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FIRM MANAGEMENT

Do Your Best Client Management

The culture of most CPA firms supports excellent client service. While we can't do everything perfectly, partners and team members routinely provide services that have value to the client. Determining your client needs is not something you can read ...

Randy Johnston • Feb. 13, 2019



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The culture of most CPA firms supports excellent client service. While we can't do everything perfectly, partners and team members routinely provide services that have value to the client. Determining your client needs is not something you can read about or be told about by someone else, but you can learn how to discover client needs. You may belong to an association or have peers that are providing services to their clients that can spark ideas in you. While there are many organizations and associations that provide guidance, ideas and methodologies, only YOU understand your current and future client base. What is your value proposition? What client benefits are you providing? Are you a compliance advisor, a business advisor or both? Are you leveraging your contacts, technology and knowledge to provide the most value? Are you providing innovative services as well as traditional services? What works in your market and what services are not provided?

Your firm likely has a strategic and tactical plan in place with many action items. These strategic and tactical planning ideas have been written about in past columns. You may want to research the history of the publication, but for your convenience, you can find two of them here and here. When was the last time you looked at your offerings? Last year's partner retreat? A partner update meeting this past month? Have you considered client's problems by having discovery meetings and asking them about the issues they would like to have solved?

So, How Do I Discover Client Needs and Apply My Knowledge to My Contacts?

At the risk of oversimplification, ask them! While firms have many different programs and methods of business development, there are a few methods that produce unique results. Further, the firms applying either one of these techniques seem to be market leaders and create new programs that other firms eventually adopt. Consider the following:

1. **Discovery appointments**

- The concept of a discovery appointment is that you meet with a current client or a prospective client as an information gathering exercise. We prefer meetings at the client office, but believe that a breakfast, lunch or dinner appointment can work as well. The goal is to learn more about the client or prospect's business. During the initial meeting, no attempt should be made to promote any services or the firm. You should leave behind one professionally prepared item, as noted in the agenda below. The goals are:
 - Learn about the client or prospect's business
 - Refer others who might be helpful
 - Ask for referrals to other businesses to learn more
 - Listen! **Empathy in listening is the key to trust and how to become a true "trusted advisor"**. You can learn more about empathetic listening from Eric Maddox and other sources. This might be the most important skill for discovery appointments and for your practice in general.
- While this might sound like an ineffective use of time, there are several things that can and should happen. You should:

- Build and extend your referral network
 - Learn of opportunities for your firm's existing services
 - Discover client needs where you don't have offerings
 - Promote your professional network and referral sources
 - Become better at business development with frequent practice
- **Agenda** – Ask for a maximum of 45 minutes. Spend 15-30 minutes preparing with web and social media research. Schedule one or two discovery meetings per week maximum.
 - Short introduction
 - Ask for the client/prospect to give their introduction first
 - Provide some information on yourself, but keep this to a minimum
 - Explain your purpose (which you may communicate in advance on a phone call or email and repeat now in the meeting) is that you want to gather information and:
 - Understand the business
 - Learn why they are successful
 - Learn techniques used by successful owners/managers
 - Learn and not sell any service or promote your firm during your time together
 - Learn their “most important thing” so you can introduce a good network of business professionals in the community and like to introduce good, successful people to each other
 - Ask if you can take notes to remind yourself of the advice given. If you expect to provide a summary of the information, tell the client/prospect that you will send a summary of your notes as a follow-up in email
 - Ask for background on the business
 - When was it started?
 - Who were the founders?
 - Where do they have operations?
 - Why are they successful?
 - What did they see as the opportunity?
 - How do they develop new offerings?

