

How to Start a *Thriving Virtual Accounting Firm*



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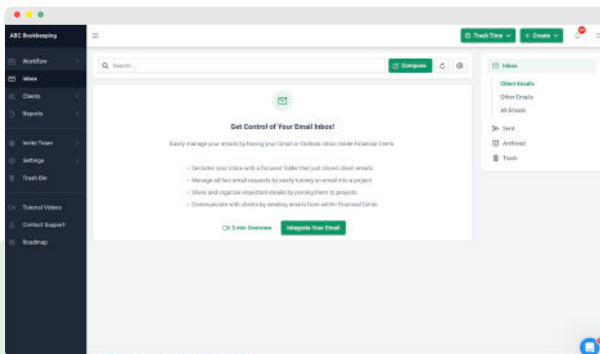
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About Financial Cents

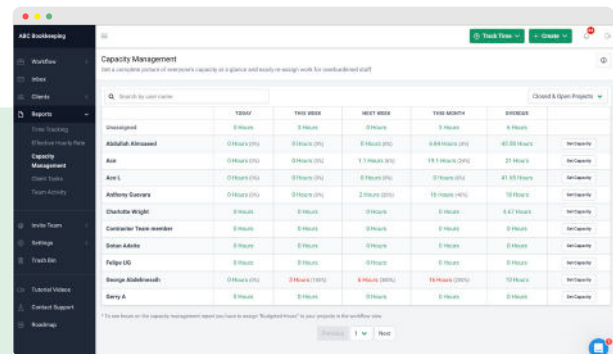
Financial Cents is a workflow management software that has all the features you need to get work done in a simple user interface that your team will love and find easy to use.

Whether you're just beginning to document your processes or have been doing it for a long time, our workflow checklist templates that are both editable and customizable will get you up and running in no time.

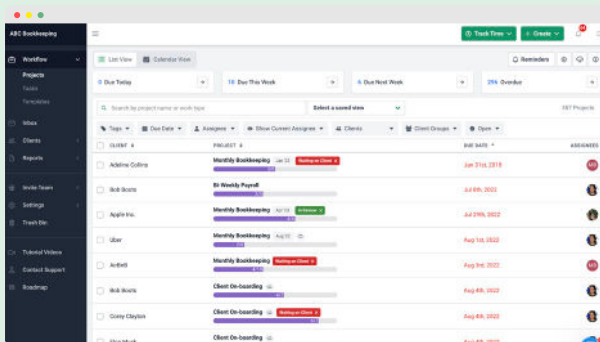
Track & assign work, set up recurring tasks, store client information, automate client data collection, and more with Financial Cents.



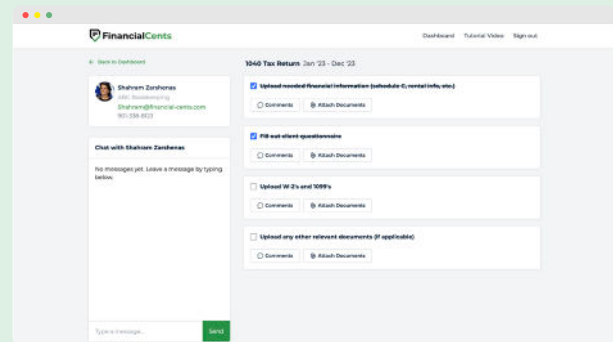
Financial Cents Email Inbox



Financial Cents Capacity Management Report



Financial Cents Workflow Dashboard



Financial Cents Client Portal

Hear from our clients

Start a 14 Days Free Trial today

Understanding the Virtual Accounting Industry

In the fast-paced digital era, the accounting industry has witnessed a revolutionary transformation. The advent of virtual accounting firms has changed the game, offering flexible solutions that align with the modern business landscape.

Virtual accounting firms are a new breed of service providers that leverage cutting-edge technology to offer remote accounting services. They break free from traditional brick-and-mortar limitations and cater to a diverse client base across borders. There has been astronomical growth in virtual accounting, driven by factors like enhanced efficiency, cost-effectiveness, and the demand for real-time financial insights.

If you're an aspiring accountant with a vision for the future, or you run an established firm but you're looking to transition to the virtual world, this playbook will serve as your guiding light to embark on a journey of starting a thriving virtual accounting firm.

So, fasten your seatbelts as we dive into the world of virtual accounting and explore the key steps to success.



Why You Should Start a Virtual Accounting Firm

In the [2023 State of Accounting Workflow Automation Report](#) released by Financial Cents, 53% of respondents were virtual firm owners while 29.5% and 17.4% were hybrid and on-site firm owners respectively.

The average firm spends \$18,000 on in-office space and another [\\$1,844](#) on office supplies per employee, even though they can run their firms at a fraction of that cost with a virtual work model.

Going remote also makes you more accessible to businesses that require the unique accounting services you provide but live miles away from you.

This is why clients prefer virtual accountants over traditional accounting firms.

Traditional accounting firms are also limited to hiring from their physical environment, but online firms can draw from a pool of global talents to improve work quality and customer service.

From unparalleled flexibility and cost-effectiveness to expanded market reach and innovative client interactions, the virtual accounting landscape beckons with promise, offering a path that combines the art of numbers with the art of innovation.



“Virtual accounting presents opportunities to grow our business by tapping into a global workforce and serving nationally, not just regionally.”



NAYO CARTER-GRAY, EA
Owner, 1st Step Accounting

Ready to Go Virtual?

You're ready to go virtual the day you decide to. The stars may never align to show you it's time to go virtual. Nobody was ready until COVID-19 came, and suddenly, firms made the switch overnight. If you insist, these two factors should show how ready you are to make the switch:

1. In-office Expenses

If the cost of managing a brick-and-mortar office space has gotten too high for you, that may be your sign to switch to virtual accounting. Remote teams do not care about office cleaning, rent, or conference rooms getting booked.

