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Power Sellers in the Accounting Industry

If it works, copy it.

—Will Rogers

Selling accounting services is a relatively new art form. Until a few years ago, people in our industry wouldn't even say the word "marketing." The terms "business building" and "practice development" often were used to describe sales and marketing activities. But now in the accounting profession as well as in all other businesses, selling has taken a front seat. Even though the federal laws regarding sales and marketing changed in 1977, accounting firms did not begin to seriously address the practice of marketing until the late 1980s.

Since that time, most of the large accounting firms have developed training programs to help professionals learn how to sell. Ernst & Young led the way in 1988 with comprehensive sales training for most senior professionals and a dedicated team of salespeople. BDO Seidman created a sales college for those at the manager level and above. Even the venerable Price-waterhouseCoopers has a telemarketing center to attract leads for its salespeople and professionals. Some of their sales training programs have caused firms significant problems. The primary reason for these difficulties stems from the aggressive change in culture that has resulted from the institution of such programs. Firms that have established themselves as relationship-oriented businesses will always find it treacherous to try to convert to selling products.

A few years ago, here at Waugh & Co., we began to notice the shift from requests for marketing training to an increased demand for sales training. As a result, we developed The Rainmaker Academy, a three-year intensive training and coaching program to help professional CPAs learn how to sell.

Through a process of live training courses, personal marketing plans, personal coaching, accountability, participant teaching of the material, and many more techniques, students learn to sell by learning and doing.

Great sellers are not born; great sellers are trained. Andre Agassi was not born a tennis star; Tiger Woods was not born a golf professional; a brain surgeon was not born as such. Certainly we are all born with varying degrees of intelligence, athletic abilities, and other traits. The truly great in any field have a combination of inborn gifts and developed gifts. I believe that over 90 percent of all CPAs I have met can be trained to become good sellers of accounting services.

In our training programs, we classify people in three basic categories:

- **Mistmakers** focus on building existing clients and may attract up to \$50,000 per year in expanded services and new clients.
- **Rainmakers** have developed skills in selling and may attract up to \$500,000 per year.
- **Stormmakers** are those amazing few who regularly attract millions of dollars of new business to their firms.



It's what you learn after you know it all that counts.

—Earl Weaver, former manager of the Baltimore Orioles

Selling Is Profitable

If you were to provide consulting to two businesses, both \$100 million in sales, you would not necessarily approach each of the businesses the same way. Assume that one of the businesses has a 2 percent gross margin on sales and the other a 30 percent gross margin. To get the most leverage, where would you focus most of your attention: cost cutting or business building? In a business with thin margins, a good consultant will focus on cost-cutting strategies. Reduce the cost structure by 1 percent in a business with a 2 percent gross margin, and the impact on gross profits will be 50 percent. But in a business with a 30 percent gross margin, a 1 percent reduction in costs has less than a 2 percent impact on gross profits.

The business of accounting is a high-margin business. Properly priced, new business in an accounting firm can mean between 30 and 100 percent incremental profits on the sale. Yet most accountants approach the business of accounting the same way they would a thin-margin business. Many accountants focus on cost cutting rather than business building. The power sellers

PORTRAIT OF A SALES LEADER

RICHARD (“DICK”) RECK, a retired partner at KPMG in Chicago, is still a stormmaker for his firm. He is bigger than life and regularly attracts several million dollars of new business to KPMG.

Today, Dick Reck combines his unique background with extraordinary selling skills to lead his Chicago-based information technology practice. During the last 10 years, Reck’s team has grown from 7 professionals to over 200. He distinguishes himself as a businessperson first and a CPA second. Reck says, “A businessperson works in the marketplace. I think most accountants could become good businesspeople if they wanted to. Trouble is, many of them don’t want to make the transition.”

