

PART

ONE

Better Selling Starts with You

Day 1

A Nontraditional Attitude

Day 2

Selling Is a Learned Skill

Day 3

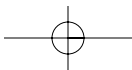
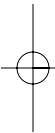
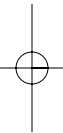
Start a Consistent Marketing Program

Day 4

Mind Share = Market Share

Day 5

Selling Takes Time



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A Nontraditional Attitude

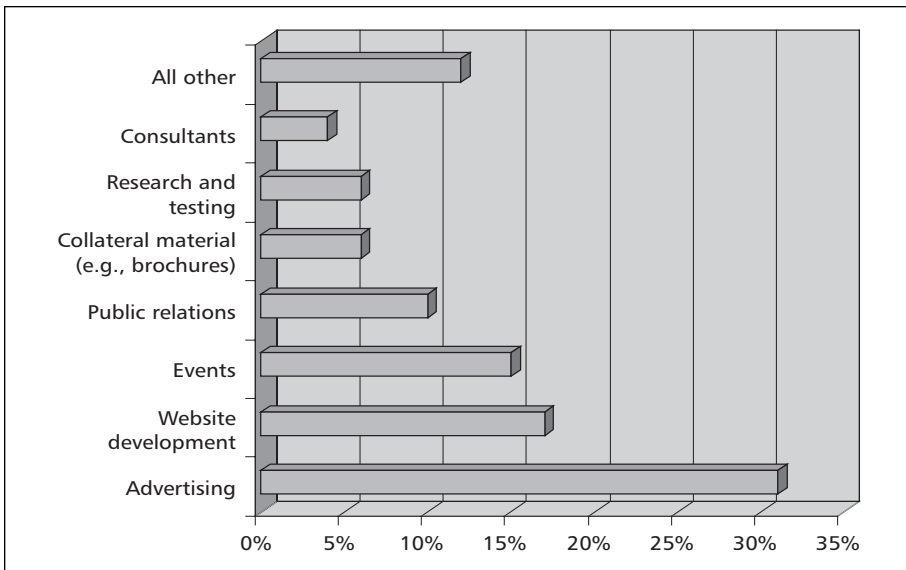
The greatest discovery of my generation is that man can alter his life by altering his attitudes.

—William James

Much of the budget and effort for marketing and sales in accounting firms is wasted. Many accountants know something about marketing and sales because they went to business school. However, the standard consumer approaches they are taught in “B” School are not the most effective for professional service firms.

As a first overview of sales and marketing, let’s look at the results of a general business survey of marketing spending as shown in Exhibit 1.1. This

Exhibit 1.1 Bar Chart



Source: Blackfriars Communications, 2004.

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particular one is from 2004 by Blackfriars Communications. However, many other summaries would show a similar picture. In this survey, 100 senior executives reported how they budgeted their marketing dollars.

The only thing different in this marketing budget from one 20 years ago is the money spent on website development.

Eighty-two percent of those surveyed agreed or strongly agreed that marketing is important to their companies. Yet despite the fact that the companies surveyed averaged \$280 million a year in revenues, only 37 percent had a VP of marketing or the equivalent. These companies are typical of an MBA approach to marketing: they spend millions a year on marketing, prefer costly approaches such as advertising, and don't supervise and track their marketing effectively. In addition, they separate sales from marketing so it does not appear in the survey.

As you'll see in this book, my approach is much more practical and effective than the general one for three reasons.

1. I consider marketing and sales together.
2. I focus your efforts and spending on personal sales where your biggest results are.
3. I emphasize marketing to your *existing* clients and contacts, not to strangers through mass media.

What Is Marketing?

One of the simplest ways to define marketing is as "anything you do to get or keep a client." That should include planning and research to decide what types of clients you want to offer what services. It can include advertising, publicity, networking, online referrals, and personal selling to get clients. And it should include, most of all, great customer service to keep your existing clients and develop new work with them, as well as get referrals from them.

A few years ago, I noticed a shift from accountants talking about marketing to their actually doing some activities. I formed The Rainmaker Academy and today, we employ a team of consultants who work with me to deliver marketing and sales consulting and training to accountants.