2. Trust for Your Employees

You need to know that your employees will complete their assigned work.

Once you can trust your employees to be as productive and efficient working from home as they are working from the office, you're ripe for online accounting services.

Plus, a good work management solution should give you visibility over where your employees are spending their time.



KEY POINT:

From the tangible benefits that reshape work-life balance to the intangible yet invaluable ability to tap into a diverse pool of clients, the opportunities that come with going virtual with your firm are limitless.



ACTION STEP:

Review the productivity and efficiency status of your firm as well as the expenses associated with running a physical office.

How to Start a Thriving Virtual Accounting Firm

You've decided to take the plunge into the world of virtual accounting, but where do you begin?

Like any successful venture, building a virtual accounting firm requires a clear vision. Ask yourself, ***"What sets my firm apart from traditional accounting practices?"*** Maybe it's your commitment to personalized client experiences or your expertise in niche industries. Defining your vision will guide your business strategy and attract the right clients. Take Kellie Parks for example.

Kellie Parks is an [expert bookkeeper](#) whose dream has always been to travel to warm destinations whenever she likes, work from her cabin (with her dog by her side), and volunteer with an organization she loves without missing out on work and client engagement.

But her in-office work kept her from all these until cloud accounting technology came along.

Now she advises accountants and bookkeepers to buy back their time for whatever makes their lives better. Whether it is:

- ✓ Making more time for family.
- ✓ Avoiding work commute, or
- ✓ Working on passion projects, etc.

Going remote will make your employees happier and more productive, increasing client satisfaction and employee retention.



Pro Tip: Virtual accounting can be for everybody. But you do have to work on it if you don't traditionally come from an internet-first mindset.

HERE'S ALL YOU NEED TO DO TO BUILD A WINNING VIRTUAL ACCOUNTING FIRM:

☐	<i>Decide You're Ready</i>
☐	<i>Register Your Business, Choose Your Services, and Build a Website</i>
☐	<i>Create processes for common tasks (like workflow template for monthly bookkeeping)</i>
☐	<i>Set up systems for every aspect of your business (like client onboarding and staff onboarding)</i>
☐	<i>Make a list of the tech stack you need and sign up</i>
☐	<i>Hire the Right People (Plus, Make Work Engaging & Collaborative for Them)</i>
☐	<i>Set Expectations with Clients and Staff</i>
☐	<i>Create a Thriving Digital Presence to Attract Ideal Clients</i>
☐	<i>Make Client Satisfaction Front and Center (Use Automation and Tech to Make this Efficient)</i>
☐	<i>Join a Community of Like-Minded Owners for Support and Learning</i>

1. DECIDE YOU'RE READY

As mentioned earlier, you're ready to start your virtual accounting firm when you decide you're ready. If you're waiting to feel 100% ready, that time may never come.

You can even reduce the number of slip-ups you make by:

- ✓ Defining your vision to know the services to render, how you want to solve them, and where you want to be in any number of years.
- ✓ Know the kind of people you need to bring your vision for the business to life. Thankfully, working remotely puts global talents at your fingertips.
- ✓ Plan if your client acquisition strategy will be word-of-mouth referrals or any other marketing strategy.
- ✓ Establish your work management systems so your team can access the tools they need to work and collaborate from wherever they are.



2. REGISTER YOUR BUSINESS, CHOOSE YOUR SERVICES, AND BUILD A WEBSITE

You might have done this already, but if you're just starting, follow every procedure your local laws prescribe for starting a firm.

And, you need to define your services and create a website to market your business to [win your ideal clients](#).



3. CREATE PROCESSES FOR COMMON TASKS (LIKE WORKFLOW TEMPLATE FOR MONTHLY BOOKKEEPING)

Managing work from your head is unreliable because you have several other things vying for your attention at any moment. Documenting the processes and steps that go into completing tasks frees your team up to get work done.

Having used both Google Sheets and Freedcamp, Casey Haines says he now uses Financial Cents workflows because they “already make sense” for his firm’s processes.

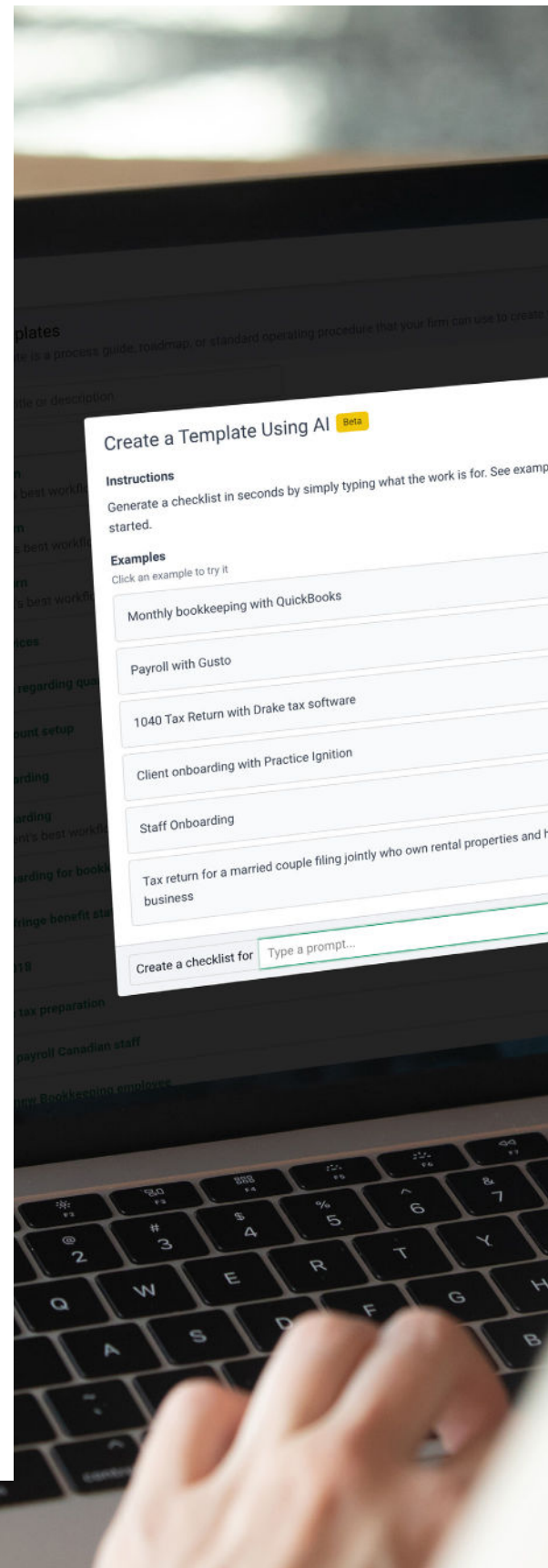
Documenting your workflows also reduces the time you spend on training new hires on the processes in the future.

