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RESOURCING REIMAGINED

HOW TO...

BUILD A DELIVERY MODEL FOR 60%+ PROFIT MARGINS



Why most accountancy firms do not have a capacity problem. They have a delivery design problem.

A practical guide for accountancy firm founders, managing partners, directors and operations leaders who want more capacity, better control and stronger margins; without breaking quality or client trust.

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MOST ACCOUNTANCY FIRMS DO NOT HAVE A DELIVERY PROBLEM IN THE WAY THEY THINK THEY DO.

- **They assume the issue is headcount.**
- **Or recruitment.**
- **Or wages.**
- **Or capacity.**
- **Or finding "better people".**

USUALLY, THE REAL ISSUE IS SIMPLER AND MORE STRUCTURAL:

THE DELIVERY MODEL WAS NEVER DESIGNED TO SCALE PROPERLY.

That matters because the old model is under real pressure.

UK talent shortages are not easing. In ICAEW's 2024 mid-tier research, **70%** of firms said a talent-related issue was their single biggest top-three concern, with a further **18%** ranking it in their top two. As a result, **half of respondent firms had already offshored or outsourced at least one service line**. ICAEW also found that the number of chargeable hours offshored by firms using these models had risen by **86% over the previous three years**, with a further **71% increase expected over the next three**.

That is not a fringe trend.

That is the profession redesigning delivery in real time.

This whitepaper is not a pitch for outsourcing. It is a practical guide to making modern delivery work.

Because outsourcing and offshoring on their own are not the answer. Badly implemented, they create handover friction, inconsistent quality, rework, weak client experience and partner frustration.

Done properly, they do something much more powerful: **they create a delivery model that is more scalable, more resilient, more profitable and better able to support advisory growth.**

This is the shift:

- **India becomes the operational back office**
- **South Africa becomes the client-facing delivery layer for client management and advisory support**
- **the home-market leadership team stays focused on quality, relationship ownership, pricing and high-value judgement**

That is where this stops being a labour play and starts becoming a strategic advantage.

And for firms chasing serious margins, that matters.

Because firms do not build **60%+ profit margins** through heroic effort, stretched UK teams and hiring pain alone.

They build it through delivery design.

Outsourcing is not the strategy.

Delivery design is.

THE CORE ARGUMENT IN FOUR LINES

- **Offshoring has moved from optional to operationally necessary for many firms.**
- **But capacity alone does not create margin, quality or control.**
- **The firms that win build a layered delivery model with the right work in the right place.**
- **That is how delivery becomes more scalable, client-ready and commercially stronger.**

WHAT HAS CHANGED

For years, outsourcing sat in the “nice to have” bucket.

- **Useful for admin.**
- **Useful for overflow.**
- **Useful if you wanted cheaper support in the background.**

That version of outsourcing is over.

Today, firms are using offshore and outsourced models because the traditional delivery structure is under strain. ICAEW says recruitment and retention of qualified staff is now a mainstream strategic issue across the profession, and that offshoring and outsourcing have become embedded into many firms’ operating models. In its 2024 commentary, ICAEW noted that for some firms, **30–40% of audit hours are now outsourced**, and that the trend towards centres of excellence, in-house, outsourced or offshored, has accelerated.

So the question is no longer:

“SHOULD WE OUTSOURCE?”

The better question is:

“HOW DO WE BUILD A DELIVERY MODEL THAT ACTUALLY WORKS?”

Because plenty of firms have already learned the hard way that cheap labour and a messy handoff model do not solve much.

They just move the chaos somewhere else.

Cheap outsourcing breaks firms.
Engineered delivery scales them.

WHAT THE MARKET IS ALREADY TELLING FIRMS

The first signal is pressure.

ICAEW's mid-tier work shows talent is now a board-level issue for firms, not a side conversation. The same body of work says investments in technology, offshoring and outsourcing can help address talent shortages and enhance operational efficiency.

The second signal is adoption.

Half of surveyed mid-tier firms had already offshored or outsourced at least one service line, and the number of offshored chargeable hours has accelerated sharply. That tells you this is no longer experimental. It is becoming standard operating practice.

The third signal is geography.

ICAEW's 2024 commentary says offshore centres work best where there is a large pool of qualified anglophone or francophone staff, explicitly naming **India** and **South Africa** among those locations. It also notes that **India was particularly successful**, partly because of the large number of qualified local staff, enabling service centres to scale quickly.

That matters for how firms should think about delivery design.

India brings scale, depth and back-office capability. The Institute of Chartered Accountants of India says it has around **985,000 students and more than 400,000 members**, making it the largest professional accountancy body in the world. That gives firms access to a very large talent base for production, processing, accounts preparation and structured workflow support.

South Africa brings something different. SAICA says the **CA(SA)** designation earned the **top position** in Edelman's global professional trust survey for Chartered Accountants Worldwide, and reported South Africa's trust score moving from **85% to 96%** over two years. That is highly relevant when you want a delivery centre that can do more than process work, one that can support client communication, reviews, management and advisory interactions with credibility.

So the picture is clear:

The profession is short on talent.

