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Accountants as a Sales Channel?

Doug Sleeter • Sep. 05, 2014



Column: Successful Small Business Consulting

For years now, I have been evangelizing the opportunities out there for Value Added Resellers (VARs) in the SMB market. But there is a big difference between a true “VAR” and an accountant/consultant who starts acting as a reseller or sales agent for software solutions. Unfortunately, a few high-profile reseller programs out there don’t seem to be working, and I think I know why. The issues go straight to the heart of how accountants have very different business models than traditional VARs.

As I watch and listen to the frustrations of software vendors throughout the SMB market that are building sales channels that focus on accountants as their rainmakers, I’m not surprised to find that things aren’t working so well. What does surprise me is the naiveté of most vendors when they approach accountants as a channel. Maybe the vendors will learn something by hearing me out on this.

The term *VAR* means that you *add value* to the solution you are selling. Usually, that means you’re developing some type of software add-on or customization service that puts the packaged solution to use for your customers. In nearly all cases, true VARs do all of the selling and represent the “solution” as something they have created and/or modified, often with their own trademark or product name. Of course, they also talk about the underlying packaged software as the core of their product, but the key is that they’re customizing, selling, installing, configuring and consulting with the client to create a whole solution.

Contrast that with being a reseller who sells a packaged product, takes on a sales quota and is required to present the company line to generate sales volume, all so you can earn a sales commission. The reseller model may work for IT firms, but accountants are a special breed. Accountants have *clients* while resellers have *prospects* and *customers*. When you have a client, you have a fiduciary responsibility to serve the client’s business, not yourself, and not any vendor.

The fastest way to ruin your hard-earned “most trusted advisor” status is to give vendor sales pitches to your clients, competing with other resellers or even the vendor, and winning or losing based on who can provide the biggest discount.

If you’re in the business of accounting, tax or software consulting, be in that business! When vendors approach you to join their reseller program, run the other way. Otherwise, you’ll be on a slippery slope that will ultimately ruin your business. As an accountant, your goal should be to serve your clients first, last and always. Of course, you want new clients too, but you won’t get them by joining vendor sales

programs, especially not if those programs involve marketing/sales activities that clearly compromise your independence. Successful as “sales reps” have to say things like, “Oh, this new version is so great!” and they have to follow it up by listing feature by feature, even when they don’t believe those features matter to a particular client. But since they have a quota, they’re incented to just go along with the vendor’s company line. This is just wrong, and if you do it, sooner or later you’ll wake up to find that you have no more *clients*, just customers. And you’ll be addicted to finding new customers every day or you can’t get paid. Clients represent ongoing billable work, but customers come and go.

It would be a whole different thing if you were including the cost of packaged software as part of your overall consulting engagement, but then you’d be back to the Value Added Reseller approach, and that approach works great.

As I see it, accountants are terrible sales people anyway (and proud of it!), so it makes no sense to have them in a reseller program. We’ve seen many firms take on these reseller programs, even some offered by us through The Sleeter Group. But the reason they don’t succeed is because when they reach the end of their client base, sales stop. At that point, the vendors get frustrated by the lack of sales performance. This becomes a vicious cycle: Vendors start demanding more “performance,” resellers increase their credibility-compromising activities, and it all continues to fail because it was the wrong business for the accountant in the first place. Finally, the vendors sever the ties, thinking the accountant was just a poor salesperson.

Successful accountants/consultants focus their client engagements in the following order:

1. Client Needs: Obtain a full understanding of the needs of each client, with deep analysis done for each situation, rather than just lumping broad categories or business needs into a group. Never force everything to be a nail just because you only have a hammer.

2. Consultant Match: Scrutinize your own skills, and consider whether you have what it takes to deliver meaningful benefits to the client. Sometimes you should simply decline the engagement if it’s outside your core skill set. Find a colleague that specializes in the client’s area, and make the referral. This takes discipline, but it is critical to overall success. You’ll probably find that the more referrals you give, the more you’ll get.

3. Solutions Available: Study the market and always update your knowledge and understanding of the solutions in the market. Find the solution(s) that meets each client's need. Sometimes, it's not clear which product is best so help the client evaluate each candidate solution while remaining independent of any particular vendor. This underscores the problem you'll have if you are a sales rep for any particular product.

4. Consultant Recommendation: After finishing all of the steps above, make a recommendation for a particular product that, in your opinion, is the best match for the client's need.

5. Client Engagement: If you and the client agree on the course of action, proceed with an engagement, including purchasing the software, installing, customizing and configuring.

You may ask why you shouldn't be paid when you "sell" vendor products. After all, you have the best view of the client's needs, and if you generate a sale for a vendor, then why shouldn't you get paid for that service to the vendor? In my opinion, as long as the sale is a result of going through the steps above in the specified order, then receiving some type of payment from the vendor is great. It's like a bonus or a finder's fee, and in most cases it's probably appropriate. But if you ever reverse the steps above or skip any of them, sooner or later your whole business will be compromised.

Article

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