The more of your processes you document, the less the amount of time you’ll need to perform those tasks in the future. Take client onboarding or new employee training, for example.

Here’s how you can create processes for common tasks:

- ✔ Document the tasks processes and add the steps a random employee can take to arrive at the same results as you.
- ✔ Add details for context.
- ✔ Add more steps as your processes change.

Better still, record your screen (with tools like Loom) while completing a process. You can explain (with your voice) why you take the steps you take. That way, you’ll be killing two birds with a stone.



4. SET UP SYSTEMS FOR EVERY ASPECT OF YOUR BUSINESS (LIKE CLIENT ONBOARDING AND STAFF ONBOARDING)

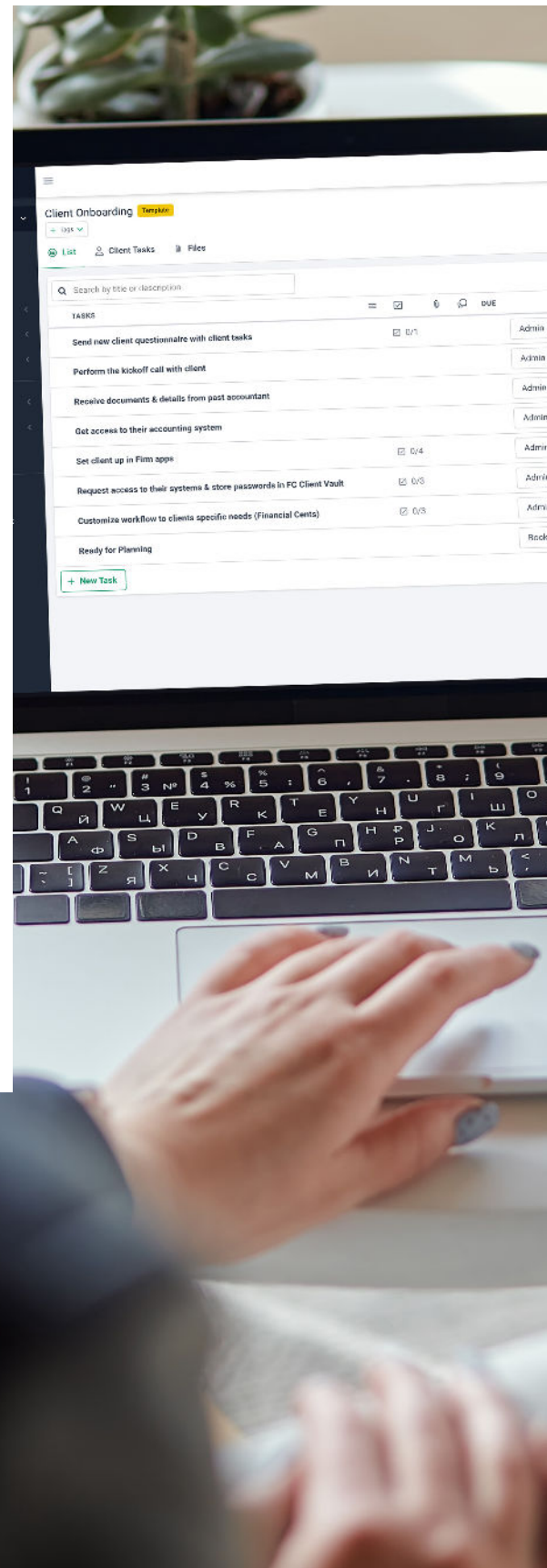
Nothing kills productivity and efficiency more than overwhelming your team. With project management, marketing, and other administrative functions to take care of, you'll want to create structures that help everyone focus on completing their work without reinventing the wheel each time.

That's where [systematizing your business processes](#) comes in handy, frees up more hands to deliver client work with speed, accuracy, and consistency.

Also, standard operating procedures enable colleagues to continue the tasks others started with the same accuracy.

[Jessica Fox recommends](#) saving the emails you send to a client so that if you need to send that same email in the future, you wouldn't spend another 2-3 minutes drafting it. 2-3 minutes might not be a lot, but if you add them over the year, you'd have saved your firm hours.

The same thing applies to all other business functions at your firm.



5. MAKE A LIST OF THE TECH STACK YOU NEED AND SIGN UP

Remote accounting is possible only because of cloud technology, which gives firms the ability to:

- ✓ **Manage Workflow:** by developing and sharing processes and information that allow your team to complete their work.