David Lill, author of *Selling, The Profession*, has captured the best definition of selling for me. David says, "Selling is the process of seeking out people who have a particular need, assisting them to recognize and define that need, demonstrating how one of our services fills that need, and persuading them to make a decision to use our solution."

Both marketing and sales involve communication. Marketing generally builds awareness of you and keeps in touch with people. Sales involves more personal contact where you sign up the clients.

A Marketing/Sales System

Even accounting firms with some talented rainmakers often don't handle their marketing and sales correctly. One of their weaknesses is the lack of a systematic approach. If you don't use your marketing dollars—and talent—within a consistent framework, you will not achieve optimum results.

The first step in a system is to realize that there are different audiences that you need to reach consistently. In general, to be successful, you need to handle three stages of marketing:

1. Finding prospects
2. Developing prospects into clients
3. Serving clients and developing new business and referrals from them

My use of these three stages here does not mean that all your marketing should focus on potential clients. Similar stages are useful for referral sources that are covered in other chapters.

Step 1, finding prospects, includes many of the marketing methods mentioned earlier that you're familiar with, such as advertising, publicity, and sales. However, the emphasis in this book is different from a typical MBA approach to marketing. In fact, just the use of the three steps shows a different approach. Most traditional marketing books focus on the first step, with some attention to the second. However, the third step is your most profitable approach to marketing. I often suggest that you devote up to 90 percent of your marketing budget to cultivating your existing clients. More on that later.

You can find prospects with many methods, from seminars, to referrals, to direct mail, to personal networking. Your job is to test a variety of methods and to systematize them. Different people in your firm will be better at different methods as well. And different people and methods will be more effective for different clients. To adapt a classic psychological formula for predicting behavior:

$$\text{Person} \times \text{Marketing Method} \times \text{Prospect} = \text{Results}$$

It's up to you to test marketing methods, find the ones you are comfortable with that work for your targeted prospects, and then set up a system to

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repeat your successes. For instance, if direct mail works, you will develop a schedule to mail regularly as well as test new mailing lists. If seminars work, you use them regularly.

The object of good sales and marketing is not to make you work more, but to make you work less. Each time you use the same method, it becomes easier and more automatic. That's what a system does for you.

Step 2, developing prospects, is where most marketing systems break down. It is also the most important area where permission marketing applies. It can take a long time to turn prospects into clients, and you need their permission to make this conversion go smoothly. This occurs for several reasons, not least of which is the fact that changing accountants can be difficult for clients. However, there is a more basic reason: Prospects must trust you enough to let you sell them. Yes, you need some trust even to be allowed to sell. The permission approach opens by helping prospects feel in control and rewards the first small trust step on their part.

Many prospects are wasted because firms don't have effective follow-up systems. The worst statistic in this area is that something like 75 percent of trade show leads are never followed up at all. I use this only as an example of lack of follow-up. Although local chamber trade shows can be effective, trade shows are not a major marketing method for most firms.

Let's take a more typical example. Say you meet a person at a business mixer. She seems interested in your services, she fits the profile you're looking for, and there is a level of comfort or rapport in your contact. You get her card and she takes yours. Now what?

If you're like most accountants, you stick the card in a drawer and hope she'll call you. After a few months, you've forgotten who she is, and eventually you throw out the card. If you're more effective at following up prospects, you call the person and try to set up a meeting. If she agrees, you try to sell her on your services at the meeting. If she isn't ready to act, you may or may not follow up again.

What you need is a *system* for following up prospects. Your system should gather information about prospects and their needs, help them become familiar with you, and give them reasons to want to hear from you. For example, a system might include a schedule of contacts like this: Initial contact, questions to determine the urgency of their needs, personal meeting to get acquainted, newsletters four times a year, and invitations to a yearly seminar.

An "A" prospect is one of your most highly sought-after prospects. "B"s are slightly less valuable. Some accounts use three grades, A through C, and others use up to six grades, A through F.

For A prospects, you might add occasional lunches, referrals *to* them, a meeting with another of their professional advisors, and going to one of their industry meetings.

