

THE PROS & CONS OF OUTSOURCED CASHROOM SERVICES

Advantages, disadvantages and how to overcome them.



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Outsourcing a cashroom is quite normal now, especially since the pandemic. Partly due to the cost and time savings that outsourcing provide for legal practices and the need to maintain a finance function when a business needs to adapt. Outsourcing is an extremely effective solution when fighting for survival in tough economic times but that is not to say it is the best solution for every firm. Just like hiring your own cashier, outsourcing has advantages and disadvantages.

Accessing Expert Advice

When teaming up with an outsourced cashroom, you can be confident that experienced and qualified individuals are handling your finances in an objective manner. Services are tailored and scalable to bring you the right expertise at the right time for greater flexibility.

Reducing Business Costs

Outsourcing is often much more cost effective than having an in-house cashroom to handle your finance function. Outsourcing eliminates several cost layers and you only pay for the services you need - when you need them. Firms can choose full outsourcing, co-sourcing, or needs-based deployment to address temporary staff shortages such as holidays or long-term absence.

Meeting Compliance requirements

Our outsourced cashiers are up to date with the latest regulatory requirements. They are attuned to what is happening across the industry and monitor relevant rules and regulations to stay up-to-date. You have peace of mind knowing that your cashroom tasks are always being done properly.

Improving Productivity

With a team of cashiers in place, law firm owners can also be rest assured that the cashroom responsibilities will be completed on time. In fact, you can expect higher quality and consistent results that include powerful analytics to help you better understand business performance. Suspicious activity is also immediately reported to the business owner, which reduces the likelihood of fraud or financial penalties.

Avoid Unexpected Costs

Unexpected costs can occur sometimes when outsourcing. This could arise from a genuine misunderstanding about the scope of work or that you need to pay for additional services or software licenses that were not contemplated at the start of the agreement. This is easy to avoid, when choosing an outsourced cashroom service, make sure that the fees structure is clearly explained. You may be offered the choice of fixed fee accounting so that your monthly costs always stay the same, and you can budget for it. You must receive a Letter of Engagement outlining in detail what both parties expect from each other, what services will be provided and what your obligations are. This will be your point of reference, in case of any disagreements about services or costs. Your agreement should include reviews to consider any changes in your business needs and/or changes in the quantity of work that you are outsourcing.

Keep Control

If you are someone that likes to have direct control over all business activities outsourcing your cashroom might feel like some control is taken away from you. You shouldn't have to change your existing processes and may wish to avoid services that make you change. New arrangements will be unfamiliar for you and your staff and changing to an outsourced service may be a big enough step at the beginning. In which case look for someone that can work with your existing processes and gradually introduce more efficient ways of working. You should still be very much involved and aware of everything that is happening with your accounts. A professional outsourced cashroom service will not put their needs above yours and will be flexible in the processes required to meet your firm requirements. They will be transparent about everything, so your working relationship will be clear.

When considering outsourced cashrooms, diligent research will find the right provider for your current and future business needs. With a solid outsourcing strategy, your legal practice can tap into some of the best talent in the legal cashing industry, saving you and your firm both time and money.

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