



ESS
AccountantsMinute

Welcome to Accountants Minute. I'm Peter Towers, Managing Director of ESS BIZTOOLS.

Outsourcing will affect most accountants

A few weeks ago, Smithink conducted a very interesting workshop in Melbourne, on the effects of outsourcing on Australian accountancy businesses.

As an accountant, whether you agree or disagree with the concept of outsourcing work to countries such as India, the Philippines and Vietnam, there's no doubt that outsourcing is going to directly and indirectly affect the vast majority of accountancy businesses in Australia over the next few years.

Morris Miselowski, a futurist, writing in The Charter Magazine in 2012, said: *"By 2020, relationships between organisations, people and service providers will be far more intimated. Accountants will be part of an individual's advisory group, and statutory requirements will be outsourced to some other country or person – that's a fundamental shift."*

Speaking at the conference, Kane Munro of Deloitte said: *"Accountants were facing increased competition by outsourcing accountants who are able to more effectively compete in the marketplace. Accountants have been challenged from non-traditional channels and there are rapid changes occurring in the marketplace."*

Kane said, *"Outsourcing is a way of future proofing an accountancy business."*

What do all these mean to you and your accountancy business?

Speakers at the conference indicated that, at least, some of the accountants who are participating in outsourcing are now using their reduced operating cost as a means of marketing accountancy services to other small/medium enterprises which are not their clients. Perhaps some of those people are your clients.

Therefore accountants, who are currently not outsourcing, need to develop a strategy to either be a participant in outsourcing or develop a range of services to be able to effectively compete with those firms that are outsourcing.

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