Jeff Weaver, the KPMG director of marketing who is responsible for supporting the Sales Partner Program, says, “Dick Reck has always been a sales leader within our firm. He was a highly developed sales leader before we started this program. We learned how valuable selling can be to KPMG, so we wanted to bring in more partners.” The Sales Partner

in our profession are rapidly learning that selling—not cost cutting—is the way to make profits in an accounting business.

Gather as much information as you can about customers, then tailor the entire enterprise to customers’ very personalized needs.

—Tom Peters¹

Power Sellers—Coach and Mentor

During my years at PWC, the business developers provided a complete role model for me. Fred Frick, partner in charge of the Nashville, Tennessee, office was quiet but very effective. Frick focused on building his clients, serving clients with great dignity, and responding to opportunities aggressively when they arose.

In contrast, Maurie Dahlem, partner in charge of the Los Angeles office, was bigger than life. He was extremely active in the community, he engineered the firm’s leadership in the entertainment industry, and he was a power seller. These two different approaches to selling became models from which younger managers and seniors could learn.

Program at KPMG has attracted the firm's line partners who move away from billable time and focus exclusively on selling. The average new business goal for each partner in the program is between \$2 and \$3 million per year. Reck says, "The real success of any firm comes when the owners are businesspeople first and foremost."

After graduating from DePauw University, Reck obtained his MBA from the University of Michigan. He studied math and computers and wanted to be an information technology consultant when he joined the audit staff of Peat, Marwick & Mitchell (now KPMG) in 1973.

Reck learned his persuasive skills at the dinner table from his mom and dad. He says, "You don't learn much about communication skills in college or graduate school. You reflect your environment. The formative years are crucial: It's mom and dad. My mom was a teacher and my dad a highly educated research chemist. That's how you learn things in this world, always being pushed by those around you. That's why folks do or don't communicate well. It's because mom and dad communicated well."

Fred Frick used a low-key, cross-selling philosophy with his clients. Today I would call the approach he used in the 1970s and 1980s cycle selling. If you are like most accountants, many of your clients utilize only a few of your services. Too often, a client engages another kind of professional to perform services that you could provide.

To ensure that you are providing all the services possible, take advantage of a client-marketing tool called cycle selling. Maintain a listing of all the services that you provide for each client. Frick taught me to keep this listing in the front of a permanent file. Then, over a period of two to five years, systematically present each service to your client. Keep notes of your actual conversations with the client and what resulted from your exchange. This cycle-selling concept is not a one-time-only proposition: Keep updating your list of services, and keep reviewing your capabilities with your clients, year after year. Your bottom-line strategy is to make sure that all of your clients are aware of all of your service capabilities.

Don't overlook the services that fall into the category of "He (or she) will never need this." Instead, say something like: "Mr. Jones, you may never have a need for the service I want to tell you about, but I would be remiss if you

weren't aware of all of our capabilities." If the client doesn't use the service, she might still refer you to others.

Present only two new services at a time. Most people are unable to absorb and retain much information at once. Depending on many factors, you could present two services every three or six months.

By adopting the cycle-selling method, you can be proactive in delivering services to your clients.

Cycle Selling Works with Prospects, Too

One of the reasons it is so challenging to sell CPA services to a new client is that the average client changes CPAs only every 5 to 12 years. Yet, in spite of this fact, most CPAs only make one or two sales calls, then move on to the next prospect. When you are trying to woo a prospect away from another firm, patience isn't just a virtue, it's a necessity.

Don't ever be disappointed when your first visit fails to pay immediate dividends. Apply the cycle-selling process to prospective clients by planning a five-call program. On each sales call, provide new information about your firm that is relevant to the prospect's current interests.

Terry Orr says, "I have courted target clients for several years before bringing them into our firm. In order to do this, I must have a reason to call back until they buy or they die!"

To make this strategy work, you must keep excellent call records. Keep track of which services you talked about and when.