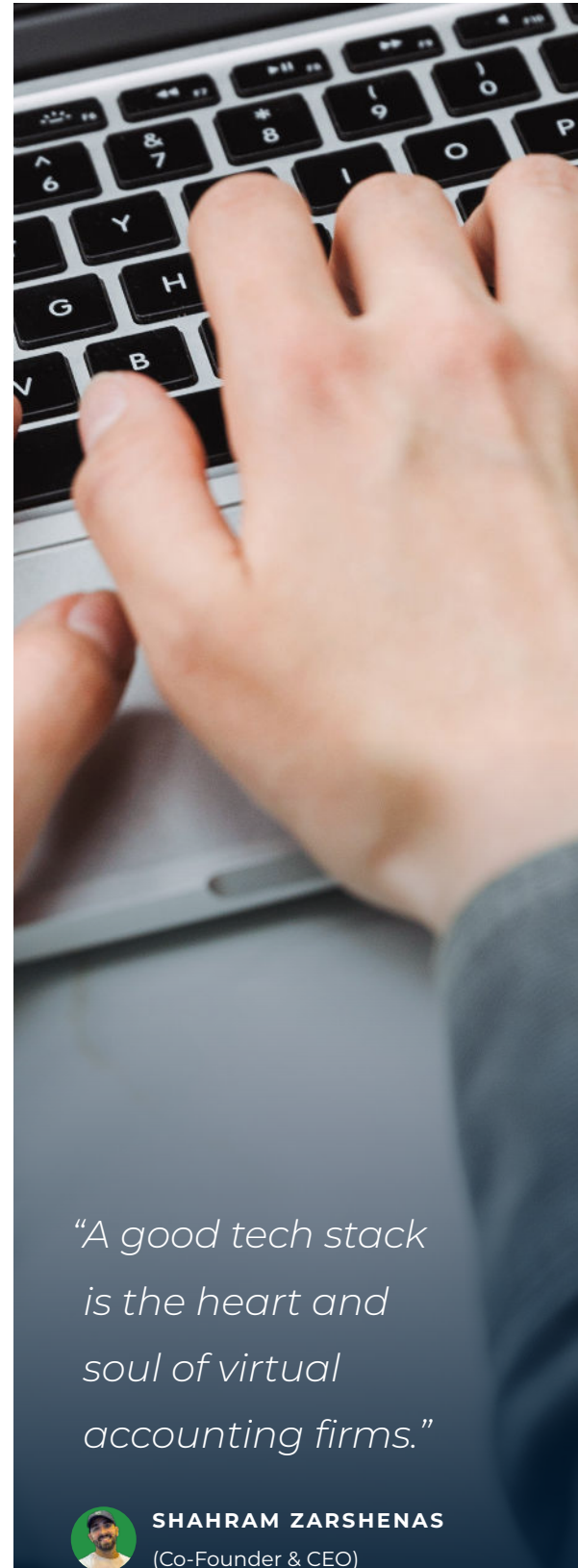
This could be:

- **Recurrences** to automatically recreate client work that your firm performs with any sense of regularity.
- **Task Dependencies** so each team member knows when to start their tasks in client work that involves multiple assignees.
- **Workflow Filters** to find information by client, assignee, and work type.

- ✓ **Manage Team Communication:** because when you work out of an office, employees can get updates on client work just by hearing their colleagues converse at their desks. But this isn't the same for remote teams.

Fortunately, remote teams can also enjoy team communication (thanks to tools like Slack). Slack offers robust communication features (like channeled communication, instant notification, and client message reminders).

Financial Cents' communication features are tailored to accounting needs. It allows teams to collaborate within client work by tagging and mentioning people to pull them into conversations.



*"A good tech stack
is the heart and
soul of virtual
accounting firms."*



SHAHRAM ZARSHENAS
(Co-Founder & CEO)

- ✔ **Store Files:** Your employees do not have to fear losing client receipts, documents, and bank statements because they can easily save them in their client management portal.

In fact, a [good work management tool](#) should save you the stress of logging into too many apps to access work files.

Financial Cents, for example, lets you save client files directly to the client I dashboard so that you can find all you need to complete client work in one place.

- ✔ **Invoicing:** To get paid, you need a software solution that lets you receive your money in one piece. Invoicing tools like [Anchor](#) takes the stress out of that process.

It allows you to automate your invoicing so you can focus on completing and earning more. Instead of going back and forth with clients over delayed or unpaid invoices.

- ✔ **Data Entry:** For your virtual firm's data entry needs, you will need a system to record data or capture your clients' files. This will allow you to measure your client's profitability and offer guidance where necessary.

For instance, [Dext](#) allows accountants and business owners to electronically capture and store the files they need for financial compliance.

- ✔ **Meetings:** If you want to be able to work for a client for years without meeting them, meeting software solutions will make sure of that.

If you need to discuss anything in real-time, you can jump on a [zoom meeting](#) with your client at a moment's notice.

You can record these calls for reference sake. And if you want, you can access the meeting transcript at the end of the call, although you may need to edit it for accuracy.



- ✓ **Client engagement:** To run a successful virtual accounting firm, your client relationships have to be exceptional. Few things guarantee more than effective [client communication](#) and quality customer service.

They need a secure and easy-to-use client portal. You need to guide them on how to share files with you. Financial Cents make this easy. When requesting client files, your client will not need to sign up to share files with you, and you can add information that clarifies what they need to do to get their files across to you.

[Liscio](#) is a great option. It helps you store client data and manage client communication from one place. That way, all team members can have the information they need to complete client work at their fingertips.

- ✓ **Payroll:** For ensuring prompt payment of salaries, you need [gusto](#). Payment problems can push your employees to other firms in an industry where great talents are hard to find.

So, having a system to track your team's work hours so that you pay them their due wages is critical.



6. HIRE THE RIGHT PEOPLE (PLUS, MAKE WORK ENGAGING AND COLLABORATIVE FOR THEM)

Some firm owners believe you can hire for character and train for skills. Others believe you should hire for skills and find ways to manage character defects. Whatever you think about this, you must hire the people you believe will strengthen your team and fit your company culture.