Offshoring is accelerating.

India and South Africa are credible delivery geographies.

Technology helps, but only when the operating model is built properly.

BENCHMARK SNAPSHOT: SIX NUMBERS WORTH KNOWING

70% Mid-tier firms that said a talent-related issue was their single biggest top-three concern. This is no longer a side problem.

50% Respondent firms that had already offshored or outsourced at least one service line. Delivery redesign is already happening.

86% Increase in offshored chargeable hours over the previous three years among firms using these models.

71% Expected further increase in offshored chargeable hours over the next three years. This trend is accelerating, not cooling.

96% South Africa's trust score in SAICA's reporting of the Edelman / CAW research, up from 85% in two years. That matters when client-facing delivery and advisory support are part of the model.

985,000 STUDENTS AND MORE THAN 400,000 MEMBERS

Approximate ICAI student and member base. That is the scale of the Indian talent pipeline behind a serious back-office engine.

Margin is built in operations long before it shows up in finance.

WHY MOST OUTSOURCING MODELS FAIL

This is where firms get burned.
Not because offshoring is wrong.
Because the model is wrong.

1 THEY OFFSHORE BROKEN PROCESSES

If the workflow is messy onshore, moving it offshore just exports the mess.

2 THEY BUY ANONYMOUS CAPACITY

ICAEW describes two basic models: a ticketing model, where work is picked up by the next available person, and a named-individual model, where the offshore person becomes part of the team. The first can work for simple tasks. The second is usually much stronger when quality, context and continuity matter.

3 THEY USE THE WRONG GEOGRAPHY FOR THE WRONG JOB

Not all delivery work is the same. Back-office production is different from client-facing review, communication and advisory support.

4 THEY FAIL TO BUILD STANDARDS

Training, review rules, workflows, templates and escalation paths are treated as optional. They are not.

5 THEY MEASURE LABOUR, NOT OUTCOMES

A lower hourly rate does not help if rework, delay and supervision erase the saving.

That is why the right question is not:

“How do we hire cheaper?”

It is:

“How do we redesign delivery so margin, quality and client experience improve together?”

1 DESIGN

Put the right work in the right place

This is the bit most firms skip.

They talk about offshoring as if all work belongs in one bucket.

It does not.

The correct delivery model should split work by **complexity**, **judgement** and **client exposure**.

India: the back-office engine

India is best used for structured, process-heavy, repeatable work such as:

- **bookkeeping support**
- **reconciliations**
- **accounts preparation**
- **management accounts preparation**
- **tax prep support**
- **year-end file assembly**
- **workflow administration**
- **documentation and processing layers**

That is not a knock on the talent.
It is a design choice.

India works brilliantly as the operational engine because scale, depth and process capacity are there. ICAEW explicitly notes India's success as an offshore centre because of the large number of qualified local staff and its ability to scale quickly. ICAI's size reinforces that point.

South Africa: the client-facing delivery layer

South Africa is where the model becomes more commercially powerful.

This is where you can place:

- **client management support**
- **review layers**
- **delivery coordination**
- **advisory support**
- **communication-heavy roles**
- **more relational or interpretive work that still needs delivery discipline**

That is where the SAICA credibility point matters. A trust-rich, highly respected chartered accountancy designation is a stronger fit for work that sits closer to the client and requires confidence, judgement and credibility in conversation.

Home market: judgement, ownership and senior commercial leadership

Your in-market leadership team should still own:

- **relationship leadership**
- **final sign-off where appropriate**
- **pricing**
- **complex judgement**
- **senior advisory**
- **high-risk decision-making**

The point is not to remove leadership from delivery.

It is to stop leadership doing work that the model should have absorbed already.

The goal is not to move work abroad.

The goal is to move the right work to the right layer.

2 EMBED

Make the team feel like part of delivery, not a vendor

This is where good models separate from bad ones.

ICAEW's practical commentary is useful here. It distinguishes between anonymous ticketing and named people who become part of the team. For most firms trying to protect quality and consistency, named people win. They build familiarity, accountability and context over time.

To make that work, firms need:

NAMED INDIVIDUALS, NOT FACELESS CAPACITY

If everyone owns the work, no one owns the work.

CLEAR WORKFLOW DESIGN

What gets done where, by whom, with what inputs, and with what handoff rules.

LOCAL METHODOLOGY TRAINING

ICAEW highlights training local staff in the firm's methodology and in UK GAAP as common features of successful models.

FAST OPERATIONAL ONBOARDING

Logins, access, templates, training, examples, review points and process maps.

ONE COMMUNICATION RHYTHM

Not five channels, three inboxes and random Teams messages.

QUALITY SUPPORT BEHIND THE SCENES

So the onshore team is not constantly handholding.

This is the difference between "outsourcing" and integration.

One creates dependency.

The other creates capacity.

3 CONTROL



Protect quality, margin and client confidence

This is the bit people get emotional about.

“What if quality drops?”

“What if clients notice?”

“What if the team misses things?”

“What if we spend all our time reviewing?”

Those are fair questions.

But they are not arguments against offshoring.

They are arguments for proper controls.

