



RAN ONE Americas, LLC

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When it's time to say goodbye: RAN ONE's Biggest Loser award recognizes firms that benefit from letting go

By Rick Solomon, CPA, CEO, RAN ONE Americas

Breaking up is never easy, but it's something that I encourage accounting and business advisory firm leaders to do every day. Letting go of the wrong clients in order to provide better service to the right clients is a concept that sounds simple, but in practice, it's a challenge – as well as a tremendous opportunity for growth. Recognizing that opportunity is the reason RAN ONE Americas created its Biggest Loser Award: to encourage our member firms to take an objective look at their own client lists and let go of those that aren't a good fit.

RAN ONE provides resources and solutions for accountants to help their business clients grow and become more profitable, but many CPA firms are so busy serving unprofitable, unappreciative clients that they don't have the capacity to provide their best clients with their most valuable and lucrative services.

The Biggest Loser Award has become one of the favorite moments of our Annual Conference, set this year for October 27-28 in Orlando. The award reinforces the fundamental truth that having a great practice is as much about losing the "D" clients as it is about winning the right clients.

The idea for the award began with a conversation with a CPA who was having great success in bringing great new clients on board, along with some impressive value-based fees. Because he was struggling with a shortage of human resources, I insisted that he complete a client rating analysis. The results did not surprise me. He had a number of "D" clients, unprofitable and



unappreciative, that were consuming a disproportionate amount of resources and energy. This, unfortunately, is very common among accountants.

I told him, "You have to be willing to let go of your 'D' clients if you want to grow a successful, profitable practice. You will win by losing them." As soon as I said that, I realized we needed to drive this point home with everyone we work with. Our annual Biggest Loser Award is a great reminder to practitioners to let go of what's not working to make room for what does work.

Last year's winner, Don Leininger, of Leininger, Ltd. in Plymouth, MN, offers a great example of what happens when a firm makes the commitment to analyze its client mix. When Don let go of the clients who weren't aligned with where he wanted to take his practice – a full half of his client base – not only did he make space for some great new businesses, he also felt a burden lifted as he moved his practice to where he really wanted it to be.

Almost every CPA firm faces a dilemma: as it grows, does it continue to take on everything that comes in the door? We recommend instead that firms cultivate clients who value and are willing to pay for their guidance and expertise, and as a result enjoy the benefits of improved business results. Everyone wins, and it's a lot more fun.

We've seen our member firms build their practices by becoming more aware of the many small- to mid-sized enterprises that hunger for solid advice from their accountants. There's a huge opportunity to increase firm revenues in an expanded advisory role. Letting go of clients who are not aligned with the firm's goals frees the resources to easily engage in more profitable and rewarding work.

The effect actually has been quite profound, because the idea of letting go of unprofitable clients challenges the "scarcity" point of view that many accountants hold. This self-limiting point of view basically says, "It's hard to find new business, and I'm better off keeping what I have, even if it's not great, because it's better than nothing." The reality is many business owners are looking to grow and would welcome the opportunity to work with a proactive advisor who can help them achieve their goals. These clients would pay well for the support. The Biggest Loser award continuously challenges that self-limiting assumption.

Taking the first step is critical and sometimes difficult. I always encourage firm leaders to let go of unprofitable clients by helping them recognize their own scarcity mentality and pointing out how it holds the firm back. However, if they are apprehensive and unwilling to do



so, I encourage them first to bring on some profitable new clients. They inevitably start to feel pressed for resources and find it easier to initiate the letting go process.

It's always important to say goodbye to clients in the right way. I remind firms to let go of clients with respect and professionalism, and, if appropriate, refer another CPA firm that can better meet their needs. In many cases, these clients can be sold to a firm that will be happy to have them, strengthening relationships with your colleagues in the accounting community and generating revenue for your firm.

Make some time to evaluate your firm's clients, and leave behind the scarcity mentality. By lightening your load, you'll make room for more of exactly what you need for your firm's future growth.

[Sidebar]

The top five signs that it's time to let go

When you're in any relationship, whether it's business or personal, it's often difficult to see the signs that may be pointing to a positive but difficult decision: it's time to move on. Rick Solomon offers this list of indicators that a client is no longer right for your firm:

- The client always is always complaining and never satisfied.
- The client is a slow or reluctant payer.
- The client does not seem to value or appreciate what you do.
- You don't look forward to seeing this client.
- You receive complaints from staff members who work with the client.

About RAN ONE Americas: RAN ONE Americas is the largest North American provider of resources, training and network support for accountants and advisors, helping them grow more lucrative and rewarding practices. With offices in New York and California, the company provides its members with world-class software, tools, educational programs and support, all designed to help assist them and their business clients to prosper and enjoy more rewarding professional and personal lives. For more information on the RAN ONE Annual Conference, visit www.ranoneannualconference.com; for more information on RAN ONE, visit www.ranoneamericas.com.