Again, the specifics of your follow-up system will depend on your style, the methods you prefer, and what fits for the prospect. The point is that if you *have* a system, it is much easier to consistently follow up and build relationships and trust.

Step 3, serving clients and developing new business and referrals from them, is also covered in other chapters. When people are clients, you have permission to stay in touch with them. They don't want to be bothered by you, but they will want you to contact them whenever you have information of value to them—for instance, tax rule changes. By contacting clients with something of interest to them, when you're not trying to sell them more services, you come across as a trusted advisor with their best interests at heart. Different clients will prefer different levels of contact. We often forget to *ask* clients their preferences about contact from us. Some people would prefer a lot of contact; others, the minimum. It's up to you to find out what people want. Some will go for old-fashioned baseball tickets or the nice bottle at Christmas. Others will prefer business information or social contacts.

One certain statistic with which we contend is that the average sale is made after the sixth contact and the average salesperson quits after two contacts. That's a major problem for developing new clients when people don't hire you after a couple of contacts. But the problem is even worse for many professionals. For the biggest accounts, it is more likely to take a dozen contacts to make the sale. Clients don't make the decision to switch providers lightly. Unfortunately, many professionals quit before the first contact. They think to themselves, "I don't like selling, nothing is likely to happen from a few meetings, I have too much work to do—I'll just skip sales efforts for now!"

Although this book is full of proven information that can make you better at all aspects of selling and marketing, perhaps the most important thing it can do is give you the evidence to allow you to change your mind. To sell successfully, you must be willing to do it. Even more, you must find sales activities that you can be positive about doing. A positive sales attitude will help you succeed. Fortunately, you can practice your sales behaviors while your attitude is developing.

This book can guide you, but you must take responsibility for your own actions. Only by acting on what you know about sales can you make sales and develop your "sales attitude."

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The Right Sales Attitude

The reason most accountants do not sell well is because they defeat themselves in their minds before they begin.

Several thousand CPAs have attended The Rainmaker Academy's sales training programs. It is rare to find a CPA attending one of our programs who has previous experience or education in sales.

Yet, everyone sells. The key to success in any business is the ability to persuade people to use you or your service.

Most CPAs did not study accounting or join an accounting firm to go into sales. Unfortunately, most high schools and colleges do not teach students that in today's world, everyone sells. You sell yourself to almost everyone with whom you communicate. You sell yourself to family members. Lawyers sell to judges. Students sell to professors. Workers sell to bosses.

Selling is far more than convincing someone of the merit of your ideas, company, plan, or whatever. It is how people experience you and your staff. Think about it this way: Anytime you interact with any business, the person with whom you come in contact is selling. Most of the time, the person with whom you interact is not the business owner, but an employee. How that employee treats you determines your desire to return to the business or to encourage others to trade there.

Terry Orr, a partner with BDO Seidman in Dallas, Texas, says, "I really view almost everything I do every day as selling. There are times when you are not in front of a client or a prospect, but I spend at least 50 percent of my time selling and marketing."

The salesman who thinks that his first duty is selling is absolutely wrong. Selling is only one of the two important things a salesman is supposed to do—and it is not the more important of the two.

The salesman's first duty is to make friends for his house.

—Ellsworth M. Statler¹

Why Sell?

The most important reason you should learn to sell is to be able to attract the kind of clients with whom you enjoy working. Selling is about getting more interesting and more profitable clients. It is not just about getting more revenue.

As long as you are unable or unwilling to sell, you'll have to accept whatever clients walk in your door, or your partners will assign you work. If you

PORTRAIT OF A SALES LEADER

DAVID MORGAN, comanaging partner of Lattimore, Black, Morgan & Cain, LLC (LBMC), never really thought he'd have to sell. Yet through an intense focus on personal selling, he and his partners have pushed LBMC into the top 100 accounting firms in America in less than 15 years. Morgan wanted to be a professional baseball player: "I couldn't run and I couldn't pitch, but I could knock the ball out of the park." Growing up, he developed a very competitive spirit through sports, a trait that he has brought to his public accounting career. "Jim Lattimore, Mike Cain, and I would play league softball, and we always played to win," said Morgan of his early days in public accounting.

