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Start a Consistent Marketing Program

Things come to those who wait, but only those things left by those who hustle.

—Abraham Lincoln

If you could add a dozen clients a year who were similar to your very best clients, would you be happier and have a more profitable business? Of course you would! It is likely that you have 100 hours of billable client work that you could delegate to someone else in your firm. If you invested these 100 hours in marketing and sales activities, you could create new work that would equal 100 hours, or more, times your billing rate. If you're not doing this, you are losing megabucks because of your lack of sales activity.

Attracting desirable clients is one of the key benefits of marketing and sales. If you simply wait for the business to walk in, you will get clients no one else has targeted. The best way to add the "good" clients to your firm is for you and your staff to always be prospecting for qualified leads. Aggressive lead generation or prospecting is usually the difference between an average firm and a super one.

Jim Belew, former managing partner of Belew Averitt, LLP, in Dallas, says, "We were coasting along in the late '80s and early '90s letting other professionals take away business from us. The accounting culture was really anti-marketing, the state board of accountancy did not allow selling, and we weren't very good at it. But we woke up one day and realized that we had to take steps to start an aggressive marketing program."

Check out the profit levels under the two scenarios shown in the table on the next page. Consider the relative impact of "Doing the Billable Work Myself" versus "Delegating the Billable Work and Selling 100 hours of New Work."

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Here is the comparison between the two scenarios:

Doing the Billable Work Myself	Delegating the Billable Work and Selling 100 Hours of New Work
\$20,000 (100 hours $\times$ \$200 rate)	\$15,000 (100 hours $\times$ \$150 rate, delegated)
	5,000 (Mark-up)
	–5,000 (Cost of staff doing work)
	\$20,000 (100 hours $\times$ \$200 rate—new work brought in)
\$20,000 Net one-year profit	\$35,000 Net one-year profit
\$140,000 Net seven-year profit	\$245,000 Net seven-year profit

Calculate what the compound effect would be if you invested 100 hours per year, every year, in selling new accounts. Your profit would amount to over \$800,000 more during the period than if you did the work yourself. Then calculate the effect if you invested 200, 300, or more hours. You will clearly see why the firms that invest in marketing and sales are the most profitable year after year.

Five Key Elements of Accounting Sales

The best strategy in accounting sales is composed of five elements:

- 1 Generate a steady stream of leads into your firm.
- 2 Network deep into your prospects' organizations and enlist champions.
- 3 Satisfy clients' wants and desires as well as their needs.
- 4 Consistently train your entire staff to market and sell.
- 5 Always give a little "something extra" when working with clients, prospects, and referral sources.

Satisfied customers are an organization's most successful salespeople, because they do not stand to benefit financially from recommending the organization to others.

—Eberhard E. Scheuing, *Creating Customers for Life*

Generate a Steady Stream of Leads into Your Firm

If you are generating enough leads so that you screen out over 50 percent as being nonqualified, your lead generation machine is working well. If you accept anything that comes your way, the quantity of your leads is not adequate. Robert Bly, author of *Marketing Your Services*, says, “Many established service providers spend 10 to 25 percent of their time in self-promotion. Beginners must devote even more effort to establishing a reputation, getting clients, and making a name in the local community.” We discuss lead generation in depth in the Days 6 and 7, so I will make only two points here.

1. Sales leader Terry Orr says, “There is a part of marketing that is just gathering the business cards and making the calls. Contacting and staying in touch with people you’ve met is an essential part of selling.”
2. The absolute best source of quality prospects is through your referral network.

PORTRAIT OF A SALES LEADER

JIM BELEW’s early training meeting the public and providing excellent customer service had a profound effect on his future success. Belew said, “I worked in a service station when service really meant something.” He had a unique experience in the service station. One of the owners was a fastidious mechanic. His tools were all in order. His shop was spotless, and he went home each evening without a drop of oil or grease on him. This owner taught Belew the value of quality. He said, “People sought out this guy because he was so careful and clean. That was a big difference for mechanics. He exuded quality and I wanted to be like that.”

