

Contents

MASTERING COMMUNICATIONS

What Price Poor Communications? Dodging Common Pitfalls	5
* Communicating with Clients: Tools of the Trade <i>By Jill R. Lock</i>	5
Increase Profits and Team Retention with Practical Communication Strategies <i>By Shannon Vincent</i>	10

COLUMNS

Marketers' Corner <i>By Sally Glick</i>	11
CPA Firm Knowledge Management <i>By Roman H. Kępczyk</i>	12

FEATURES

Think Strategically: Align Marketing Efforts with Firm's Vision and Goals, Written or Otherwise	8
Developing and Implementing Effective Personal Marketing Plans for Partners and Key Staff Members <i>By Joseph A. Tarasco and Nancy A. Damato</i>	14

PEOPLE, FIRMS & PROMOTIONS	17
----------------------------	----

Communicating with Clients: Tools of the Trade

By Jill R. Lock

Client communications program fosters client retention and loyalty. This loyalty can blossom into cross selling of services and referrals to new business. The biggest source of new business is from client referrals. Give this target the attention it deserves, and remember that the right tools will create a strong client connection.

The tools

There are a myriad of tools to enhance your relationships with clients. Here are some to consider:

- **Newsletters.** This can be hard-copy or electronic and needs to be addressed to the appropriate people such as the CEO and CFO. Topics should be timely. The format and design should be consistent with the firm's image. The newsletter should be distributed on a frequent basis (at least quarterly). Quality generic and niche newsletters can be purchased from various vendors. Profiling a client in the newsletter is a great way to show client appreciation.
- **Seminars.** Informative seminars showcase your expertise and provide for another face-to-face contact with the client. It can also provide cross-selling opportunities. To obtain prospects, suggest that

Continued on page 18

What Price Poor Communications? Dodging Common Pitfalls

For anyone, effective communication can be elusive. What is intended by the speaker may not be understood by the listener. And sometimes, the most important words are not spoken at all.

For accounting firms, the fallout can be costly: high staff turnover, a lack of unity and missed growth opportunities.

But accountants, by nature, are not necessarily good communicators, notes **Gale Crosley**, principal with **Crosley + Company/Atlanta**. Add to that the structure at most firms, and the result is confusion.

"Part of the issue is that we have a governance model in CPA firms that is a circle, not a pyramid," Crosley observes. "It's not like Corporate America where you have defined reporting relationships and everybody knows who reports to whom."

Because partners supervise individual engagements, a staff member reports to different partners throughout the year. One partner may have his own set of procedures to follow, but the next partner has different procedures. "It's a foundation for a lot of miscommunication to creep in," Crosley says.

The high price

Do poor communications have much of an impact on an accounting firm? What does it mean for the bottom line? While an exact dollar figure may be impossible to pinpoint, one thing is certain: Firms that don't communicate well will pay.

"It's the same as losing an employee: Everyone knows it's costly but nobody knows how much it costs," says **Sam Allred**, chairman of **Upstream Academy** and a shareholder with **Anderson ZurMuehlen & Co.**, both located in Helena, Mont. "There are a lot of costs that come from poor communications. The biggest one is unity. It's impossible to create unity with poor communication."

Retention rates also take a hit. "Communications pitfalls have a huge impact on the bottom line because it hurts the morale of partners and staff alike," says **Marc Rosenberg**, of **The Rosenberg Associates/Wilmette, Ill.** "When morale is down, people don't look forward to coming to work, which reduces productivity. Eventually, people leave."

And, profits are at issue: Poor communications affect a firm's ability to grow, first because they sell the firm short on cross selling opportunities.

Client Communications

Continued from page 5

clients bring their friends to the seminar.

- **Charitable events.** Become involved in the clients' charitable events. You are showing you care about the issues of their interest. Place an ad in the annual event or attend an event. Support the clients and their causes.
- **Client advisory boards.** Create a client board of advisors and meet with them periodically to get their ideas on marketing projects, new services, strategic planning or niche development. It is also an opportunity for clients to network with each other.
- **Memberships in industry associations.** Become involved in the organizations of their industry. You will become better educated about their industry and be able to serve them better with this increased understanding. It is also an opportunity to network with them and their colleagues, which could lead to more client referrals.
- **Client surveys.** Survey your clients periodically. If not annually, do it every three years. The best survey is the one-on-one personal survey conducted by your marketing director. Surveys done by mail tend to be ignored. To increase response to a mailed survey, offer a drawing for a significant prize. Get their feedback so you can focus on your strengths and improve your weaknesses. It is better to know what they think and act on it than risk losing a client because you don't know about

and haven't done anything to correct a problem.