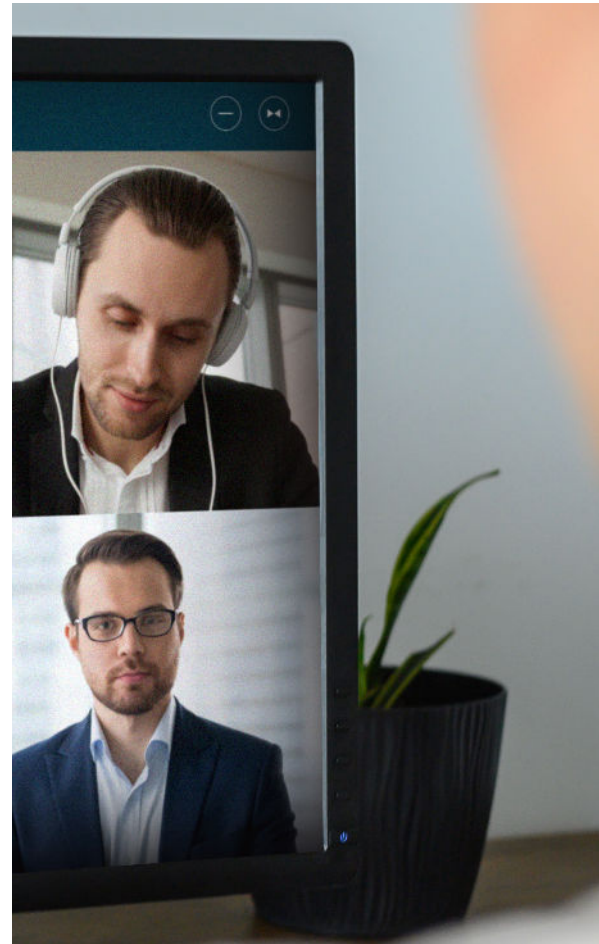
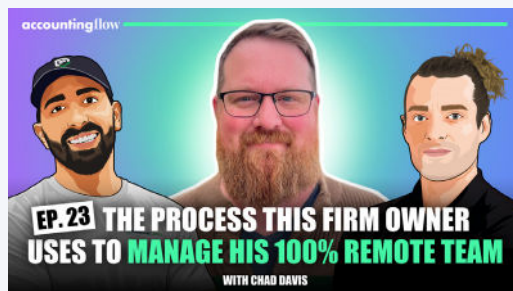
Great talents are hard to come by these days, so when you find one, be sure to make their work enjoyable.

The following tips are helpful:

- ✓ Let your employees work at the time that suits them best since positive results is the most important factor for your firm.
- ✓ Encourage open communication, which makes employees feel seen, heard, and valued. Organize team building activities, including monthly, quarterly, or annual retreats and social events that help your team bond together (Working remotely can get lonely).

Hear how other firm owners are successfully building and managing their virtual firms

Listen 



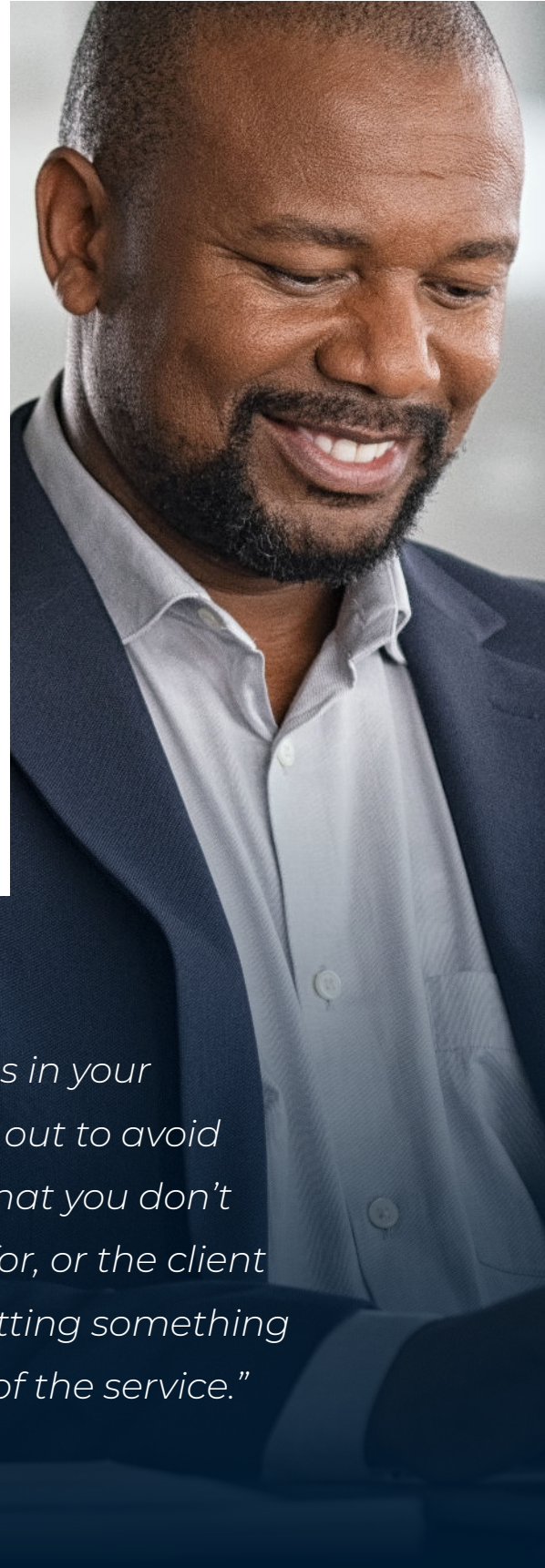
7. SET EXPECTATIONS WITH CLIENTS & STAFF

Communicating what you're going to do for your clients and going ahead to deliver on it will not only help you retain clients, but it will also prevent complications down the line.

But you need to define what your services will be for the amount your client is willing to pay. Your staff also have to know the role they play in all of these and what they will get out of it.

Timely response to clients is a key part of managing client expectations. Casey Haynes recommends responding to client emails within 24 hours, even if you can't deliver the request they are making. He believes you should acknowledge your client's request and state when you can grant it instead of ignoring them.