The other owner, who ran the business side of the station, also intrigued him. Belew says, “The other owner supervised the other attendants and me and taught us how to greet our customers, how to do something a little extra for them. I worked for him for a number of years, and he started showing me more about how he ordered products, how he paid employees, how he scheduled, and other aspects of running the business.”

After majoring in accounting at Oklahoma State, Belew joined Arthur Young in Dallas at a time when selling was not allowed in the accounting profession. He learned from the partners for whom he worked that

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PORTRAIT OF A SALES LEADER (Continued)

the key to selling was paying great attention to your clients and achieving the clients' goals. He related this to the experience he'd learned as a youngster working in the service station.

Jim Belew and Jimmy Averitt were friends at Arthur Young. They opened their offices in 1976 with no clients and have grown to become the second largest local firm in Dallas. "Jimmy and I have been very fortunate to have attracted some of the brightest partners to our team," says Belew. He has often had a need to fill but waits until the highest-quality person came along. "If you compromise your quality standards, you compromise your business. The day you compromise your standards is the day you start going out of business. We want to build our business on solid ground with the best people," says Belew of his team of successful partners.

"I have never met a man with such an intense desire to help his clients and partners succeed," says Brenda Sellers, a former partner in Belew Averitt. This intense focus to help others succeed is the key to Jim Belew's firm's dramatic growth to a leading status in the Dallas market.

Belew established a firm-wide marketing plan in 1993. Each partner championed a focused area of development. He says, "During the first year we barely attained our planned results, but in the second year we reached our annual goals in five months. Since then we have learned to be much more predictable in our marketing goals." Belew Averitt grew from \$2 million in net revenue in 1992 to over \$11 million in 2000. Then, in 2000, Belew Averitt merged with BDO thereby expanding BDO's presence in the Dallas and Texas markets. BDO-Dallas is now one of the fastest-growing offices in the firm. Belew says, "Much of our growth came as a result of establishing a plan, then executing the plan daily."

Although clients remain the single best source of referrals, attorneys are a close second. We surveyed 274 accounting firms and found that client referrals accounted for 48 percent of referral business and attorneys account for 22 percent (almost twice as many as banker referrals). A growing number of referrals are also coming from other CPAs. And even though there hasn't been a study to determine the total impact, alliances and networks of accounting firms are growing to foster such referral work. The BDO Seidman Alliance and the McGladrey Network are two examples of associations of CPA firms established to stimulate the referral of clients to other firms.

In some very successful firms, attorneys account for as much referral business as do clients. Greg Anton, a partner at Anton, Collins & Mitchell in Denver, Colorado, says, “Many people in the profession would say your largest development opportunities are within your existing client base. I would say that this has not been the case with me. Most of my referred leads come from attorneys, bankers, and investment bankers.”

Network Deep into Your Prospects’ Organizations and Enlist Champions

The greater the number of decision makers, the longer the selling cycle. When deliberations to engage you take place in your absence, the marketing process becomes more complex. These factors make it critical that you have good contacts throughout a prospective client’s organization.

Having to deal with multiple decisions makers is a barrier to selling public accounting services. Corporations and other organizations seldom have a single decision maker; more often, several persons are involved. Each of those decision makers may have a different view of the economy, a different view of the business, a different set of values, a different set of contacts and personal relationships, and a different set of goals.



Generally, the higher the price of the product, the longer the sales cycle.

—Tony Alessandra et al., *Non-Manipulative Selling*¹

Harvey Mackay, author of *Swim with the Sharks*,² says, “Recently I’ve gotten better results by not even trying to talk directly with Mr./Ms. Head Honcho.” In the modern business world, decisions are often made at lower levels in an organization. Obtaining a small assignment and proving your worth may enable you to move up in the organization later.

Dealing with multiple decision makers extends the selling cycle—and a long selling cycle is in itself a real barrier to selling success. The best clients don’t change accountants that often. You have to plan a multiyear sales campaign for many prospects.

