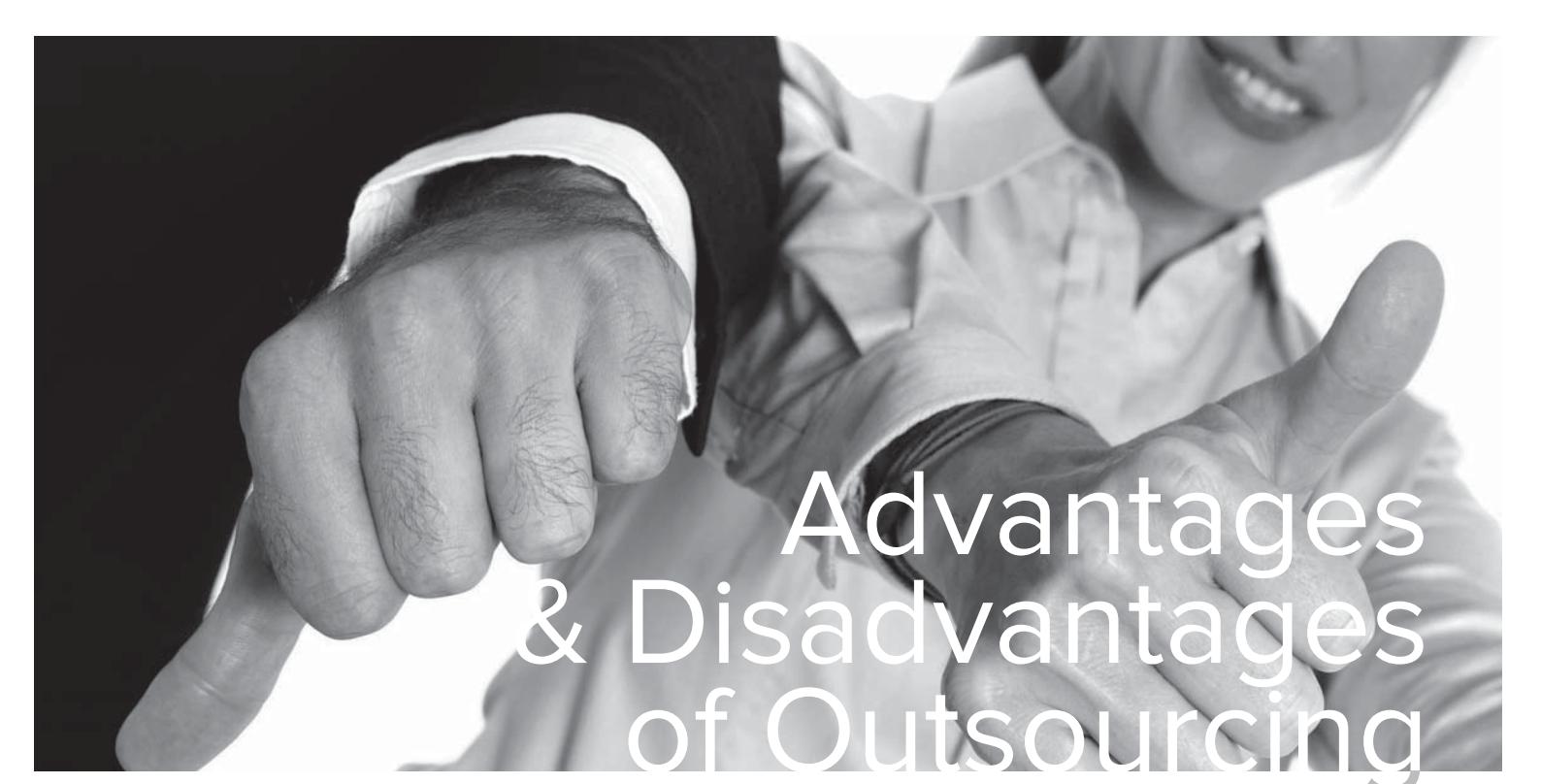


What Businesses Have to Say?

Emma Jones, founder of Enterprise Nation, the home business network, said: "My advice to any small business is 'focus on what you do best and outsource the rest' and it's becoming increasingly straightforward to do this. Outsourcing helps you stay nimble and keeps overheads low."

Chris Pichon, chief executive of Wenta, the enterprise agency for Hertfordshire and Bedfordshire, said that too many small-business owners try to do everything themselves, often to ill-effect. "How many small-business owners spend ages trying to upload a new piece of software to their computer, when actually they could pay somebody £150 to do it and be immediately up and running instead of spending three days trying to get it working? I think outsourcing is absolutely essential for a small business," he said.