And if the day comes and you still can't grant their request, reach out to them again so that they know where things stand.



"If there are any customizations in your services to a client, spell them out to avoid resentment or contempt. So that you don't do work you never signed up for, or the client doesn't feel they should be getting something that they imagined was part of the service."



CASEY HAYNES

(Founder & CEO at Compass CPA PC)

8. CREATE A THRIVING DIGITAL PRESENCE TO ATTRACT IDEAL CLIENTS

With a traditional accounting firm, you have a measure of physical accessibility, even if it's not enough to be profitable.

But online accounting firms depend almost entirely on the internet to attract and convert clients. So, having a digital presence is critical.

There are several opportunities to reach your audience online. Paid advertising, blogging, PPC, social media, and email marketing are some of them.

With a solid digital strategy, you will be able to share your expertise to build the trust and authority you need to win clients. Because the more people see you, the more they'll trust you.

Here's what you need to do to maximize digital platforms for your virtual accounting firms:

- ✓ Understand your Audience
- ✓ Choose the Right Channel
- ✓ Start sharing your knowledge.

We cover the ways you can build yourself a digital presence that attracts, delights, and converts your ideal clients [here](#).

But bear in mind that the earlier you start, the better. As [Ryan Lazine](#) puts it, ***“Really good marketing takes time and you need to carve out a bit of time during the week for sales and marketing.”***



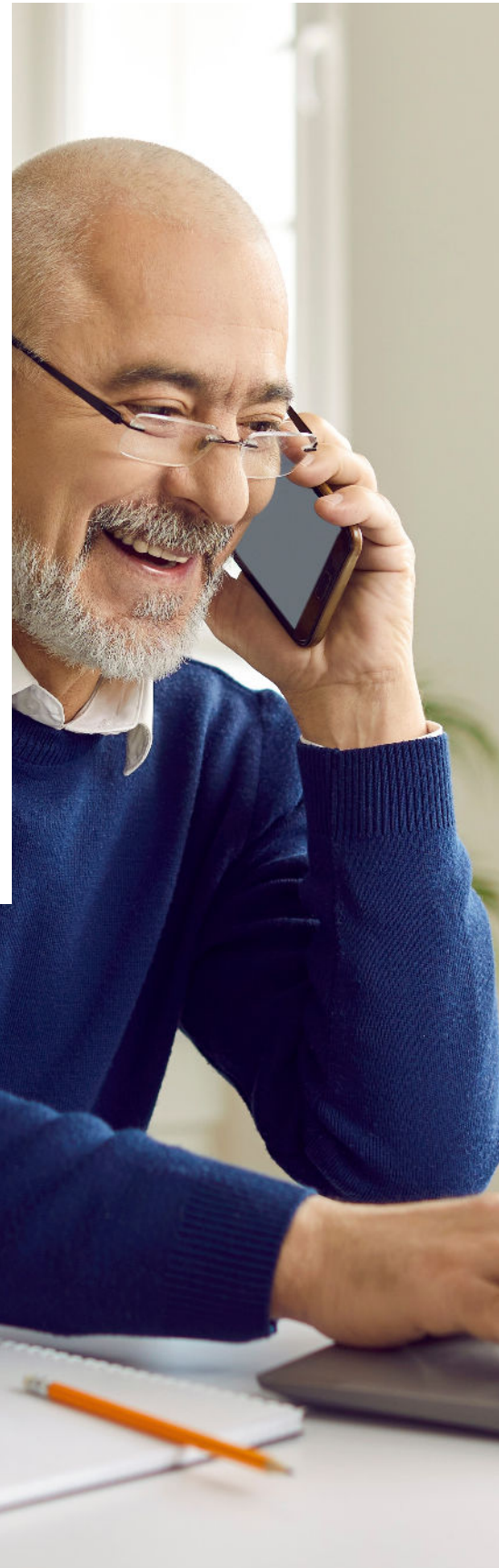
9. MAKE CLIENT SATISFACTION FRONT AND CENTER (USE AUTOMATION AND TECH TO MAKE THIS EFFICIENT)

With so many clients willing to [change their accountants](#), you need to prioritize client satisfaction (to stay profitable) by:

- ✓ Meeting client deliverables consistently.
- ✓ Making client data collection easy for clients.
- ✓ Erring on the side of overcommunication

In both cases, using work and client management software will help your team and clients to cut out manual tasks to focus on what matters.

For example, automating [client data collection](#) and communicating what they need to do when sharing files with your firm will save your team hours of chasing clients for files. It'll also help your clients know what to do on the client portal, which saves them time. Either way, this boosts your ability to deliver satisfactory work to your clients.



