

Growth Strategies

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A True Firmwide Approach to Growth

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Roles to Retain Rising Stars

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CASE STUDY

The Wipfli Way

Engaged Employees Can
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growing people and practices

Commodity Busters: Four Ways to Move Beyond the Pricing Trap



Wendy Nemitz

Imagine sitting in an elegant restaurant. The server is impeccable in communicating the special entrees, refilling water glasses, bringing the meal and handling requests. Guests feel pampered, and decide to prolong their restaurant experience by ordering dessert and coffee. Everything about the meal is beyond expectations. When the bill comes, it's higher than average, but the level of service is also above average. The diners are more than happy to pay for the experience.

Do public accounting firms offer this same experience to clients? Many firms cite price as the main concern for their clients and the reason they lose engagements. But according to the *2010 CCH Accounting Firm Client Survey*, the client experience (or anticipated experience) is what drives satisfaction, loyalty and sales.

Think about it this way: Are firms competing with the fast food restaurants of the public accounting world or the five-star steakhouses? To break out of the commodity trap,



firm partners must stop feeling stuck and start proving the firm's value. Here are four ways to differentiate beyond price — regardless of firm size.

1. Define your ideal client

“Do we want them as a client?” This is a question that Lisa Hastings, CPA, asks when she meets with prospects or decides whether to submit a proposal. As managing partner for the Delaware office of Faw Casson & Co. LLP (2 offices, 7 partners, 35 total staff), Lisa decided years ago that she needed to answer that question before she invested time in pursuing a new business opportunity. Embracing that mind-set has made all the difference in sales and client retention.

Faw Casson has taken time to define its ideal, or “A,” client. The firm also rates existing clients as A, B, C, or D, and reevaluates them each year. They work to move C clients to A or B by cross-selling services, and if D clients can't be remediated to at least C level, they help them move on to another firm. In recent years, this process has all but eliminated D clients; clients and staff are happier and everyone has a clearer understanding of the value of the relationships.

“We only go after the clients we think will be a great match in the long run — companies that are strong, growing, with people in industries we respect. We go after them aggressively, and when we get them as clients, everyone wins,” Hastings says.

2. Service mark your experience

Every accounting firm provides audit and tax services and most of them make the same claims. One of the ways to differentiate what your process delivers is to give it a name, diagram out the steps and then retain it as your intellectual property with a service mark (SM).

For example, many firms offer employee benefit plan audits. What better way to set your services apart than to have a specific process detailed out graphically for

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prospects? Then prospects can see this is a core service at your firm and know what they are buying in advance.

3. Set the mood

There is a reason why restaurants dim the lights after a certain hour and train staff to properly time each course. In the same vein, firm proposals, prospect meetings and referral communications should establish expectations about the firm.

The best sales strategy today is listening. If the prospect's meal is finished first, he or she didn't talk enough. If prospects don't discuss their needs, the marketing materials, proposals and solutions won't address them properly.

Proposal cover letters should address three or four specific prospect needs or pains. Get beyond trite language like "excellent service" and be specific. Instead, say, "Last year, our quarterly meetings with clients resulted in an average tax savings of X."


4. Draw them in

Before firms even get to the meeting or proposal process, great prospects and referral sources are checking them out. Firms that position their people as thought leaders on critical industry and service topics thrive in business

development today. If referral sources truly believe a firm's promise of a great experience, it will be reinforced by an article, interview or seminar on a key topic.

Social media also plays a role. For example, San Francisco's Lindquist, von Husen & Joyce LLP (1 office, 5 partners, 40 total staff) recently developed a \$20,000-plus engagement based solely on reconnecting with business associates on LinkedIn. They are quickly buying into the power of online networking and the resulting visibility.

What is served to target audiences — online and in person — will determine whether a firm continues to compete on price or moves to another level of client acquisition and retention.

Becoming known as a thought-leader and premier provider for specific niches is a coveted position that commands a competitive fee. The best clients are willing to pay it in exchange for a premium experience. 

About the Author

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