- **Lunches & other entertainment.** Take the time to invite your clients to lunch or a sports or cultural event. This gives you another opportunity to get to know them in a non-business setting.
- **Client ratings & follow-up.** Clients should be rated based on their desirability for the firm as far as niche, profitability, realization, etc. Clients in the desired niche with high profitability and realization should be targeted first for perks such as lunches and entertainment. A program can easily be set up in a CRM system to track follow-up activities.
- **Congratulatory notes.** When your client appears in the newspaper or receives an award, acknowledge this publicity or special milestone with a personal note. The client will see you have paid attention.
- **Client appreciation events.** Have a special event just to show you value your clients. Use a theme or sponsor a well-known speaker to increase attendance. It could be an open house at your office with food and entertainment, or the event could be held at an outside venue.
- **Holiday cards & gifts.** Many firms send holiday cards and gifts. Some firms send Thanksgiving cards and contribute to a charity in the client's name. It is another way of illustrating to the client that you care and remember him or her at the holiday.
- **Netweaving.** "Matchmake" your clients with other clients who are seeking their services

or who could help them build their businesses. Both parties should benefit from this introduction. Clients will be thankful that you have narrowed their search.

- **Thank-you notes for referrals.** Acknowledge a referral with a note of appreciation. In this way, the source will know the status of the contact and it will enhance your relationship.

Selecting the right tools

Start with the tools that are easy and least costly for you to implement. Congratulatory and thank-you notes may be written in a standard format with a personal comment added. Your administrative staff can scan newspapers and business publications for clients in the news. When you go to lunch, instead of inviting another partner, ask a client. Or ask two clients who might benefit from their association and do some netweaving. Review the membership associations of your personnel. Decide if those associations reflect your strengths in client service and niches. Evaluate if you are in the right associations to make sure time and money are well spent.

The tools that work

Michele Baum, marketing director for **Weinstein & Anastasio**/Woodbridge, Conn., says, "My most useful tool has been the client survey. I do person-to-person surveys after tax season when our performance is fresh on the client's mind. After the meeting, I report back to the partner in charge and the client team and tell them exactly what was said, positive remarks, any

issues that need to be addressed, or a new service that the client may need. It is great for me to meet the client in person, look at their body language and get clarification on comments. Clients are very happy to see me and are generally candid. I also conducted these personal surveys at previous firms and it had helped in client retention. In one instance, a major client told me that they had a relationship with the senior partner at the firm and when he retired, they would move on. When I returned to the office, I relayed this information to the junior partner who immediately put the wheels in motion to keep the client."

Robert Orr, director of marketing at **Apicella, Testa & Co./Shelton, Conn.**, agrees that client surveys can salvage client relationships. He explains, "At a previous firm I worked at, we mailed a one-page survey to all of our clients following engagements and tracked the results. Overall, about 33 percent of clients responded to the survey. If there was ever any hint of a problem or question, we were on the phone immediately to get things resolved."

Orr has found that a number of communications tools work for clients. He states, "Newsletters have been effective as a regular means of communication. Client appreciation events were very successful anticipated events. Rating clients for follow-up was most effective to help ensure contact with those top corporate clients. Annually we looked at top-billing corporate clients and assigned partners to make sure these clients were guaranteed, at a min-

imum, one person contact every quarter. The congratulatory note was another tool we used. If we were aware of a significant event in a client's life (other than birthdays), we acknowledged it, such as new babies, weddings, family members passing on, or some other milestone. Also, if we saw an article about a client in a business publication, we made sure to send it to them with a note of congratulations. We even had a couple articles matted and framed for clients. Those were big hits."

"Congratulatory notes are an important component in client communications," adds **Marsha Leest** of **Practice Management Associates/Tallman, N.Y.** "Meeting for breakfast or lunch is also key to good client relationships. The frequency, consistency and level of contact may vary with the size of the client base and whether clients and sources are rated by their importance to the firm, but a CRM system is a terrific tool for setting up a tickler system that allows you to personalize contact and let clients and contacts know they mean something to you."

"At one of the firms I worked with, a client advisory board was created," explains **Lisa Rozzycki** of **LR Marketing Group/Wyomissing, Pa.** "This helped the firm to be in touch with the marketplace. They were able to gather meaningful information on where the firm stood in the minds of their clients on everything from the receptionist to their reputation in a specific niche. A CAB is an opportunity for any professional service firm to listen to their clients' comments on how they really feel

about the firm and the services it offers. Every firm's goal is, or should be, to provide clients with the very best client service. In order to accomplish that, management needs to know what the key client issues are and come up with a plan on how to alleviate them, if possible."

Budget

Make the investment in your clients. Prepare a budget for these activities. Depending on the size of the firm, you may spend \$10,000 to \$100,000 on client activities. It should typically run about one percent to two percent of your revenue.

Implementing the tools

You will need an advocate and the support of the management group to implement these tools. Assignments for the use of the tools and accountability measurements need to be integrated into the program to ensure success. The program must be instituted in a consistent and timely fashion and reflect the firm's image. Plan the interactions for the year. Ask for updates on the activities of the program. Measure the results. Are client retention rates improving? Are you getting more referrals from clients? Are you adding services to existing clients?

About the Author: Jill R. Lock is the director of marketing for **Isdaner & Co./Bala Cynwyd, Pa.** She has been with the firm since 2003. Prior to joining Isdaner, she held marketing director positions with three other accounting firms in the Delaware Valley and has more than 20 years of experience in the field. Lock can be reached at jllock@isdanerllc.com +