10. JOIN A COMMUNITY OF LIKE-MINDED OWNERS FOR SUPPORT AND LEARNING

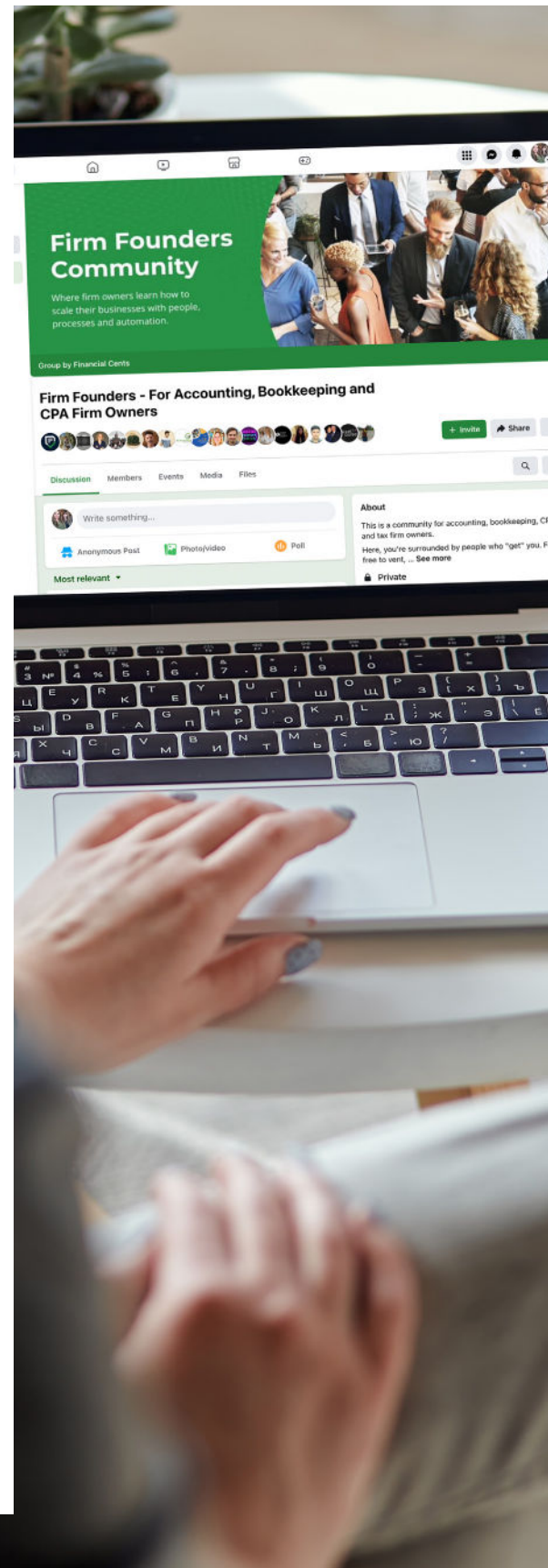
Online communities are the new social clubs. They help to bring people with similar goals and pain points together to find inspiration and help from the struggles and successes of their peers.

In the [Firm Founders Community](#), members share what they are struggling with and get help from other firm founders who might have faced similar issues or link them to places where they can get help.



Networking with other firm owners will help you learn tips, tricks, and techniques that would have taken you years of trial, error, and failure to learn.

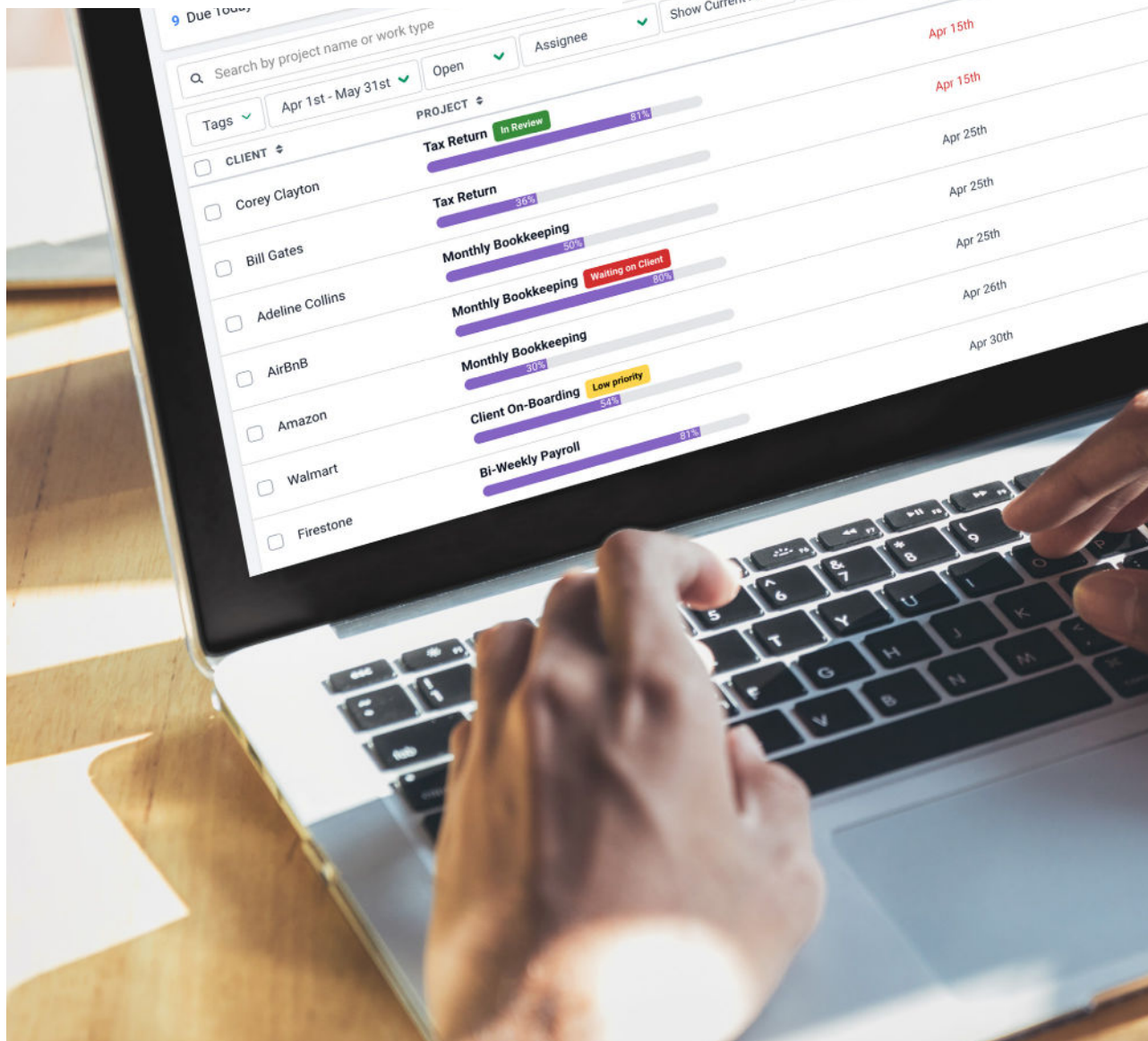
Financial Cents' Firm Founders community, for example, offers firm owners a safe space to vent work and client frustrations while sharing and learning from other accountants. It also features weekly [live webinars hosted by a firm founder like you](#), where you can share and receive insights that will help you scale your virtual accounting firm.