Maurie Dahlem focused more on leading a selling effort in the Southern California marketplace, much like Dick Reck does today in Chicago. Lunching at the California club with Dahlem was almost like networking at the White House. The movers and shakers of the Southern California business community dined at the club. On any given day, Dahlem would engage the top captains of industry in business conversation, by just going to lunch at the right place. Dahlem developed his reputation and could get into most corporate headquarters in the Los Angeles area.

It doesn't matter which approach you take; you can be effective using either the quiet approach or the highly visible approach.

The great sellers will create a training program to coach others in the fine art of selling. As you design your training sessions, you may become aware that your staff's objections to selling do not change. To avoid this kind of scenario, you must help your staff members do two things:

1. Develop positive attitudes rather than skeptical attitudes.
2. Develop relationships with clients and prospects.

Teaching your younger staff members to establish relationships may be the most important aspect of your sales training. What you need is a way to sell your staff on selling your services.

Setting Up a Training Program

While your training program cannot extend over the same 10 to 20 years that you have taken to learn to sell, you can take your staff through the same steps. Just follow the steps listed next.

A Step-by-Step Training Process

- 1** Discard any idea you might have that your staff cares about the additional billings that will accrue to your firm. Forget that you may even be able to bill 125 percent of standard.
- 2** Throw out your mechanical, one-way, classroom-style lecture in which you explain how you sell.
- 3** Assess the learning needs of the group. Because selling is not widely understood, every person will need to know it inside and out. All your trainees need to believe in your firm so strongly that they cannot wait to tell a prospective client about it. And they will need to get over their fears of dealing with client objections.
- 4** Design exciting and fun activities to accomplish the learning objectives. The activities should include practice sessions in describing the features, advantages, and benefits of your firm and its services. A feature is a physical description of the service. Each feature may have several advantages. The client can only describe the benefits as they affect him or her. In the training sessions, brainstorm at least three advantages for each feature and then rehearse them in breakout groups. This will provide your firm with the basics of a good selling program.
- 5** Teach group members how to ask the right questions that reveal the benefits to their clients. Not all advantages will translate into the same benefits for everyone. Telling all your clients all the features you offer and the advantages of each without speaking to their real concerns may bore them.

Role Playing Is Helpful

Don't be lured into thinking that a staff accountant or even a partner really knows something just because it has been explained to him or her. In your

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training sessions, be sure to set aside at least one hour for practice role-plays. Divide into groups of three, where one person plays the CPA, one is the client, and one is an observer/coach. You can help things along by writing up a three-paragraph scenario in advance.

Set Expectations

After training, you are ready to set realistic expectations for selling your services throughout your community. Within 48 hours of a training session, every attendee should be able to forecast his or her presentation of the service during the next 30 days. Schedule a follow-up meeting 30 days hence and review briefly how each person succeeded in using the selling methods you taught. You will get good results when you train, set expectations, then follow-up.

F-A-B-ulous Benefits

Another way of summarizing the features versus benefits distinction is FAB, or fabulous. You want what you do to be fabulous. Your features give you advantages that provide benefits for your clients. Therefore, your service is fabulous.

Coach in the Field

Demanding 30-day performance reports is not enough. Set up a system to give hands-on coaching at client and prospect meetings. And don't forget to positively reinforce staff members when they do produce. Bill Jenkins says, "Many of our younger staff members are somewhat reluctant to sell services at first. But I learned many years ago that the way you teach a dog to hunt is to take him hunting. And that's what we do with our people. We take them hunting with the partners who praise them for success. Once a young person gets the taste of selling success, he wants more of it. It feels good."

Summary

You may be both a role model and a student when it comes to selling accounting services. If your career is relatively young, learning to sell will make the biggest contribution to your and your firm's future. If you are a partner, you are a role model to your staff members. Take time to educate them on the importance of selling. Explain how it benefits clients. Regularly train members of your team on selling. Reinforce good selling techniques and results with rewards. One worthwhile tool in any selling situation is to keep careful records of work done for new and existing clients so you can systematically inform them of all of your services.