A strong delivery model needs:

REVIEW ARCHITECTURE

Not just “someone checks it”. Who reviews what? At what stage? Against what standard?

ESCALATION RULES

What gets pushed up? What gets resolved within the pod? What gets flagged early?

MARGIN VISIBILITY

Know what it costs to deliver work, not just what you charge for it.

CLIENT OWNERSHIP CLARITY

Clients should know who they hear from, who owns what and how work moves.

PERFORMANCE REPORTING

Turnaround times, rework rates, utilisation, review corrections, capacity and output.

Control is what turns a labour model into a delivery model.

Offshoring does not reduce standards.

Bad operating discipline does.

WHAT THIS LOOKS LIKE IN REAL LIFE:

YOUTOPIA

Youtopia is a strong proof point because this was not a simple cost-saving exercise.

The firm needed more delivery capacity, but UK hiring was difficult on time, cost and availability. At the same time, Youtopia was already tech-forward. The challenge was not choosing between automation and people — it was building a model where both could work together without sacrificing quality or control.

The implementation focused on structured resourcing rather than "outsourcing and hope": role and workflow design around accounts production, a dedicated team embedded into delivery, quality support behind the scenes, rapid onboarding and continuity even as Youtopia's internal contacts and ways of working evolved.

The impact was sharp.

Within the first two months, Youtopia achieved a **50% reduction in outsourced staff headcount** while delivering **2x output on year-end accounts**. Fourteen months later, that same performance level had been sustained. Youtopia is now planning an acquisition expected to add **50% more compliance work**, without needing to increase headcount to absorb it.

That is what good delivery design does.

It does not just reduce labour cost.

It increases throughput, stabilises output and creates headroom for growth.

The real win is not cheaper labour.
It is more capacity with less drag.

THE SEQUENCING ARGUMENT

This is where a lot of firms go wrong.

They do this:

- **feel the pressure**
- **panic hire**
- **panic offshore**
- **hope the workflow sorts itself out**
- **blame the team when it gets messy**
- **conclude outsourcing "doesn't work"**

That is not a delivery strategy.

That is stress with a staffing budget.

The right order is:

1 DESIGN THE MODEL

Decide what work belongs in India, what belongs in South Africa, what stays in-market, and what should not move at all.

2 BUILD THE OPERATING LAYER

Workflow, named people, training, review architecture, communication rhythm, onboarding and controls.

3 ONLY THEN SCALE IT

Once quality, continuity and client confidence are stable, increase volume.

Skip step one and you move the wrong work.

Skip step two and you create rework and frustration.

Skip step three and the model never pays back properly.

The firms that deliver best do not simply hire more people.

They design a better machine.

COMMON OBJECTIONS, ANSWERED

"We tried outsourcing before and it did not work."

That usually means the model did not work. Not the idea. Bad handoffs, poor training and anonymous tasking kill most attempts.

"Clients want a local team."

Clients want responsiveness, quality and confidence. The right model preserves client ownership while improving delivery behind it.

"We will lose control."

Only if you build it badly. Good controls, named people, review structure and visibility increase control.

"This is just about cost saving."

No. Cost matters, but the real prize is capacity, consistency, resilience and margin.

"Automation will solve this anyway."

Not on its own. Tech helps. But most firms still need people, judgement and managed delivery. Youtopia's case makes that clear.

WHAT THIS MEANS FOR YOUR FIRM

If you are an accountancy firm trying to improve delivery, the useful questions are not:

- Should we outsource?
- Should we hire in India?
- Should we open in South Africa?

The better questions are:

- What work belongs where?
- What should remain client-facing?
- What should become back-office?
- What standards are non-negotiable?
- How do we train and review properly?
- How do we protect client confidence?
- How do we measure whether the model is improving margin, not just reducing salary cost?
- Are we building capacity, or just moving complexity around?

Firms that answer those questions properly do not just create more room.

They create a delivery model that is harder to break.

CONCLUSION

The firms that deliver well in the next chapter of accountancy will not be the firms that simply hire harder.

They will be the firms that design better.

- **They will use India properly as a back-office engine.**
- **They will use South Africa properly in client-facing delivery, client management and advisory support.**
- **They will keep senior judgement where it belongs.**
- **They will build the controls, workflows and review layers that make the whole thing hold together.**
- **They will stop treating outsourcing as a staffing trick and start treating delivery as a commercial system.**

That is how capacity improves.

That is how quality stays high.

That is how margin gets protected.

And that is how firms give themselves a genuine chance of building a delivery model capable of **60%+ profit margins.**

Because the issue is no longer whether outsourcing or offshoring is acceptable.

The issue is whether your current delivery model is strong enough for the business you are trying to build.

Nice-to-have is over.

Delivery design is now a competitive advantage.

READY TO SEE WHERE YOUR DELIVERY MODEL IS CREATING DRAG?

It will show you where your firm is leaking margin, creating workflow friction, overloading senior people or failing to build a delivery structure that can scale.

CLICK HERE TO TAKE THE DELIVERY CAPACITY ASSESSMENT

OR SCAN THE QR CODE