BONUS TIP: EVERYTHING REVOLVES AROUND TECH IN VIRTUAL ACCOUNTING FIRMS

Growing your virtual accounting depends on your ability to combine technology with a global pool of accounting talents to meet client deliverables at scale.

Virtual accounting firms owners like Casey Haynes and [David Leichter](#) pick Financial Cents as the [accounting practice management software](#) they can't do without. It's not hard to see why. Its suite of features is built specifically for virtual accounting firms' needs.



Virtual firm owners love the:

1. Workflow management

feature that allows you to

- ✓ Track the status of client work to hit deadlines and provide accurate feedback to clients.
- ✓ Create standard operating procedures for your team.
- ✓ Enhance collaboration between your clients and employees.
- ✓ Turn client emails to projects to keep things from falling through the cracks.

Key features firm owners look for in a workflow automation software

KEY FINDING

70.5% consider recurring projects the biggest feature in a workflow software.

WHAT MAJOR FEATURES DID YOU LOOK OUT FOR BEFORE BUYING THE WORKFLOW AUTOMATION SOFTWARE YOU USE?



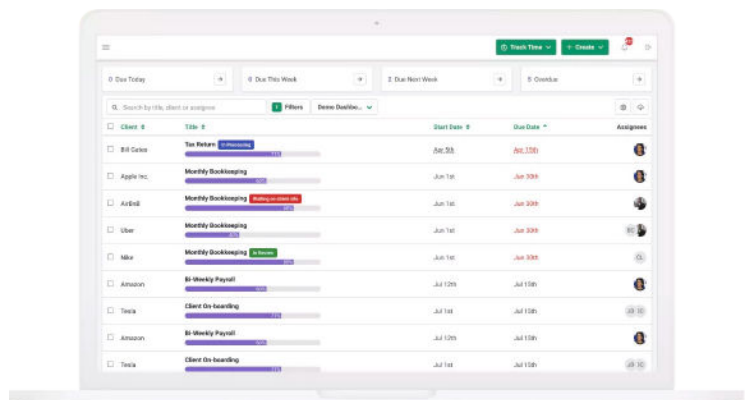
① Source: Financial Cents [State of Accounting Workflow Automation 2023 Report](#)

2. Client management

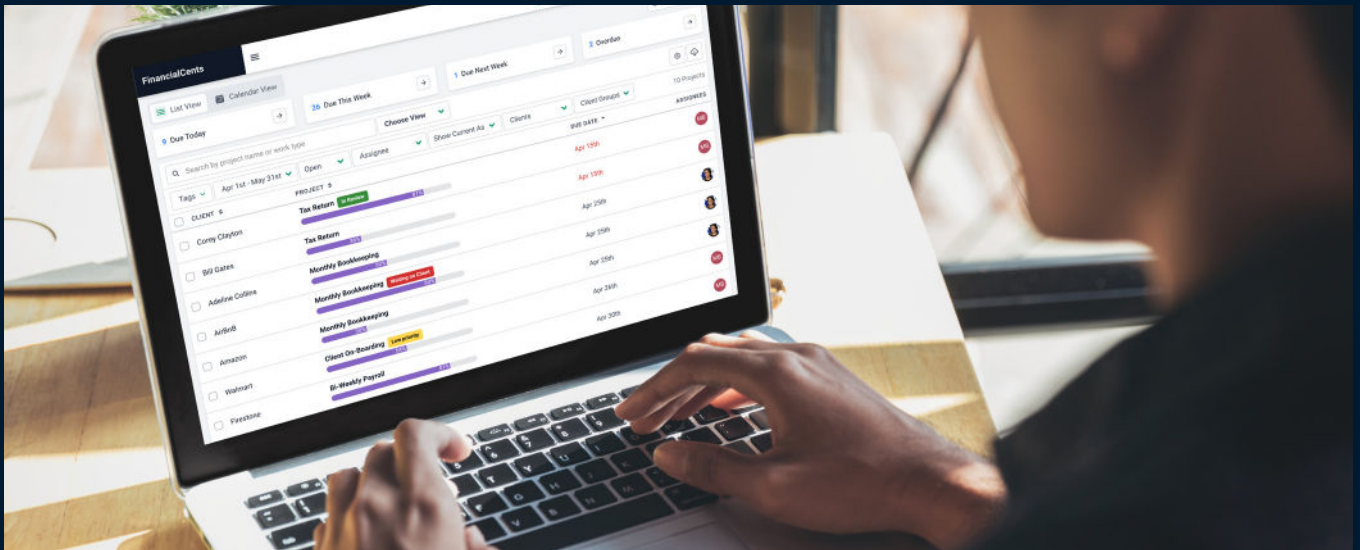
that allows you to

- ✓ Store client information and files in one secure location so assignees can find and use them for the client.
- ✓ Automate client data collection.
- ✓ Get visibility into what your employees are discussing with your clients.
- ✓ See which client is most and least profitable.

3. Capacity management lets you see what your employees are working on (and who is overworking) to prevent burnout.



① Financial Cents Dashboard



Your next step

Nayo's advice for you if starting a virtual accounting firm is something you are ready to do:

One of the things that you do have to train yourself on is saying, 'even though I'm virtual, I still have structure'. Because in a traditional brick and mortar firm, you're there from nine to five. There are boundaries around when work starts, lunch period, and when work ends. But when you go virtual, some of that can be lost. So with virtual work, I always tell people 'just because it's virtual, that doesn't mean it's 24/7'. You still have to put those boundaries in place so that the virtual work is clear and doesn't necessarily bleed or blend into your home life.



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