Morgan is the comanaging partner, along with Michael Cain, of one of the fastest-growing firms in America. LBMC was founded in 1984 and is now ranked 54 in *Accounting Today's* Top 100 Accounting Firms in America "Morgan's leadership and competitive spirit has helped drive our firm to our position today," says Cain. Morgan went to Tennessee Technological University and joined KPMG. He had offers from all the big firms but chose the one that offered the most money. Being a very competitive person, Morgan saw the early money as a sign of winning.

Morgan learned early to network in the community and within his profession. He has served on many boards and committees, including the Private Companies Practice Section of the AICPA. He particularly wants to serve his profession and was the 2000–2001 president of the Tennessee Society of CPAs. Other competing CPAs will say of LBMC, "They own the Tennessee Society." Morgan says, "When our firm gets involved in something, I don't believe in dabbling in it. I want us to make a real contribution so we will work hard to be very active and participatory. We do the same thing in a variety of industry associations where we specialize."

After three years with KPMG, Morgan's entrepreneurial juices encouraged him to start his own practice with another friend. Then in 1984, Jim Lattimore, Charlie Black, David Morgan, and Michael Cain founded LBMC.

M. Lee Smith, a client of David Morgan, says, "He really focuses on working to solve my problems. David is intense around my issues and he really understands how my business operates. I can count on him to understand, creative, aggressive, and extremely helpful. He resells me every day."

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enjoy the work you are assigned, no problem. However, much of the work that gets assigned is work that others do not want to do. The key to being able to work continuously with clients you enjoy, in areas you enjoy, is your selling skill.

In The Rainmaker Academy's consulting practice, we identify the type of projects that our CPA clients really enjoy doing. Then we help them find more of this type work.

Bob Gaida, a partner with BDO Seidman in Woodbridge, New Jersey, recognized this when he was recruiting. He said, "I have to recruit against the Big Five for the best people on campus. Telling them that our firm has white walls with beautiful pictures gets you nowhere. Many college students go through four years of indoctrination about the Big Five. It dawned on me that I had to come up with a clear benefit in students' eyes that would make them say yes to us. Otherwise, I would end up with the lesser staff. And that would translate in the clients' eyes to the students who were rejected by the finer firms. Those clients would have smaller margins, less profitability, and be more prone to get you sued. I had to sell to get the better students. The same is true with clients. If I want the better client, I must sell."

Harvey Mackay, author of *Swim with the Sharks without Getting Eaten Alive*,² describes the effects of downsizing during tough economic times. A bank officer had to dispose of one of three professionals. He terminated the most technically qualified professional and kept the two who had built personal networks. Mackay draws five conclusions:

1. Talent alone will not save you.
2. Training and education will not save you.
3. The government will not save you.
4. No matter how self-reliant, dedicated, loyal, competent, and well educated you are, you need more to save yourself.
5. You need a network.

High-performance net workers gain endorsements for reasons that go beyond the basic product or service. They do extraordinary things.

—Thomas J. Stanley, *Networking with the Affluent and Their Advisors*³

When Terry Orr wanted to ascend to partner, he was required for the first time to bring in \$50,000 of new business. He had not attracted any new

business in nine years. Orr says, “It shook me for about 24 hours. It was a real wake-up call. You have wake-up calls in your life, but despite all the things I had accomplished, all of a sudden my career was at stake. I had to take a different direction. I had to focus differently in order to move forward. And I realized that there were a lot of people who could read the textbooks and get the answers in public accounting. But being able to generate new business was a unique quality that would allow me to control the rest of my career. It was vitally important that I figure out how to do that.”

Accounting Firms Have Responsibilities Too

Sadly, firms do not prepare young accountants for the realities of the business. Many accountants join firms that say that technical competence is all that matters. Later, when you have mastered the technical side of the business, you learn that selling is crucial to moving up. Accountants who are unprepared for this news often leave the profession. During 1999 the American Institute of CPAs sponsored a vision project. Two of the five core competencies dealt with selling:

1. **Communication and leadership skills.** Able to give and exchange information within meaningful context and with appropriate delivery and interpersonal skills. Able to influence, inspire, and motivate others to achieve results.
2. **Focus on the customer, client, and market.** Able to anticipate and meet the changing needs of clients, employees, customers, and markets better than competitors.

