

Marketing? You Bet You Should!

But if you want to grow, it's not enough.

By Gale Crosley

Practice growth is a delicate balance of art, science, intuition, and diligence. One thing it isn't, however, is marketing.

Marketing can be a powerful lever to fuel business expansion. But alone, it will not take your firm where you want to go. Marketing helps till the soil of growth. At the end of the day, however, tilled soil with no seeds taking root is pretty much a useless pile of dirt.

Well-intentioned firms often invest a great deal of money in marketing and wonder why it doesn't result in growth. One reason is that what they are actually spending on is unrelated marketing activities (or tactics) rather than growth strategies. It is an essential distinction that can make all the difference in your firm's efforts.

Three elements

There is nothing wrong with tactics, such as sponsoring a golf tournament, hosting a seminar, sending out direct mail, writing an article, or making a presentation. They can be helpful in building name and brand recognition.

However, without linkage to an overarching strategy, these activities are unlikely to move your firm forward. You need solid strategies that let you know that you are not writing about the wrong things, speaking in the wrong places, or targeting the wrong buyers.

Growth strategies are based on three specific elements:

1. services;
2. distribution channels; and
3. buyers or buyer groups.

Services. Your firm's portfolio of services consists of the creative and innovative offerings (including but going beyond tax and audit) that your firm should continually evolve and bring to market. It is not enough to have a generic audit for all buyers. Your audit should be customized and described to buyers in the language they use. Each buyer group has a vocabulary unique to the specific group, and

your use of it will resonate and build value. Talking to law firms about a tax project? Then use words, such as partner, client, and billable hour. Talking to manufacturing companies? Then use words, such as president, customer, and gross profit. Talking to a nonprofit? The audit committee wants you to include in the audit something of value specifically to the committee (*e.g.*, thought leadership regarding efficiency techniques or board training regarding governance). It might want you to display an understanding of the role of foundations. These are all value-building elements of the audit experience. You get the picture.

Distribution channels. These channels lead the firm to its desired buyer groups. They are the people, organizations, and other assets that enable you and your buyers to find each other. Channels can be as varied as the buyer groups they serve. Examples include:

- providers of goods and services;
- competitors who compliment you;
- thought leaders who have a synergy with you;
- speakers who need information from you; or
- university professors who need guest speakers.

The list can be exhaustive once you start looking at channels this way. After you find a channel, you need to align your interests with its interests. What does the channel need, or what is it passionate about? For example, the sales force of a dental equipment company needs to sell more dentist chairs. Little did that group know, before you informed it, that the tax laws for the last two years encouraged capital acquisitions of dental equipment. You presented this information to the sales force, who then invited you to accompany the group on visits to dentist prospects to discuss this approach. *Voila!* Buyers are now finding you.

Buyers or buyer groups. These are the buyers who congregate together and have a common profile of needs.

Once you identify what the profile is (*i.e.*, the conditions that indicate potential similar needs), you can surgically look for *only* those buyers, and the channels that are the best conduit. Looking for trucking companies with nationwide operations? That is a buyer group. Searching for religious institutions? That is another buyer group. Hunting for high-net-worth widows or near-retirement corporate executives? The more succinct you define the buyer group, the better your strategy. You can get very focused and deep, leading to a better strategy than your competitors who will paint all of these groups with a broad brush.

The key to a good strategy is the interconnection between the three elements. If you have the wrong service, there is no growth. If you select a channel to the wrong buyer group, there is no growth. If the buyer group does not have decent market conditions surrounding it, there is no growth. So, it is not enough to get *one* right. It has to be all *three*.

A solid growth strategy is a constantly evolving adjustment of these three elements (I call them strategy knobs). Why? Because markets continually change. Your firm's ability to adjust in the right direction results in *sustainable firm growth*, not just *marketing tactics*.

Drilling down

What are the steps that will help you develop these three elements into a comprehensive strategy? They include:

- financial analysis;
- segmenting; and
- Research CallsSM.

Financial analysis. Financial analysis of your firm's current revenue stream is the best means to identify the services that are most in demand by which buyer group. Financial analysis is the only sure-fire way I know to gain a solid understanding of where the market has already taken your firm (an element of where you might likely go next).

Segmenting. Segmenting means dividing a marketplace into well-defined groups of likely buyers. It is a foundational step in developing your firm's industry niches and service lines. Unfortunately, segmenting eludes most CPAs, who either do not know how to do it, or don't want to.

Research CallsSM. It is essential to conduct Research CallsSM (*i.e.*, interviews with people in the buyer group market that give you the market intelligence you need to determine what the three knobs are) with the specific in-

dividuals who are active in the markets you want to be in. As you make Research CallsSM a regular habit, with an eye toward the three knobs, strategies will emerge, similar to adjusting binoculars to get a crystal clear view of where to head next.

Effective interviews will identify market holes, which are the opportunities for new service innovation, unexplored channels, and underserved buyers. Consult the books *TUNED IN* (Stull, Meyers & Scott) and *BLUE OCEAN STRATEGIES* (W. Chan Kim, Renee A. Mauborgne) for excellent examples of this kind of thinking. The more Research CallsSM you conduct, the more powerful the strategy. And, when Research CallsSM become a way of life, you can stay ahead of the competition, predicting a market's needs before the market has identified the necessity. This leads to a first-to-market advantage and value-driven differentiation.

Now tactics

You should turn to tactics only after you have:

- developed a strategy that is based on the three elements; and
- identified where your interests align with those of your distribution channel.

Then, rather than randomly selecting activities, sponsorships, or presentations, you can select those efforts that match your specific strategies.

Whether your firm hires a marketing specialist to pursue these tactics, or whether you manage them internally, the same rules apply. Every activity, brochure, sponsorship, or seminar should be directly linked to your firm's growth strategy. There can be no random activities, instead, only focused pursuits that will help your firm get the right service to the right buyers *via* the right distribution channels.

Nobody said growth was easy. However, you will be significantly ahead of the competition if you follow a step-wise, evidence-based method that uses tactics to support a solid strategy.

About the Author: Gale Crosley, CPA, consults with accounting firms on revenue growth. She was selected one of the Most Recommended Consultants in the INSIDE PUBLIC ACCOUNTING BEST OF THE BEST Annual Survey of Firms for nine consecutive years, and one of the Top 100 Most Influential People in Accounting by ACCOUNTING TODAY for seven consecutive years. She is an honors accounting graduate from the University of Akron, Ohio, winner of the Simonetti Distinguished Business Alumni Award, and an Editorial Advisor for the JOURNAL OF ACCOUNTANCY. ✦