David Hathiramani is the co-founder of online bespoke tailor business A Suit That Fits, which outsources all of its manufacturing to tailors in Kathmandu, Nepal. He said that outsourcing has given the London-based firm, which has a turnover of £3m, access to tailoring skills that would never have been possible otherwise. "There is a huge skill base in Nepal and Nepalese tailors are serious and conscientious," he said.



Advantages & Disadvantages of Outsourcing

Outsourcing has pros and cons to it. Most of the time, the advantages overshadows the disadvantages of outsourcing.

Advantages of Outsourcing

Availability of better expertise and infrastructure	<ul style="list-style-type: none">Service providers are specialized in their fieldThe outsourcing providers will have specific equipment and technical expertiseThe tasks can be completed faster and with better quality output
Full concentration on core business activities	<ul style="list-style-type: none">More time to strengthen core business processesOrganization save costs and can pick the best people to manage the core functions
Risk mitigation/management	<ul style="list-style-type: none">Sharing of responsibilities when the tasks are outsourcedThe outsource providers can plan the risk-mitigating factors better
Reduced costs	<ul style="list-style-type: none">Reduced recruitment and operations costsReduced operating costsSavings can then be diverted to the core functions and marketing
Developing new competencies	<ul style="list-style-type: none">Ability to develop new competenciesAbility to develop new skill-sets that can be used as competitive advantage

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Advantages and Disadvantages of Outsourcing

Disadvantages of Outsourcing	
Loss of confidentiality of data	<ul style="list-style-type: none">• Losing sensitive data• Loss of confidentiality
Quality and timing of deliverables	<ul style="list-style-type: none">• Stretched delivery time frames• Sub-standard quality of output
Hidden costs	<ul style="list-style-type: none">• Hidden costs due to cross border contractual obligations• Legal problems involving higher costs
Lack of customer focus	<ul style="list-style-type: none">• Outsourcing provider catering to multiple organizations• Lack of focus on the specific requirements of your organization

Many of the pitfalls of outsourcing can be avoided by choosing the right company to work with. Before taking the decision to outsourcing it is important that you align the goals of your company and employee considerations with the objectives of outsourcing.



Is Outsourcing really a good way to grow a business?

You should decide what you are good at and outsource everything else i.e. focus on your core competency, and let someone else do the mechanical and routine stuff. The key is to understand your business and its goals and decide how outsourcing might help you attain them. This will, of course, depend on the size of your company and what specific tasks you offshore, but in general, if you think it through, you can save money and channel it in right direction.

One disadvantage to outsourcing is that you are losing full control of the activities that were previously done in-house.

You have to ask yourself if you can trust your outsourcing providers, if you think they have the required expertise and capability to provide the services, if they have the required infrastructure to cater to your business needs and if they can adapt to your growing and changing needs.

The best advice we can provide you is to carefully think through each function in your business and figure out which tasks you can outsource. Vet your outsourcing partner's credentials and try them out. In most cases, your common sense will work for you and the desired outputs will be achieved.



Pearl Consultancy as your outsourcing partner

Vision

We at Pearl Consultancy aim to provide value-addition to our clients by providing cost-effective service without compromising on the quality. Our aim is to become the most trusted partner for an organization when it comes to outsourcing.

Mission Statement

With a clear vision and by following the best practices and processes, stringent controls in place and ensuring timely and efficient service, we believe our journey to fulfill our vision will be a smooth ride.

What makes us different?	
Creating value	<ul style="list-style-type: none">• Better quality output• Reduced costs to achieve the desired output• Savings diverted to client relationship and acquisition, develop new competencies
Use of best policies and procedures	<ul style="list-style-type: none">• Use of best industry policies and procedures• Use of standardized check-lists• Periodic review of these policies and check-lists
IT infrastructure	<ul style="list-style-type: none">• Workstations equipped with latest technologies• Access to all major accounting software
Human resources	<ul style="list-style-type: none">• All the staff from accountancy background• Senior staff well trained on UK accounting and taxation laws• Focused investment in staff development

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Pearl Consultancy as your outsourcing partner

What makes us different?

Security and controls

- Implementing strict security controls
- Well guarded workstations
- Surprise checks of all staff

Customer relationship

- UK headquarters and presence
- Regular customer visits and use of feedback questionnaire

Subject knowledge

- Founder director is ACCA qualified professional
- Quality control manager with an experience in big four
- All senior staffs are from accountancy background



Services we Offer

For Accountants

In the current economic situation, it is generally seen that there is hardly any growth in the number of clients instead many clients have given up their businesses or have asked for a reduction of the fees from their accountants and needless to say, the costs are rising. This leads to reduced margins and hence it is paramount for an accountant in practice to rethink on their strategies to attract more clients and to do this cost saving is a must within the existing set-up.

