

The Firm of the Future, will save you Money!

This is an **actual client**, recently engaged by Ledgers to help them with their growing business. We have of course, changed names and other information to protect confidentiality.

- The client, Feed Me Fast, is in the quick service restaurant industry, with currently 2 locations.
- They have plans to open several more locations in the next few years
- One of their employees has some numbers skills and aspirations of becoming an accountant and therefore takes care of their bookkeeping with QuickBooks
- They engage the services of a payroll service provider to ensure their employees are paid every two weeks
- They have an Accountant that takes care of their year-end reporting, financial statements and occasionally provides some advice.
- The business owners are fairly tech savvy and are receptive to embracing technology to improve their reporting requirements
- They are not happy with the setup of their 'books' and feel the information doesn't present in a format that gives them the information they need to make decisions

When they contacted Ledgers, they presented a few issues they wanted resolved:

- Their accountant was aging and no longer providing the support they needed in a timely fashion; they felt that they needed faster turn around and better information each month
- They needed to better understand their margins; this was not possible with the current design of their books. They needed a completely revised chart of accounts to support their financial reporting requirements
- Their Bookkeeper, although trying hard, needed a resource to ask questions, receive support and to get additional training for the QuickBooks program
- Access to the financial information was an issue. The 2 partners did not work out of the same office, so they had to subscribe to a 'cloud' hosting service for their QuickBooks and this was a costly application.
- They wanted predictability in their accounting fees; year-end fees were out of control at close to \$6,000 for basic financial statements and tax returns
- Their growth plans required business plans and financial forecasts that could be presented to potential investors
- They needed resources, access to information and business professionals to get answers to important financial and business issues; they needed help in running their business and planning for future growth

Here is what we suggested:

1. Convert to QuickBooks Online. Adapting to this cloud-based application will provide them with access to their financial information from virtually anywhere;

2. Add Hubdoc to their accounting system; this will allow them to see invoices, credit card statements and more from virtually anywhere;
3. Connect the bank accounts and credit cards directly to QuickBooks Online; this will save countless hours of the bookkeepers time and allow for transactions to be recorded and reconciled daily; the financial information will be much more accurate
4. Cancel the services of the Payroll Provider. QuickBooks Online has payroll built-in with direct deposit capabilities included
5. Terminate the services of the Accountant; the Ledgers Professional is quite capable of completing the year-end and corporate tax returns
6. Ledgers will completely revise the Chart of Accounts and put the items in a format that makes sense to them and meets the needs of their financial reporting requirements
7. Ledgers will review the historical information (and current year) to ensure items have been recorded correctly, HST has been properly accounted for and the expenses are accurate

Not to say the transition went flawlessly, there are always some small issues to contend with, however, here are some of the items we found:

- Neither the bookkeeper, payroll provider or accountant had setup vacation pay for the employees. We calculated a liability in excess of \$25,000 that the client was unaware of!
- Bank Accounts and credit card accounts had not been reconciled for several months. The financial statements that they were relying on were completely inaccurate!
- The sales were recorded including HST, the sales were over-stated by more than 10%!
- HST was incorrectly recorded or missed on numerous purchases; they had overpaid significant amounts to CRA
- Source Deductions (payroll taxes) were incorrect for the business owners; they were entitled to a refund of EI Premiums in excess of \$3,000.00
- The bookkeeper really did not understand how to use QuickBooks, and because of this was taking more than twice as long to do things as it should.

The Savings:

Description	Monthly	Annual
Cloud Hosting for QuickBooks	\$75.00	\$800.00
Payroll Provider	\$250.00	\$3,000.00
Accountant		\$6,000.00
Bookkeeper (half the time)	\$200.00	\$2,400.00
QuickBooks Program	\$75.00	\$800.00
Ledgers Fee	(\$450.00)	(\$5,400.00)
Total	\$150.00	\$7,600.00

Notes:

- We also obtained the refund of EI Premiums in excess of \$3,000
- Ledgers clients receive QuickBooks Online for FREE
- Ledgers clients can use QuickBooks Online Payroll for FREE (including direct deposit)!
- Ledgers clients receive Hubdoc for FREE

If you add the QuickBooks Online, Payroll and Hubdoc to their savings, the total is closer to \$9,000.00 per year!

So, ***Imagine what some subtle changes could do for your business.***

- Are you prepared to embrace technology?
- Are you prepared to save money?
- Are you prepared to have accurate, timely financial information?

So, why doesn't your current bookkeeper or accountant tell you this?

It's simple:

- Your bookkeeper is paid by the hour; if they get more efficient, they make less! They have absolutely no incentive to change the way they currently do things.
- Your accountant spends hours making adjusting entries and reviewing the information due to bookkeeping errors; they get to charge you for these hours!

Are you prepared to deal with The Firm of the Future?