A third barrier to selling public accounting services is that much of the prospect’s decision-making process occurs in your absence. You are not there to influence the decision. You prepare a written proposal, present it, and leave. Then the decision makers discuss their alternatives. You must learn to influence the engagement process even when you are not there. You must find ways to make your firm stand out so that the prospect will remember you.

Not-Yet Prospects

Most companies spend about 90% of their marketing budget on producing sale leads—but only 10% to follow up on them. Other studies show that about 26% of inquirers say they will buy within six months, 56% say they will buy eventually, and 18% have no plans to purchase, according to Wilson & Associates.

Over the long term, the group that plans to buy later produces four times more buyers than the 26% who say they'll buy soon. If people say they plan to buy later, keep in touch and use the extra time to build the relationship.

—Executive Edge newsletter

Depending on the prospect's urgency to hire, I use a different selling strategy for different stages. Many of my target prospects will not seem to be in a hurry to change accounting firms. I may not want to rush things either. In the early stages, I want to enlist a person in the organization who is receptive to me. The receptive person will give me information that will enable me to identify power influencers and discover problems and needs. He or she will introduce me around and may become my champion. If I begin to interact with the CEO too early in the process, my access time and in-depth conversation may be limited.

If the organization is nearing a change of service providers, a more intense sales effort is required. When a more rapid and intense sales effort is required, you may not have the time to develop the personal relationships you'd like.

Satisfy Clients' Wants and Desires as Well as Their Needs

Clients *need* financial statements. They *want* to make better decisions. Clients *need* to file a tax return. They *want* the convenience of having someone else prepare it. Clients *need* strategic planning. They *want* to take advantage of opportunities and avoid catastrophes.

Accountants who deal only in the *needs* of clients will earn a modest living. CPAs who satisfy the *wants* will be paid handsomely for their labors.

David Morgan says, "I try to learn something the prospect really wants. While I may not be able to get it for him, I can send him an article about it. That lets him know that I want him to have it too. Basically I am a shy person. Throw me into a room of people who I don't know and I am very

uncomfortable. But I say to myself, 'I am here to find a want or need that I can help with.' And that motivates me to network."

Through the years, I have interviewed hundreds of clients of accounting firms. When I ask clients what they want, their number-one answer is: "I want my CPA to understand my business beyond the financial and tax reporting requirements." It makes sense, doesn't it? One of the fundamental needs of human beings is to be understood.

Sell Benefits, Not Features

CPAs spend many hours reading, training, and working on unique client matters. In many cases, CPAs understand a great deal about the client's business. But the client isn't aware of it. Strong CPAs must make clients aware of their understanding of the business.

Your services include features such as tax work and consulting. It should be obvious that clients don't care about your features; they care about how those features benefit them. Although you've probably heard that you should focus on client benefits in your selling, it's a point that's easy to forget. You show your understanding of your client's business by talking about the benefits that they want to achieve. These may be as general as "protection" from the IRS to as specific as helping them determine the true profitability of different product lines.

You also show your understanding and interest when you attend an industry meeting in your client's area, read a relevant trade journal, or take a training course relating to her business. Good selling is communicating your understanding to the client in subtle ways, such as chatting about the seminar you attended or the article you're reading.

The number-two answer we get when we ask clients what they want is "a more aggressive CPA." Clients define "aggressive" as being a proactive service provider and an advocate. One client of a CPA firm said to me, "Phil Scissors earned 10 years of his fees last year when he handled the IRS representation for me. I don't want to deal with those people and divert my attention from my business. He kept them out of my business and off my back." Some clients will actually get a bit angry when they learn their CPA could have performed a service, or knew of some technique, and didn't tell them.

Focus on what clients really want. Terry Orr of Belew Averitt says, "When I focus on wants, I receive a much higher price for audit or tax work. It's usually been the result of sitting down and understanding where the company is going. We understand they need an audit, but before we start the process

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of giving a bid we want to spend some time talking to them about where the company is today—what their objectives are for the company over the next three years and five years. We're not just coming in to do an audit. We are there to help accomplish the company's vision."

