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Q&A: Leah Thiss; chief executive, BBBS Inc.

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Leah Thiss of Poway is head of BBBS Inc., an outsourced accounting and bookkeeping service. Thiss, who founded the Rancho Bernardo company in 1992, began the business with only two clients. Now it provides accounting, bookkeeping and other financial services to 150 full-time clients across the United States and overseas.

A second office was opened in Arizona in 2004. Between the two locations, BBBS employs 11 people. Although Thiss declined to discuss revenue, she said the company has grown 62 percent since 2003. She says she expects BBBS to grow 30 percent this year because of the increased demand for outsourced services by small to mid-size companies.



How did BBBS come about?

It started in 1992, when I was operating a technology company. Companies then were just starting to network their offices. As I was installing that for them, I realized that they wanted to start sharing accounting data and do computer accounting. After I'd get their networks installed, they would want some assistance in doing their accounting, which is part of my educational background. Until 1997 I was doing IT and accounting. When my husband, Jeff, joined the company as chief financial officer, we decided to focus mainly on the accounting element. So we now become the accounting department for other businesses.

Who are some of your clients?

I'm hesitant to give out some company names only because they like the idea that we're transparent to them. We function as if we were internal. A few that wouldn't mind the mention locally are Skyline Displays, the DRJ Group and Hi Tech Honeycomb.

Do you specialize in a specific industry?

We actually run the gamut. There are really only two areas we don't serve, and that is restaurants, unless they are a chain with multiple stores, and other businesses that don't have enough revenue to bring on an accounting service. Typically, companies that utilize our services have revenue between \$1 million and \$25 million. There are small businesses that are looking at funding so they can grow, in which case we are referred by investment bankers, venture capitalists and

banks that want to know that the company's accounting is being done right. Before they invest, they want to be sure checks and balances are in place.

What is the difference between outsourcing and hiring a temporary service?

Our employees are not out for hire. We manage them and operate as a full accounting department for the long haul. We can grow or shrink the accounting department depending on the needs of our clients. This is very cost-effective for them. They keep and maintain the history and procedures of the company just like you would expect with internal employees. A temporary agency places people within the company either for temporary projects or with hopes they'll stay on as full-time employees.

What are the benefits of outsourcing?

A typical accounting department will cost from 6 to 10 percent of a company's revenue, including salary, compensation and medical benefits. With outsourcing, it can cost from 1 to 3 percent. The other benefit is that there is a check and balance that is inherent with outsourcing. For instance, we're responsible for making sure that all invoices have been reconciled and to make sure customers have indeed paid their bills. And to make sure that all the money that comes in goes to the company and not someone's personal bank account. It helps prevent fraud. Companies have come to us because they believe something in their accounting department is not right.

How often to you come across fraudulent practices in companies?

It's actually more common than people realize, unfortunately. There was one instance where an accountant in the company was generating phony vendor invoices, mailing them to the company, approving that the material on the invoice was correct, cutting the checks and mailing them to the address on the invoice, which was actually his own company. Our system prevents things like this from occurring. We're a second pair of eyes.

Do you think San Diego's financial situation and others like Enron have helped your business?

We've absolutely seen more revenue. If they had used a service like us in San Diego, this never would have happened. What it's done is that it's gotten different businesses to stop and think: 'Is my accounting correct? What kind of checks and balances do I have? My accountant says it's correct, but I've been dependent on my controller and on my accountant all this time.' We try to teach our clients what their financials need and how a tool like outsourced accounting can actually help the growth of the company.

—Melanie Stevens

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