The 4 Cs and Ps of Marketing

The 4 Ps of marketing represent the seller’s point of view. The 4 Cs reflect the customer’s viewpoint.

- 1 **Customer value (versus Product):** Defining the characteristics of your product or service in terms of customers’ needs.
- 2 **Cost to the customer (versus Price):** Determines customers’ spending.
- 3 **Convenience (versus Place):** Looking at location from the customer’s perspective.
- 4 **Communication (versus Promotion):** This includes advertising, personal selling, sales promotions, and other methods.

—Philip Kotler, *Kotler on Marketing*⁴

Your Unique Position

“Sometimes I feel defeated before I even begin the marketing process.” I hear this statement often, in private, from accountants who are reluctant to step into the selling arena. Author Harry Beckwith points out that if you have not created a compelling distinction and benefits to people who use your service, your own people will not present a strong selling message.

Usually, when CPA firms have communicated to employees a compelling advantage the firm can offer clients, the environment for selling is well established. When employees feel passionately about a firm’s partners and staff members, selling is easy.



I believe that anyone can conquer fear by doing the things he fears to do, provided he keeps doing them until he gets a record of successful experiences behind him.

—Eleanor Roosevelt

Call Reluctance

Accountants are not the only ones paralyzed psychologically and then unable to forge through the marketing process. The barriers to marketing or selling are real to all human beings. For over 20 years, I was responsible for a sales team. We had men and women who were highly trained in selling and marketing. And almost to a person, the key for each of them to dramatically increase their sales was to get over the hurdle of what we termed “call reluctance.”

What is fear? The dictionary defines fear as a feeling of anxiety, misgiving, apprehension, phobia, dread, or horror caused by the nearness of evil or pain. Franklin Roosevelt said, “We have nothing to fear but fear itself.” What he seemed to mean was that if America approached the world with timidity, that timidity itself would defeat us. In the rough-and-tumble game of football, many injuries are caused by tentative contact. Great running backs learn that the only way to deal with the obvious tackle by 1,200 pounds of defensive beef is to turn on the afterburners as if to knife right through the danger.

The fear of failure is a major stumbling block for us. Our profession is so insistent on perfection that the idea of failing at anything is so frightening that we will not even attempt a marketing activity. It is much more comfortable to prepare a tax return where there’s little possibility of failing than to attempt a marketing activity that has a high probability of failure.

The fear of rejection is a deep-seated and debilitating feeling that is so unsettling that we find ourselves avoiding any situation in which we could

possibly be rebuffed. This fear is so powerful that we even attach the fear of rejection to a situation where a prospect might turn our services down for very logical reasons.

The fear of success is the same fear that many politicians express when they take office for the first time: “Now that I’ve been elected, what do I do now?” We fear that if we succeed at marketing that we will add more hours, more drudgery, and more problems to our already crazy schedules.

Then, of course, we often lack the self-confidence necessary to step out and meet these fears head on. The lack of self-confidence can result from being unfamiliar with a particular activity. But even the top performers in any field deal with a lack of self-confidence. They speak of the jitters or butterflies before a game or a performance.

Another definition of fear requires us to analyze the letters F-E-A-R as False Evidence Appearing Real. A few years ago a man hijacked an airplane with a bar of soap. The evidence was false but, to the pilot, it appeared real.

Dealing with Fear

Reading this book will not banish your fears. You can learn only to deal with those psychological bugaboos, challenge them, and attack them head on to keep them from defeating you before you begin to sell.

Successful marketers are not fearless. My friend Ken Powers says, “Where there is no fear, there can be no courage.” You can learn to channel your fears into emotions that help you succeed. The best antidote for fear is action. As the old adage goes, when you fall off a horse, the best thing to do is get right back on.

One of the first steps in dealing with any fear is to begin a pattern of positive self-talk. Give yourself a pep talk or a faith talk. Instead of defeatist ideas, give yourself success messages. Messages such as “I am an accountant and I am important. I know what I am talking about. I can help my clients. My associates are the best accounting firm team in town. My clients will be glad they retained my services.”

