

14

Marketing and Sales Work Together

We are all salesmen every day of our lives. We are selling our ideas, our plans, our enthusiasms to those with whom we come in contact.

—Charles M. Schwab¹

Perhaps the biggest distinction often made between marketing and sales is that marketing makes people aware of you, brings them to you, and builds the relationship. A sale is when they sign on the dotted line. Often a managing partner of an accounting firm will say, “I’m tired of this marketing malarkey—I want to sell something.” This sentiment expresses those of many partners who are frustrated with the lack of marketing results. In fact, sometimes good marketing does close the sale. When people receive a great marketing piece, perhaps they make an appointment and are ready to buy. Or your low-key networking efforts build trust so that when a need comes up, they call you to help them.

Marketing directors are often given the job of taking care of your marketing material, Web site, seminars, newsletters, and so on. They can create awareness of your firm. They can generate leads. They can keep in touch with existing clients. But seldom can they close the sale. When people hire an accountant, they want to talk with the accountant. It may be an easy sale to close, or it may be hard, but all accountants need to be able to sign up clients for work.

Because so many CPAs are marketing reluctant, it is easy for them to leave marketing to others. We CPAs love the marketing director who does a good job getting our names out. (Although we may complain that the director doesn’t close the sale for us.) Often I witness a different frustration. A partner who worked his way through college selling books door-to-door attacks today’s marketplace in the same manner. He is knocking on many doors and

dragging clients into his accounting firm—whether their needs are compatible with the firm’s skills set or not. His attitude is: “Get a small bank this week, a construction firm next week,” and “Oh yeah, high tech is hot, let’s get an Internet start-up.” This approach to dragging them in produces clients, but not the right mix of clients where you have advantages in retaining them. To have a strong accounting practice, you need to enjoy the kinds of clients you work with and the issues involved.

Marketing and Sales Work Together

This book is devoted to helping you improve your profits *and* your lifestyle with the right clients. I’ve built a practice, and I’ve worked for a Big Four firm. Now I work with CPA firms, helping them build their businesses. All of the things I’ve learned have come from other people who have used them successfully. I’ve pulled together the information for you to use.

Marketing Communications

All communications is marketing. Public relations, advertising, selling, networking, and public speaking are each a type of marketing. The manner in which your phone is answered is marketing. The look of your report covers and the reports themselves are marketing. The subtle oral, written, and non-verbal communications that you have with people are all part of marketing, as is your personal grooming.

The object of marketing and selling is to create opportunities for increased business and to convert those opportunities into revenue.

Good marketing is further defined as a communication of the truth, made in an interesting manner, with the expectation of a positive result.

Benefits of Marketing and Selling

In much of this book I use the terms “marketing” and “selling” interchangeably since both create more business for you. Successful marketing and selling impact the revenue stream of a CPA firm in six basic ways. They help you:

1. Manage client attrition
2. Attract new clients
3. Sell additional services
4. Increase your rates

146 Better Selling Helps Your Clients

5. Improve your realization rate
6. Control and enjoy your practice more by attracting better clients and dropping less profitable ones

Marketing and selling are what allow you to have a practice. Increasing your control over your practice will heighten your enjoyment of your work.

Experts in marketing and selling often compare the fields to warfare, gamesmanship, or even gardening. Marketing and selling work together to attract and retain highly profitable clients who will help you attract and retain the best team members. In warfare, the artillery (marketing) and infantry (selling) work together to win a war. In gamesmanship, the principles of focus, offense, and defense help win the match.

I like the gardening metaphor best. Selecting the right ground—good dirt, a location not too shaded or too sunny, and easy to tend—is like the strategic marketing planning the consultants at Waugh & Co. help our clients perform. Marketing is tilling the soil, planting the seeds, fertilizing, watering, and nurturing the young plants. Selling is harvesting the plants. Marketing supports selling, and selling works with marketing. If marketing is not done well, the plants (prospects) will not grow and will be difficult to harvest. If you market in one field and sell in another, your resources will not be used effectively.

Two Kinds of Clients You Want

To maximize client value and profits, CPAs should focus on attracting clients who meet two basic criteria: They are both highly qualified and highly interested.

Highly Qualified Clients

In the cases described in the opening paragraphs of this chapter, the marketing department was getting the word out—but indiscriminately—and the word was attracting clients who were not highly qualified. Likewise, the partner was bringing in clients who were not ideal.

A highly qualified client is one who hits your “sweet spot.” Just as when you hit the sweet spot on your tennis racquet or golf club and send the ball off well, a client who hits your sweet spot is one who will obtain maximum value from you and from whom you will obtain maximum profits. Whether you are providing compliance or consulting services or both, you probably have specific in-depth skills for serving a particular type of client.

When you accept a client who doesn’t fit your sweet spot, you may only have surface skills, which are not strong enough to serve the client’s real needs.

When an unqualified client is very interested in doing business with you, he or she is often quite ignorant about the depth of your skill set. Many times the result is a bad deal for both of you.

Highly Interested Clients

To maximize client value and your profits, clients must be highly interested in working with you. When you go after clients who are not highly interested, it is tempting to raise their interest in a way that is not beneficial to you, such as by reducing your fee. Highly interested prospects will be willing to pay a premium to work with you.

One objective of good marketing is to raise the interest level of highly qualified prospects. Novice sellers often attempt to close the sale before the prospect is highly interested. This is a mistake. To the prospect, this either comes across as high pressure or a cheapened business exchange.

