

# The Accounting Times



*By Department of Accountancy, Patuck-Gala College,  
Santacruz (E)*

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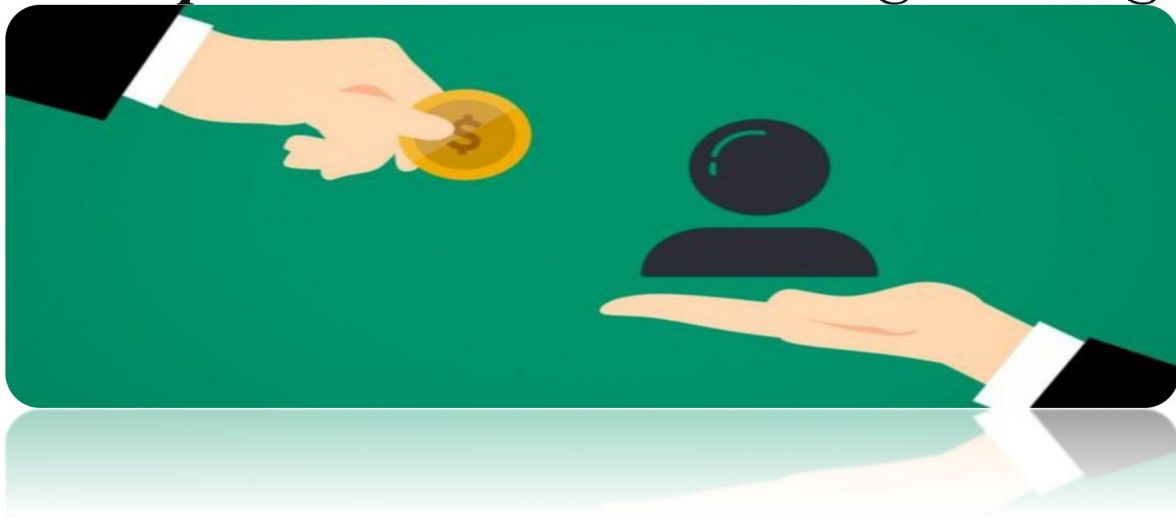
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## Key Areas to Outsource When Launching a Startup on a Shoestring Budget



Running a startup with limited budget can be a stressful experience for entrepreneurs. We see most new businesses fail because of insufficient operating funds. According to CB Insights, running out of cash is the second most common cause of startup failure. Ultimately, the only option left for cash-strapped startups is to consider outsourcing work to cut costs and deal with financial crisis. Hiring remote workers not only saves time and money but also provide startups an access to global talent. At times, outsourcing a fragment of work seems like the next logical step for startups instead of wasting time on opening up another business department. Entrepreneur India lists out few key areas or services that entrepreneurs should outsource when launching a startup. Business Compliance Service : Launching your own business is nothing short of a roller coaster ride. Beginning from assessing the market accurately, formulating a business plan to registering your name and acquiring the right talent, the process can be quite overwhelming. Archit Gupta, Founder & CEO ClearTax feels for

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startups, it is best to outsource business compliance services to ensure that a skilled personnel handles the paperwork. “When launching the startup, one of the crucial steps is selecting the right business structure. Whether your company is a sole proprietorship, a limited liability partnership, partnership firm or a private limited company, it is easy to get entangled in the documents, compliances and legal formalities. So, an entrepreneur should try to outsource its legal compliance services,” shared Gupta.

**Finance and Accounting :** According to **Aditya Kumar, Founder & CEO Qbera.com**, in very early-stage startups, it is best to evaluate outsourcing of certain activities according to certain factors like: ease of automation, as well as the availability of viable outsourcing alternatives. “In the case of call-centre functions, outsourcing for repetitive and low-value addition tasks (e.g. calling of dropped off leads) can be extremely efficient as it is possible to easily train call-centre resources, standardize processes, and find alternatives. Other tasks, for example, accounting, also offer plenty of part-time alternatives which are inexpensive, and provide a standardized offering,” said Kumar. He went on to say that outsourcing functions such as human resources (in particular recruitment and performance appraisals) can be considerably more difficult. Other administrative tasks (such as IT), can often also not be outsourced effectively.

*Nidhi Singh, ENTREPRENEUR STAFF ,Correspondent, Entrepreneur.com*

## Franchising's Million-Dollar Question: How Much Money Can I Make?



As a [franchise coach](#), I get a lot of questions from people who want to become business owners. Understandably, the biggest question on the minds of prospective franchisees is, "Will I make money?" It's worth developing a detailed answer before committing to a franchise system. Buying and running a successful business involves a lot of hard work, and business ownership isn't much fun if you aren't making any money. While it's true that franchising is a more structured and transparent way to become an entrepreneur, it still can be complicated and confusing to navigate the process on your own. How can you ensure your chosen franchise has the ability to make money? As always, the key is doing your due diligence.

