

Growth Strategies

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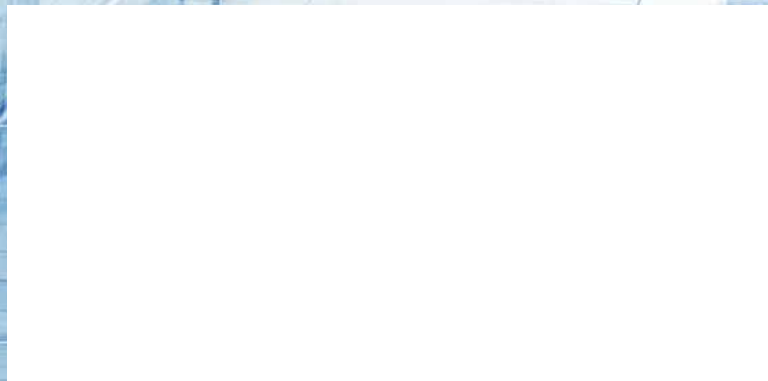
The Journal of Accounting Marketing and Sales

7 Sales Habits of Highly Effective Professionals

Stretch Goals to Achieve Better Results

Improving Event and Sponsorship Results

Deciphering Web Analytics



Build Your Practice without Prospecting

According to *INSIDE Public Accounting* (IPA), the “top half” of the 2015 IPA 100 firms averaged 11.7 percent growth, which is up from 10.5 percent in 2014. This growth came from every service, from tax to audit and assurance, management consulting, and specialized services for high-net-worth individuals, to name a few.

Hinge found in its study entitled *2015 Professional Services Marketing Priorities* that 70.5 percent of participants from accounting and financial firms ranked attracting and developing new business as one of their top business challenges. Hinge’s study revealed that firms plan to focus more on generating referrals and making clients more aware of the services they offer, as well as increasing the visibility of the firm and its experts, and content development.

Five Top Marketing Initiatives for Accounting and Finance Firms

Try to Generate More Referrals	50.0%
Increase the Visibility of Your Experts	42.5%
Make Existing Clients More Aware of the Services You Offer	40.0%
Increase the Brand Visibility of Your Firm	37.5%
A Content Marketing Program	37.5%

Tap Into Referrals From Existing Clients

L. Harris Partners, LLC, a consultant to accounting and professional services firms, bases the work that it does on client loyalty surveys and feedback from firm leaders on how they expect clients to respond to the survey questions. Its cumulative survey of more than 7,500 CPA firm clients found that 66 percent are very likely to recommend their accounting firm to their associates. However, most clients (52 percent) will wait until they are asked before making a referral.

While it makes sense to ask clients for referrals, 81 percent of the more than 800 CPA partners surveyed underrated the value of a referral. L. Harris Partners suggests firms can realize 2 percent organic growth by simply asking clients for referrals.

Increase Revenue From Existing Clients

In 2014, L. Harris Partners identified more than \$10 million in untapped revenue in firms’ client bases. Clients participating in their survey stated that the services they need now and wish their CPA firm could provide are: business tax planning, state and local tax, performance benchmarking, estate planning, strategic planning, and business valuation — these are all services generally offered by accounting firms.

Although only 33 percent of the clients surveyed stated that they did not know the extent of the services offered by their accounting firm, 35 percent use multiple CPA firms to meet their service needs.

Even though 82 percent of the CPA partners surveyed agreed that selling more services to existing clients should be a top priority, 71 percent stated that they do not spend enough time cross-selling services, 59 percent do not develop new products and services for the unmet or emerging needs of their clients, and 59 percent claimed that they do not fully understand their clients’ needs.

The top issues cited by the CPA firm clients surveyed are: geographic expansion or acquisition, recruiting and retaining employees, better data and metrics to manage the business, dealing with regulatory changes, organic revenue growth, improving profitability and cash flow, and business succession/transition. Again, these services are typically offered by accounting firms.

In the seminar entitled *Adding Real Value to the Audit*, presented at the combined AICPA, AAM and AAA conference last June, L. Harris Partners recommended that CPA firms develop closer relationships with clients by meeting more frequently, asking high-gain questions, discussing insights from the audit and recommending ways to improve key metrics such as earnings before interest, tax, depreciation and amortization (EBITDA) as a percentage of revenue, reducing accounts receivable, and improving cash flow. In addition, L. Harris Partners suggested using its 3x3x3 Client Service Plan Model to strengthen or save relationships, identify and capture new opportunities, and protect and optimize revenue. This model centers on enhancing the three top services provided to the client, three relationships

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7. Confidence

If you believe it, they'll believe it.

When CPAs are not 110 percent sure of themselves on a subject, they may use couching words ("sort of," "kind of," "try," "maybe," "might"). Prospects notice, and it hurts trust development. Sales coaches must help CPAs speak definitively and with authority, making strong eye contact and powerful statements. And remember, presenting options is not the same as making a recommendation.

Power Words

"Team that specializes..."

"We will analyze your return for tax savings"

"Manufacturing is a key practice area"

"Your audit report will be issued by March 15"

Weasel Words

"Joe does some of that..."

"We can take a quick look at it for you"

"Manufacturing is one of five niches; the others are..."

"We *hope* to issue the audit report by mid-March"

Administering Corrections

When helping our CPAs be better sellers, we want to be patient and understanding. Just like a dog's invisible fence, we give CPAs a "slight correction." We don't blast away with both barrels.

Prior to meetings, remind repeat offenders about their weak points, such as talking too much, talking over people, or not asking good questions. Remind them that, when talking to CEOs and entrepreneurs, we must earn the right to speak.

These habits aren't quite as difficult to grasp as differential calculus but they can be difficult to implement. Many of them require us to swim upstream against human nature. Living the lessons of these seven points will establish a solid foundation upon which CPAs can build a growing, thriving firm.

About the Author

Chris Perrino has more than 25 years of sales and sales management experience including 17 years at Barnes Dennig. Chris develops leads, manages opportunities, coaches CPAs during pursuits and oversees the marketing function at his firm. Chris is a frequent speaker at AAM, Chair of the Business Development Committee of PKF North America and 2012 inductee to the AAM Hall of Fame. Chris presented "7 Sales Habits of Highly Effective Professionals" at the 2015 AAM Summit in Orlando. He can be reached at CPerrino@barnesdennig.com.



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with firm contacts, and three relationships with client contacts. The Client Service Plan template can be downloaded at: <http://walletshare.lharrispartners.com/home/worksheets/>.

Focus More on Clients than Prospecting for New Business

L. Harris Partners asserts that most accounting firm compensation programs overreward incremental dollars from new business, underreward incremental dollars from current clients, fail to hold people accountable for client retention, referrals and wallet share (lifetime value) and reinforce potential neglect of a firm's most valuable asset — its clients.

Some firms set business development goals and bonuses strictly on revenue from new clients. Others give a small percentage for cross-selling services to existing clients. Either way partners, managers and team members are encouraged to focus more on client acquisition than retention.

By changing the focus from chasing new business to enriching client relationships, firms can grow organically without as

much prospecting. More information on how to accomplish this is available in L. Harris Partners' book *Wallet Share* and at <http://walletshare.lharrispartners.com>. 

Recommended High-Gain Questions

- ✓ What issues are coming up for you that we should be aware of or start thinking about?
- ✓ What are your plans for _____? (tailor the question to your client's specific business and industry)
- ✓ As you think about your business and your various strategies and initiatives, what are you most excited about? Concerned about?
- ✓ What are your two or three most important goals for next year?
- ✓ Can you give me suggestions on improving the amount, timing or format of our communications with you and your organization?