The only possible way to attract new clients or to increase the revenue is to try effective marketing, increased networking, increased client relationship, exploring new competencies that your firm is currently not offering to the clients. The question then arises is whether additional time can be allocated by the staff without losing out on the quality of the services that are currently being offered to the existing clients or to be provided to the new clients?

This is where we step in. We are different to traditional outsourcing firms who are, at their root level IT companies that have accounts outsourcing as one of their business activities. The founder/director and the staff working with us are all accountants who are trained to use UK accounting packages and are imparted extensive training on UK accounting and taxation laws. This ensures that the quality of the output produced will be meaningful and reliable when compared to others.

- **Year-end accounts preparation** ranging from sole traders to company clients or LLPs.
- **Payroll maintenance** for a very simple payroll process to a more dynamic payroll. We not only just generate the pay-slips but can also dispatch them (if required) and will handle any queries from the employees.

- **VAT preparation** from the source documents like sales and purchases invoices, bank statements, etc.
- **Filing of tax returns** i.e. self assessment tax returns, partnership tax returns, corporation tax returns.
- **Secretarial work** including minutes of various meetings, printing of dividend vouchers or filing of annual returns.

Services we Offer

For Businesses

In recent times, as the disposable income of an average family has fallen down drastically most businesses have seen a downward trend in their turnover. Even the businesses who have managed to achieve their turnover targets they have seen their margins squeezed as they offer huge discounts, promotional offers, to maintain their customer base. The costs are increasing in the form of increased rentals, high energy bills, year to year wages increase, etc. The result is seen on the bottom line amounts. This has compelled most businesses to channelize their resources towards product development, marketing strategies, product enhancement, investments in new technology, etc. which are termed as ‘core business activities’.

To fund these efforts, they seek to cut down their workforce and put increased pressure on the remaining staff to achieve higher productivity and efficiency. These in most cases have back-fired in the form of sub-standard quality of outputs, increased customer complaints, which in turn will require extra resources to address customer issues.

The question then arises how to seek a balance?

We at Pearl Consultancy with a clear vision to provide value addition to your organization can help to achieve this balance. We will work with you to understand your processes and will help identify the areas where your business have resources that are capable of contributing to your ‘core business activities’ rather than working on routine and repetitive tasks. We will take care of performing these tasks at a cost benefit to your business. This will not only provide you with extra liquidity but will also free up the available resources both of which can be channelized to increase your bottom line amounts.

Most businesses will have the following transactions that are routine and repetitive in nature and our aim is to provide these services by following your business standards ensuring the best quality of the output:

- **Accounts payable** which includes suppliers' invoices entry, payments reminder, suppliers' accounts reconciliation, summary reports as and when required, etc.
- **Accounts receivable** to include customers' invoices entry, credit control, chasing overdue invoices, customers' accounts reconciliation, summary reports, etc.

- **Banking transactions and reconciliation** which can include multi-currency transactions and petty-cash accounts with periodic reconciliations.
- **Payroll** for all your employees irrespective of the frequency of the pay with added service of addressing any payroll queries from your employees.
- **Maintaining product masters** can be quite a complex and time consuming job as you may change the pricing regularly or keep on adding new product lines.

In addition to above, we also provide a complete solution for your entire bookkeeping requirements which may be ideal for your business.



Our Team

Sachin Chokshi, FCCA (UK), CA (India)

Sachin is the Managing Director of Pearl Consultancy Limited. He has worked in the UK for last 9 years both in the industry and practice environment. Sachin is now very well conversant with the UK GAAP and the provisions of FRSSE and is very well trained and experienced in producing statutory accounts for various businesses. He also possesses excellent project co-ordination and management skills and is in charge of HR, Customer relationship and India operations.

Bhavin Bhatt, Chartered Accountant

Bhavin is responsible for our Quality Control aspects of the business including defining policies and processes and implementing security controls. He is currently working as Audit Manager at Deloitte in Guernsey, Channel Islands. He has also worked with Ernst & Young, Grant Thornton in various positions. He is a qualified Chartered Accountant and brings with him a wealth of experience working with big four. Bhavin is self motivated and believes in providing the best when it comes to quality of the outputs.

Palak Chokshi, Commerce Graduate

Palak is a commerce graduate and is responsible for IT infrastructure and India operations. She has worked within a well disciplined accountancy firm in the UK and has learned best industry policies and processes. She has a natural flair to numbers and is very strict about being in time.

Deepak Sharma, Chartered Accountant

Deepak is a chartered accountant from India and is responsible for India operations. He has been trained on various accounting software and is well conversant with UK accounting and taxation laws. He is a commercially sound and professionally ethical individual and uses a disciplined approach to work.



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