**Doing your due diligence:** Before buying a franchise, it's important to learn what your experience will be like, as a business owner. Those who skip this crucial step don't often remain business owners for very long because they end up with a franchise that isn't a good fit for them. Financial viability is a key criterion for most people. If you've never run a business before, your natural instinct might be to focus on the bottom line. You're used to receiving a salary, and you want to know how much the business will be able to "pay" you. Unfortunately, it doesn't work to ask, "What is your profit?" or "What is your income?" when you're researching a potential franchise.

**Looking beyond the bottom line:** As a business owner, your take-home pay at day's end isn't normally a good indicator of the business' full financial benefit. In fact, many successful business owners purposely minimize their salary. Look over a franchisee's profit and loss statement (P&L), and you may notice the business appears to make very little profit -- or maybe even runs at a loss. This might seem like a huge red flag to someone who hasn't run a business. Dig a little deeper, though, and you'll notice the owner legally is allowed to list certain personal expenses as business expenses.

**Ricki Bisio**  
**GUEST WRITER**  
*Author and Franchise Coach*

## Tips to Avoid Tax Season Stress -- and Keep the Most Money in Your Wallet



Nobody likes paying taxes. But, just because it's unpleasant doesn't mean it's unimportant, so make sure you get the most out of it -- or, perhaps more precisely, that you **keep** the most out of it. Doing your due diligence, on hiring an accountant (or choosing not to), or filing a 1099, or how to use the Section 179 Exemption can save you and your business hundreds of thousands. Whether you're filing for yourself, a small business or a major corporation, there are plenty of tricks available to save you time, effort and, most importantly, money. So, with tax season approaching, *Entrepreneur* has rounded up some of our best tax-related content to make a frustrating time just a little easier.

## 3 Benefits of Cloud-Based Accounting Tools for Small-Business Owners:



What do a pastry chef, a construction project manager and a creative design director have in common? As small-business owners, each opened up shop to serve customers and do what they love -- not to spend hours on accounting or bookkeeping. Fortunately, today's small-business owner can take advantage of an ever-growing suite of organizational tools and technologies to reduce the headaches of managing invoices, bills and receipts while increasing the time spent pursuing new business opportunities. These tools are increasingly available as cloud-based offerings, and most small businesses should consider migrating their current accounting workflows to the cloud. What, exactly, is the cloud? Cloud-based software, or software as a service (SaaS), offers users access to technology on a subscription basis. The software provider securely hosts all necessary databases and servers, and small-business owners access their data anytime, anywhere via internet connection. Many small-business owners may wonder if they can expect the same functionality from cloud-based accounting programs that they're accustomed to with traditional desktop versions. While it's true that cloud-based versions of tools like QuickBooks may provide slightly different functionality compared with a desktop version, what current versions of cloud tools lack in functionality they make up for in versatility and long-term viability. Software providers are likely to continue phasing out desktop solutions and limiting or discontinuing support, which means that customers who migrate accounting workflows to the cloud today won't be stuck

with an unsupported product in the future. Additionally, small businesses that upgrade accounting workflows to the cloud can also enjoy a number of other benefits that SaaS models allow.

**1. Enable smart organization for a distributed workforce:** Since accounting information stored in the cloud can be added or accessed anywhere, team members can quickly and easily complete their work regardless of their physical location. Whether a sales rep needs to add expense receipts or a project manager needs to check an invoice for a supplier, having cloud-based tools in place makes organizing and accessing important information as easy as taking a picture of a document or searching by vendor, amount or date.

**2. Maintain relationships and easily verify discrepancies:** Relationships with vendors and distributors play an enormous role in the success of many small businesses. When a vendor or distributor questions why a bill hasn't been paid, small-business owners that leverage cloud-based tools can quickly search for invoices. Advanced cloud tools allow team members to search by virtually any term to locate a bill and identify whether it was missed and pay for it quickly to preserve the vendor relationship.

**3. Use a broader suite of secure apps:** Cloud applications such as QuickBooks Online and Neat not only provide access to information and documents from any device, but they also integrate with other cloud-based tools. As soon as a small business starts using one cloud-based accounting technology, it's easy to extract and leverage data across a number of different platforms and reduce time spent on manual data entry. Small-business owners start businesses because of passion for what they do -- not to spend time managing paperwork. Migrating traditional accounting workflows to cloud-based solutions enables small-business owners to reduce time spent managing information and improve overall operational efficiency.

**Jen Cohen Crompton**  
**Entrepreneur-in-Residence at The Neat Company**