

How can businesses leverage off technology to save on costs and create business efficiencies?

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The current economic outlook in South Africa is generally not looking good, jobs are scarce and growth is uncertain. We are however in an age where technology is rapidly developing. So how can businesses leverage off technology to save on costs and create business efficiencies? Jameel Khan, SAICA Project Manager Practice, takes a look.



Jameel Khan

Running your SME from a virtual office could have tremendous benefits for yourself, your employees and your business as a whole. Although not a new concept, many businesses are still not making use of its full potential. A virtual office (VO) is defined by dictionary.cambridge.org as: “the activities of a business carried out by people who communicate by telephone, email, and the internet, etc., rather than working together in a building”.

How do virtual offices work?

A business owner enters into an agreement with a virtual office (VO) service provider for specific services. The services contracted may include mail, phone, office and conference room use for monthly fees. Businesses can also implement various elements of a virtual office themselves, like incorporating online meeting tools to allow employees and clients to attend meetings virtually, cutting out the need to attend all meetings in person.

Practically speaking, moving from a fixed office environment to a completely virtual office can be challenging and unrealistic. Therefore an option that local cloud accounting practice Iridium Business Solutions (www.iridium.co.za) has decided to implement is to offer a hybrid or mixed working offering to their team members. They assist SMEs in South Africa by offering an outsourced financial management function and allowing the owners to maintain a small focused team that can rely completely on them for their finance function.

Iridium has been able to employ and retain great quality team members by offering remote working as part of a hybrid offering. They allow all team members to work up to two days a week from home or a location of the team members' choice.

They are able to have this flexible working environment due to the cloud-based systems they have set up. The typical tech stack that employees use on a daily basis includes the following: Xero, Receipt Bank, Simple pay, Google Suite and Slack; all of which are cloud-based SaaS offerings that enable them to deliver world-class client service in the most efficient way. There are also no fixed working hours as team members are encouraged to take responsibility for their allocated work and are measured on completing what they have been tasked with rather than justifying the time it has taken to complete the work.

Elements of a virtual office

A number of positions in a business can be made virtual. This means that there is no need to employ personnel on a permanent basis to fulfill a role in your business or be based at your office full-time. Essentially you are outsourcing certain elements of your business. Such elements can include:

- Virtual receptionists
- Virtual assistants
- Virtual phone systems or answering services

- Virtual call centres
- Virtual business addresses
- Rentable meeting spaces

There are however a few considerations to take into account when considering setting up a virtual office.

Considerations

There are three key considerations to be taken into account before setting up a virtual office:

1. Do you have the right team?

Since you won't be operating primarily out of a traditional workspace it is important to have a team that you, as a business owner, can rely on. It is important to remember that not everyone is able to work in a remote work environment.

2. Have you implemented the right processes?

Your processes need to be on point to ensure that everyone knows what they're doing at all times. This is where standard operating procedures (SOPs) are key. Co-ordination and communication processes are paramount to running an effective virtual office.

3. Do you have a suitable workspace?

Since you won't be functioning in a traditional workspace, you will might still require boardrooms or meeting spaces that can be rented on an adhoc basis from a VO service provider. Starting off with a virtual office, it might be a good idea to run team meetings once a month or in the beginning even once a week face to face, till your processes have been settled.

The benefits of having a Virtual Office

- Virtual offices eliminate the need to rent a fixed office space, thus saving on overhead costs. Office space can be rented on a needs basis, which can save a significant amount of money as there is no additional overhead costs required to furnish and equip a full office structure. Employees save on commuting costs and time, which will have a positive impact on employee morale.
- It offers flexibility to individuals to schedule their working hours according to their needs and lifestyle. Studies have shown that flexible working hours generally lead to employees being more productive.
- Efficiency is another benefit since people tend to be more productive without the distraction of other people and meetings. Fewer meetings also mean more productive employees.
- Another major benefit is that it allows the business to be more flexible. This opens up opportunity to enter new markets. For example, a Johannesburg-based business may want a presence in Cape Town. With a VO based in Cape Town, the Johannesburg business may advertise the Cape Town address on its website, business cards, and letterhead, consequently expanding its reach.

If you are worried that a VO will significantly increase your data and phone costs, you may want to look into hosted PBX (Private Branch Exchange) systems. That being said, operating a VO seems to be the current trend both internationally and locally, and is the future of the business world. Given the benefits, it's not surprising as to why business owners are choosing this option to run their business.

About SAICA

The South African Institute of Chartered Accountants (SAICA), South Africa's pre-eminent accountancy body, is widely recognised as one of the world's leading accounting institutes. The Institute provides a wide range of support services to more than 46,000 members and associates who are chartered accountants [CAs(SA)], as well as associate general

accountants (AGAs(SA)) and accounting technicians (ATs(SA)), who hold positions as CEOs, MDs, board directors, business owners, chief financial officers, auditors and leaders in every sphere of commerce and industry, and who play a significant role in the nation's highly dynamic business sector and economic development.

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