When you create an alliance with the vision, values, and core competencies of your customers, their business becomes your business. Their dreams become your dreams. Their goals become your opportunities. By understanding who they are and where they are going, you can say, "This is how I can help you get there."

—Barbara Geraghty, *Visionary Selling*³

Tony Zecca, of J. H. Cohn, tells the following story.

I was asked to go on a marketing call to a company called in the hardware business. I was referred in by one of the local banks to the company that was a distributor of hardware. They were having some difficult times. I walk into this building and it's like stepping back in time. The building is just a huge room and all these old gray-looking metal desks and all these people sitting there with piles and piles of paper all over the place. So I am escorted into the conference room. I'm sitting in this huge room and there's dust all over the place, cigarette butts lying on the floor, and I'm saying to myself "What the hell, what am I doing here? Who's going to sell to this guy, do we want to sell anything to him?" But this guy walks into the room and he's about 75 years old. He had a dirty old vest on and I thought he was the janitor. Turns out he was the president of the company.

So he sits down and, you know, one of the other lessons I've learned early on that I try to teach my people now is that you never know, when you're in a selling situation conditioned to listening a lot, you just never know where the connection is going to be, but unless you connect to the person you're selling to you're not selling them anything. So, we just started talking and we spent about two hours talking about everything in the world other than the business. And we just went on and on and on, and I noticed out of the corner of my eye that in the corner of the room there was a big pillow, one of those pillows that dogs lay on.

And after about two-and-a-half hours, this golden retriever comes walking into the room. I love dogs, and he comes over to me and sits down next to me. I pet him on his head and I reach down to say hello to him and he gives me a lick, and the guy says to me, "Well, if you're good enough for the dog, you're good enough for me."

He hired us and it had to be about a million dollars in fees that we collected over about four years. And I was up against all the big [firms], whatever they were at that point, big sticks, big cheese, I don't know what they were. But that was a true story. So I use that story a lot when I give seminars on marketing. Every once in a while, I use that story just to illustrate that you never really know where that connection is going to come from. And you know, I think it's a great story. He ended up being a wonderful client of mine, and I worked with him for about four years.

Consistently Train Your Entire Staff to Market and Sell

Marketing and selling are skills you can learn. The way to become a good marketer is the same way one would become a good golfer. Lessons from a pro are helpful. You can pick up a few tips by watching golf on TV. But the most productive way to improve your game is through practice, practice, and more practice. So it is with marketing. The only way to become a great marketer is through practice.

Many accountants have a comfort zone with marketing techniques. Good marketing training will allow them to expand their comfort zones in a safe environment. Good training allows each accountant to be challenged to try new techniques and provides positive feedback and support, not criticism.

“We talk about wanting your comfort zone plus 10 percent, when it comes to marketing,” says Bill Fingland, CEO of BKD. “At BKD, we understand that everyone is different, but selling is a crucial part of your success in today’s business world.”

Greg Anton says, “Sales training over an extended period of time has been the most beneficial thing I have done to help me become a consistent business developer. I believe it strengthens all CPAs in their marketing efforts. But it cannot be a one-shot effort. That’s a waste.”

All marketing training programs should have a follow-up program that includes objectives and measurements of progress. Everyone gravitates toward new techniques. But as in learning golf, accountants should emphasize the basics: in this case, planning, prospecting, qualifying, relating, interviewing, handling objections, trial closing, and closing.

Accountants respond well to marketing training when:

- They receive it in manageable amounts.
- The training is participatory.
- They can visualize a model.
- They receive favorable results.
- They anticipate follow-up supervision to measure results.

The follow-up supervision is often labeled coaching. Many partners believe in miracles. They believe that staff members, most of whom have received little training in personal marketing during their careers, will miraculously begin bringing in new business the day they are made partners. Guess again.

If you really want to create a culture in which selling is “just part of the job,” you must foster that culture from day 1. And the best way to do that is to give your staff on-the-job training.