Bill Jenkins, former CEO of Kennedy & Coe, LLC, of Goodland, Kansas, whom you’ll meet in Day 7, worked hard to develop this self-confidence. He says, “As I approach a potential client situation, I give myself a little self-talk, I say ‘I’m a stud, you’re a stud and we can do big things together.’”

The second step is to stay away from the complaining negative people in your firm. When the people who sap your energy and get you down by complaining show up in your office, leave. When you are subjected to their complaints, say something like “What is good in your life?” or counter their

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complaint with a positive comment. Accountants as a group have a healthy skepticism. Some turn cynical or hypercritical. They tend to be critical of each other. Although some criticism is absolutely necessary, much of it is destructive in nature. Stay away from those people in your firm who are chronic complainers.

Handling Complainers

Dealing with negative co-workers can drain your energy. One strategy to turn them on a more positive track is to exaggerate what they say so that it sounds even worse. This will make them say that things aren't that bad and turns their thinking in a more constructive direction.

—Executive Edge newsletter

The third step in dealing with fear is to develop an action plan. When doing training for accounting firms, I separate people into breakout sessions to rehearse new concepts. It is only through concerted action that you will learn to channel your fears into constructive energy. Most accounting firms insulate their accountants from marketing responsibility until they have been around a few years. By this time their fears are built to an almost overpowering degree.

Other Benefits of Selling

Finally, let's discuss the rewards of learning to sell. Your income will soar. When you can sell, you will be able to create your own group of clients and staff members to handle those clients. Appropriately managed, your income will grow dramatically. One of my students made over \$1 million in 1999, after only 12 years in the profession. She left one of the Big Five accounting firms in 1992 and began to sell her services. By 1999 her gross exceeded \$2 million.

Selling skills are in great demand. If you become unhappy with your present employer, other firms will be standing in line to hire you if you can sell. Bob Gaida understood this when he worked with me to create a Sales College. He said, "I knew that we would be training people and the sales training would make them more attractive to other accounting firms. But the risks were greater in not training them and keeping them than training them and risking losing them. Most managing partners would rather not invest in training. We took the better business calculation."

Firms with CPAs who can sell will grow in good times and in bad times. In many of our classes at The Rainmaker Academy, our consultants ask CPAs,

“What happens in a business when revenues are flat or are declining?” The answers are:

- Money gets tight, so that raises and bonuses are lower.
- Owners start cutting corners to keep up their income.
- Training expenses are restricted.
- Computer upgrades are delayed or canceled.
- Client service suffers, because the owners try to serve more customers with fewer people.
- Advancement opportunities are reduced.
- The best people leave.
- The average people stay.
- The best clients leave.
- Hiring of new staff is reduced, so we have no one to whom we can delegate work.
- Because staff is restricted; we work on a lower level, in uninteresting areas.
- Personal growth is stymied.

Then we ask: “What happens in a business with double-digit growth?” The answers are:

- We have more opportunities to advance to manager and partner.
- We get better raises and bonuses.
- The partners invest in better computers and in better training.
- We are able to attract the best people.
- We have staff members to whom we can delegate work. The less experienced can find this work interesting, whereas we can assume new and more challenging and interesting projects.
- Clients hear about your success and are attracted to you.

Think about it: When you have the attitude “I will help sell our firm to clients and to prospects,” you become a part of the solution for success, not a part of the problem.

Summary

Accountants have many reasons to be uncertain about selling. They usually have little preparation for it in their training or early work. Yet to grow as

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a professional, you must develop clients. Personal growth is challenging. There is no greater feeling than that of attracting a new client to your firm. Attracting a new client is strong testimony to your professional stature, your technical skills, your network, and everything you have worked to establish. Once you have attracted one client, you will enjoy the tremendous satisfaction and growth of learning selling skills. Sales guru Tom Hopkins says, “The better you are at sales, the more you benefit others—your clients, your family, and the nation’s economy.”

This book contains 31 sections, one for every day in the month. Read one daily. It will help you find new ways to promote your practice. Or, if you find yourself on the seventh day of a month in need of a sales boost, read the entry for Day 7.