



CLIENT ACCOUNTING & ADVISORY SERVICES: IS IT RIGHT FOR YOUR CONSTRUCTION BUSINESS?

BY STEPHANIE KNOWLES, DIRECTOR | MARCUM'S CLIENT ACCOUNTING AND ADVISORY SERVICES GROUP

Many construction business owners must manage multiple priorities daily. Between planning, project management, and building completion – it takes a lot of effort to keep work on course. Unfortunately, this leaves little time to think about other essential functions, such as accounting and financial reporting. Although every business needs accurate and timely reports, they often fall to the bottom of the priority list as other critical issues persist and frustration levels grow.

Business owners are wise to seek new solutions when the situation becomes difficult to resolve or manage. One such solution is Client Accounting & Advisory Services (CAS), a valuable external service available to business owners. Beyond outsourced accounting services, CAS delivers a suite of accounting and financial reporting services designed to address existing issues, resolve concerns, and open the door to additional reporting options. In other words, CAS can be a welcomed

solution for entrepreneurs and business owners struggling to maintain the accounting function.

What Is CAS?

Every CAS advisory package is rooted in technology. Low-cost, efficient, cloud-based technology solutions, including QuickBooks Online, Xero, Sage Intacct, and more, enable CAS teams to work with business owners or internal accounting teams in real time.

On the transaction side, CAS solutions can be as simple as automating the review and reporting of accounts payable or receivable. Bank reconciliations, transaction reporting, and inputting monthly journal entries are other transaction-based areas where CAS can add value. CAS services leverage experience and sophisticated client service protocols to

operate at arm's length, freeing up internal teams to focus on other matters. The combination of experienced professionals and software that a CAS represents can often complete tasks more quickly and accurately than internal teams juggling myriad responsibilities.

CAS can also provide monthly, quarterly, or annual financial reporting. A CAS advisor can take services a step further, preparing and managing budgets and assisting with year-end tax reports and filing. The result can be a more organized and efficient financial reporting system with updated, accurate data. In addition, CAS solutions incorporating artificial intelligence and machine learning can automate a large part of the accounting process, making CAS more affordable and accessible for a broader range of businesses.

CAS can also work like a fractional CFO when needed. In these cases, services might include forecasting, benchmarking, tax consulting, and advising on corporate transactions. Strategic CAS can be invaluable for startups and fast-growing firms preparing for an IPO or SPAC, as well as mature businesses looking for alternative growth or exit options.

CAS Benefits

Outsourcing business accounting functions often leads to a more efficient, productive, and profitable company. And the experience and skill that comes with hiring a CAS advisor can provide peace of mind for busy executives.

Business owners who work with a CAS advisor often enjoy more free time to work on the business instead of accounting and reporting. This is especially true for small businesses where the owner wears many hats. In many cases, a one-person internal accounting team won't have the time or ability to handle all the responsibilities they're tasked with. Working with a CAS advisor makes accounting functions better organized and helps to ensure that reports are produced on time and without errors. In addition, they often generate more reliable data that can inform better decision-making.

While the rate at which people are quitting their jobs has fallen to pre-pandemic levels, there are still job vacancies. This past busy season, corporate finance teams had fewer staff. And internal accounting employees aren't just leaving their jobs; many are also leaving the industry. For those who stay, higher salaries and better benefits keep them.

For companies, the ongoing talent shortage creates several problems: higher costs, fewer staff, broken internal controls, and, ultimately, higher risk. Even minor reporting or internal control errors can lead to misstatements and regulatory scrutiny.

An outside CAS team can help alleviate these issues.

With solutions designed according to specific needs, a CAS advisor can bring the right level of skill, staff, software, and time that companies otherwise would not have. In addition, they do not require onboarding or job training before getting to work. As a result, high-quality, on-time financial reporting and accounting are a key part of the service offering. In addition, the cost of outsourcing accounting functions is predictable, manageable, and scalable according to the business' changing needs.

Hiring a CAS Advisor

The best CAS advisors understand the business and the industry: macroeconomic forces, variables, and other issues unique to the sector. Organizations should look for someone with the right credentials and experience in accounting, finance, and reporting that best meet their current needs.

It's also important to look for a CAS advisor offering the technological solutions that match the company's needs and budget. Often, firms use different cloud-based solutions that can adapt to several business sizes, types, and industries. Since many CAS advisors have slightly different service offerings, learning the difference between what one offers versus another can help business owners narrow down their options and find the best fit.

A valued partner for CAS is someone (or a team) that will meet the company where it is today and prepare it for the future. For some businesses, the short-term needs are smaller and less complex, like A/R and A/P. Others will need more forward-looking insights immediately. The value of a CAS lies in increased efficiencies, producing higher quality data, and delivering the tools and resources necessary to quickly interpret numbers and turn them into well-informed actionable decisions.

Businesses should consider taking advantage of the many benefits a CAS can offer. From monthly accounting to more complex financial analysis, they can deliver crucial support to address the needs of today while scaling, as necessary, to meet the challenges of tomorrow.

Stephanie Knowles is a director in Marcum's Client Accounting and Advisory Services Group. She works directly with clients to streamline accounting processes and procedures so they can spend less time concerned with accounting complexities and administrative functions, instead focusing more completely on driving business success. Stephanie can be reached at stephanie.knowles@marcumllp.com.