Eight Tips to Help You Be a Better Marketing and Sales Coach

- 1** Ask staff members to report marketing activities to you on a weekly basis.
- 2** Take each staff member on a “live” sales call at least once each month.
- 3** Coach when business is great—and when it’s not so great.
- 4** Always give your staff member some responsibility during each marketing call.
- 5** Perform a “postmortem” on each call (preferably while you are driving back to the office), and find something positive and something negative to say; ask the staff member to analyze your combined performance first, and then contribute your own insights.
- 6** Teach your staff members to think marketing all the time.
- 7** Keep coaching people as they move into management positions—the stakes will be even higher for them then.
- 8** Ask your staff members to give you feedback on your selling methods—teach them how to coach in the process.

Start with in-house training sessions that look and feel like coaching. That means one-on-one meetings with your staff, in which you discover which skill areas need some work and you create vehicles for the staff member to hone his or her skills.

Jim Belew believes in the power of training and coaching. He says, “I think practically every CPA can learn some degree of ability to sell. Some will be better than others and some sell differently. I think some CPAs are so brave that they don’t mind knocking on doors and making cold calls. I think other CPAs are so cautious that they don’t think they are selling but yet they do

such a superb job of client service that their clients keep coming back to them more and more. Clients refer work to them. I think many times those CPAs don't realize that they are really selling. I think educating a CPA on the realities of selling is crucial. Too many of us have the picture that I've got to go knock on doors and make cold calls. That is really not what selling is—not in public accounting anyway.”

Suppose you discover that several staff members need to improve their telephone skills. Get a small group of people around a phone, and then ask each person to call several prospects and try to schedule an appointment. When the call is over, evaluate what went right and not so right with the call. Staff members may be a bit intimidated, but their telephone skills will improve—and so will their confidence.

Your next step is to let your staff practice their personal marketing skills in a real, but nonthreatening, environment. The best way to do this is to ask staff members to help you present the firm's capabilities to existing clients.

Then move out into the streets: Take your staff members with you on your business development calls—and not just with referral sources, but with prospective clients as well. Then let them work their way up to playing more important roles in the sales calls.

And don't be afraid to “fail” in front of your staff. They will learn as much from your unsuccessful marketing appointments as they will from your successful ones.

All purchase decisions, all repurchase decisions, hinge, ultimately, on conversations and relationships. . . . All dealings are personal dealings in the end.

—Tom Peters⁴

Always Give a Little “Something Extra” When Working with Clients, Prospects, and Referral Sources

If you mail tax returns, consider a personal delivery service. By all means call each client two days after the return is mailed to verify its receipt and review the key tax issues. Point out all the ways that you saved your clients tax dollars.

If you install computer software, provide an inexpensive additional piece of software after the sale at no charge. If you provide audits or reviews, find ways to give each person with whom you deal good feelings about you. Give them ideas to save personal tax dollars, provide them with free forms, take an advertising specialty item to them, or provide cookies or other goodies the last day on the job.

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The Louisiana concept of *lagniappe*, giving a little something extra, will improve your clients' perceptions of your value. Harry Beckwith, author of *Selling the Invisible*, suggests, "Say p.m., deliver a.m. The first time you have something to deliver for a client, try this: Say you'll have it to him at 1 P.M. Then deliver it by 11 A.M."

Be safe, not sorry, by providing the good feelings that keep your clients coming back. In most instances giving good feelings only takes a minute. Realizing that clients can get their problems solved by competitors will encourage us to reach beyond quality work and provide our clients with quality service.

Bill Fingland says, "We see selling as a three-legged stool. First, you must give great service so your client will come back. Second, you must look for opportunities with your existing client. Third, you have got to go out and attract brand new clients to the firm."

Summary

Spending all of your time doing billable work keeps you on a treadmill—active, but going nowhere. Budget time for selling to new clients and delegate more of your billable work to others. Set up a marketing program that creates a regular flow of new prospects. Network widely in clients' and prospects' organizations. Look for wants *and* needs to satisfy. Keep your focus on the benefits the clients want to achieve, not on your services. Plan to give little extras on every job. And, most important, expect everyone to sell, and set up a training program to support them.