Yet some prospects or clients may be highly interested in doing business with you, and even willing to pay a premium, but may not be qualified. When I worked at Price Waterhouse (now PriceWaterhouseCoopers), my mom often referred relatives to me to do their individual tax returns. She would say, “He works at this big accounting firm and he is cheap—he does my tax return for free.” These relatives were very interested in doing business with me; even if they had been willing to pay a premium instead of looking for a cut-rate deal, neither Price Waterhouse nor I were set up to serve this type of client very well.

Consider Exhibit 14.1 on the following page. You might say that effective marketing is a process whereby you direct your communications resources at a particular market, a market that would be rated as an 8, 9, or 10 on both dimensions. Then, as a result of a focused communications effort, prospects rated as 5s, 6s, or 7s would be attracted to you because they might see or hear your communications. You could decide whether to take the client or not. And you would definitely reject any prospect rated a 4 or below.

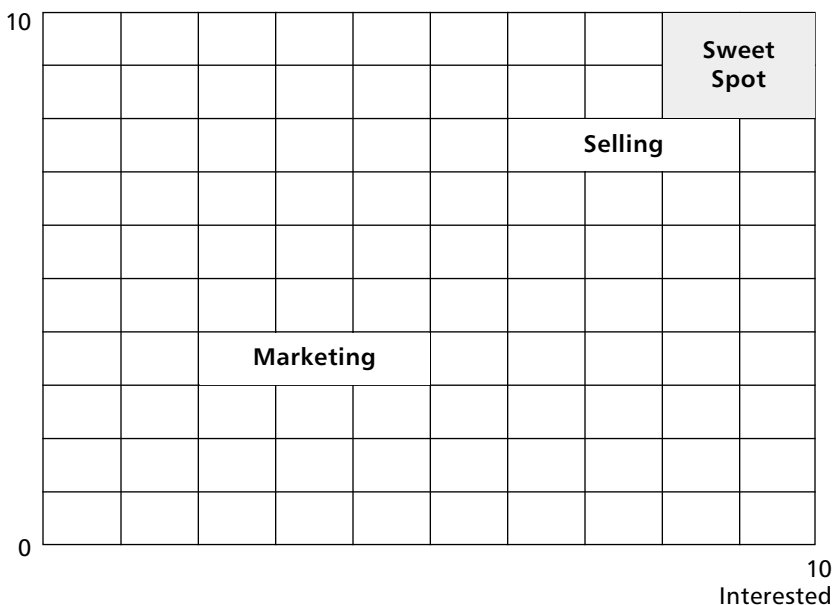
The Demand for Financial Help Is Greater than Ever

Personal and business economics are becoming decidedly more complex. Each time Congress “simplifies” the tax code, it becomes even more complex. World trade and competition, exchange rates, fluctuating currencies, and rapid technological advances are complicating our financial lives.

The basic economics we once studied focused on accumulating and managing scarce resources. But now we are learning that technology, intelligently applied to resources, can create virtually unlimited resources. The

Exhibit 14.1

Qualified



dynamics of this change complicate people's personal and business lives. We once believed that successful companies needed to be profitable from quarter to quarter. Now we are dealing with a dot-com generation of companies that can be valued based on market-share potential, not profits.

Business is becoming decidedly more complex. Information is more plentiful than ever before. Competition for services is intense. Your required knowledge base is expanding. I believe that you, the practicing accountant, can be the most successful businessperson in your community. I believe your future is bright. You can add real value for your clients.

"What we have here is a failure to communicate" is a famous line from the movie *Cool Hand Luke*. This exasperated lament is played out every day in executive suites across the world when businesspeople become infuriated with their accountants. In a landmark 1994 study by professors Lon Adams and Brian Davis of Weber State University, good communications were at the heart of the reasons why CEOs choose accountants. Failure to communicate was related to four of the top five reasons why CEOs switched accountants.

In our profession, no longer can we just be number crunchers; now we must be number communicators. For the most part, technology has assumed the role of number cruncher.

The Market Is Open for You

Until recently, clients rarely changed CPAs. Not only was there limited competition, but also the accounting guilds kept information from consumers. With the exception of the financial statement audit, today accountants no longer have a monopoly on accounting services. Bankers, software developers, insurance brokers, credit card companies, lawyers, financial planners, investment brokers, and many others compete with you. Not only are you faced with stiff competition, but the level of personal service is dramatically improving in all financial service businesses.

Today's consumers are looking for fulfillment of their needs from specialists who will save them both time and money. If you cannot provide the needed service at a convenient time and at a fair price, then consumers will search for a better way.

In today's Information Age, businesspeople are overwhelmed with choices. If you are willing to help them make decisions, the demand for your advice and services could well grow at an exponential rate. Today, more than ever, wisdom—not knowledge or information—is power.

No longer can the accounting guilds keep consumers of services in the dark. In the United States, we accountants allowed our societies and boards to bend our constitutional rights. Many state society leaders have restrained free speech and free trade long enough. They are losing their protectionist battles only to find that other service providers who were willing to engage in free and open communication have taken away much of the profession they were trying to protect.

Until recently, businesspeople placed high value on an accountant's past performance. The primary focus was: "What did you do for me last year?" Today, however, many businesspeople are less concerned with past performance and are asking, "What have you done for me lately, and what will you do for me tomorrow?" Client loyalty to accountants exists only when the accountants are creating value. Clients are saying, "Give me results, not reports."

Summary

The practicing accountant will always be the best-educated, the best-trained, and the best-suited professional to help clients make financial decisions. I have a vision that you will maintain your practical, honest approach in a changing and challenging world. I have a vision that businesspeople will always rate you as their most-trusted business advisor.

150 Better Selling Helps Your Clients

For you to capture this vision, you must focus on building your existing clients. For you to build your practice, you must first focus on growing your clients' businesses. And you must communicate this focus to your clients and your prospects. Marketing and sales allows you to serve clients while you improve your practice.