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ACCOUNTING OUTSOURCING AS A STRATEGIC TOOL FOR OPTIMIZING ENTERPRISE ACTIVITIES

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Abstract

Accounting is an essential component of modern business management, acting as a foundation for informed decision-making and strategic planning. Outsourcing accounting functions can significantly improve the efficiency and effectiveness of an enterprise's management.

Creating a business requires financial and human resources, as well as experience, which are often difficult to provide at the initial stage of the enterprise's activity. An alternative option is the full or partial transfer of certain types of work to third-party organizations - outsourcing companies. This approach can help simplify decision-making processes and the management of the enterprise.

Most scientific publications do not address the practical advantages and disadvantages of outsourcing in enterprise management. Another significant issue is that the business environment has yet to develop a clear understanding and culture of interaction with outsourcers. There is also a lack of awareness regarding the distinctions between outsourcing services and traditional service provision.

The research objective is to explore the potential of accounting outsourcing as a tool for enterprise optimization, with a focus on its advantages, associated risks, and best practices for implementation to maximize benefits and minimize losses.

It is advisable to consider outsourcing both as a service and as a process. This approach helps account for the specifics of implementation and the changes observed in the accounting organization for both participants – the customer company and the outsourcer.

Accounting outsourcing is primarily a comprehensive set of services that can replace the accounting, planning, economic, finance, and development departments. In addition to an accountant, the client gains access to several specialized professionals, including a lawyer and a human resources officer. This integrated approach provides the client with ready-made management solutions without incurring financial or time losses. By transferring accounting responsibilities to an outsourcing company, the customer delegates the responsibility for the accuracy and timeliness of tax and fee calculations to another legal entity, under an agreement that ensures coordinated accounting practices.

In contrast to one-time services with a defined start and end, outsourcing provides ongoing professional support to ensure the uninterrupted operation of specific systems and infrastructure under a long-term contract. The key difference between outsourcing and traditional services is the active involvement of the customer in the service delivery process. The customer maintains constant communication with the outsourcer and influences the service outcome.

The accounting outsourcing market in Ukraine is undergoing significant transformation driven by the war, economic challenges, and the growing need for businesses to optimize costs and processes. The key trends shaping the market today are as follows:

- **Popularity among small and medium-sized businesses:** Many companies in these segments are increasingly turning to outsourcing to reduce expenses, streamline operations, and concentrate on core activities. Businesses particularly value the ability to access high-quality accounting services at a lower cost compared to maintaining an in-house team.
- **Expansion of remote services:** The importance of cloud technologies and electronic document management continues to grow, especially in light of the pandemic and the ongoing war. These tools enable effective operations even when physical distance is a factor.
- **Export potential:** Numerous Ukrainian companies providing outsourced accounting services are focusing on foreign clients. This aligns with the broader trend of Ukrainian businesses expanding into international markets, unlocking new opportunities.

- Demand for new approaches and technologies: In response to a challenging economic environment, companies are seeking innovative solutions to traditional accounting challenges. These include adopting automated systems and improving the digital literacy of staff to enhance efficiency and adaptability.

The growing popularity of accounting outsourcing is primarily driven by negative factors, such as the outflow of qualified personnel due to military operations and business owners' desire to reduce costs and transfer responsibility for accounting and reporting to external organizations.

However, the true value of outsourcing services becomes apparent when businesses experience the benefits it provides, such as freeing up time and resources previously spent on accounting and tax issues, enabling more informed decision-making based on accurate accounting data, and accelerating specific processes through a greater focus on business needs.

Accounting outsourcing is a strategic tool for optimizing enterprise activities, offering cost savings, expertise, and flexibility. By embracing this approach, businesses can enhance operational efficiency and focus on growth-oriented initiatives. However, to maximize its benefits, companies must carefully evaluate outsourcing partners, address potential risks, and adapt to technological advancements. In an increasingly competitive and globalized business environment, accounting outsourcing is poised to remain a vital component of effective enterprise management.

Keywords

accounting; strategic tool; optimizing enterprise activities