- How do they grow their operations?
 - What are their service offerings?
 - How do they find clients – what have they found effective?
 - Who has been most helpful to their business?
 - When do they discover issues?
 - Where do they find good team members?
 - Why do issues occur?
- What would be most helpful to their business? (This is where you'll learn of the needs and opportunities!)
 - Name the most important thing you have learned about running this business
 - What is one thing you would fix if you could?
 - What is the best business tip you have ever learned?
- Thank them for their time
 - Name one to three items you learned in the conversation
 - Leave a business card (people tend not to do this now, so it sticks out more)
 - Leave a one-page description of your firm's services (have this in a PDF, too, so it can be emailed as needed)
 - Identify the follow-up steps you committed to do during the conversation
 - Thank them personally
 - Tell them you will follow-up with an email
- Debrief: when you return to the office (typically less than 30 minutes)
 - Do the clerical work
 - Summarize your notes
 - Get the thank you email out
 - A short email saying thank you the same day is best
 - If you need more time to prepare a summary of your next steps/notes simply say that in the initial thank you email and then send your follow-up email within the week, no later than Friday, since many business owners/managers catch up over the weekend
 - Send any requested content and make any introductions that you committed during the

meeting

- Calendar the follow-up items
 - Extract the key ideas learned, put these in a planning document
 - Extract key contact information, put these in your CRM
- Usually, you'll see opportunities within two to three discovery meetings, and you should have plenty of ideas within six to ten appointments. Don't stop using the technique! You now have a business development prospecting technique that you can teach everyone in the firm. Benefits will include:
- New opportunities from businesses you wouldn't normally find
 - Deeper relationships with your referral network
 - Expanded expertise in a niche as well as greater recognition within your community
 - Leadership opportunities in your firm
 - And many more

2. **Futures Wheel by Jerome Glenn – see a simple explanation by [MindTools](#).**

- **Step 1: Identify the Change** – Write the change (service) that you need to consider in the center of a piece of paper or on a flipchart. This could be an event, trend, problem, or possible solution. You can use a technology tool like WriteMapper but the technology is not required to be successful.
- **Step 2: Identify Direct, First-Order Consequences** – Brainstorm possible direct consequences of that change. Write each consequence in a circle and connect it from the central idea with an arrow. These are “first-order” consequences.
- **Step 3: Identify Indirect, Second-Order Consequences** – You now need to brainstorm all the possible “second-order” consequences of each of the first-order (direct) consequences that you wrote down in Step 2 and add them to your diagram in the same way. Repeat this by identifying the third-order consequences, fourth-order consequences, and so on. You'll find your most interesting opportunities and solutions in the third and fourth order consequences.

- **Step 4: Analyze Implications** – Once you’ve completed all the levels of the Futures Wheel, you’ll have a clear picture of the possible direct and indirect consequences resulting from the change. List these.
- **Step 5: Identify Actions** – Where the possible consequences that you’ve identified are negative, think about how you’ll manage them. Where consequences are positive, think about what you’ll do to take full advantage of them.

We have discussed other mapping and discovery techniques in prior columns as well as the two techniques for developing the service offerings. You may want to research the history of the publication, but for your convenience, you can find two of them here and here. The outcome of any of these techniques should be one or more service offerings.

Yes, you can use traditional sources of ideas: your peers, your association, and conferences, but by the time presentations are being made, the ideas may be several years old. You might be thinking that letting someone else work out all the details and kinks of an idea is a wonderfully risk-averse approach. Further, this will prove that the idea works, and you can have them provide tips and ideas on what works and what doesn’t. Consider the Chinese proverb: Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime. You can be happy receiving fish, but your firm will never be hungry if most people in the firm know how to fish.

It is best to manage your actions in a system. This can be handled in some practice management solutions: CCH Axxess Practice, APS, STAR, Practice Engine, TPS, Office Tools and similar products. More likely you’ll need to manage this in some sort of CRM: Zoho CRM, Results CRM, Salesforce, Levitate, Sage CRM, Highrise, Junxure, Infusionsoft, SugarCRM and HubSpot would be common choices for CPA firms. You can do the entire development process with no technology automation, but when you start making appointments and building your referral list, a simple CRM like Zoho CRM (for one to three users, it is free!) or Levitate will serve this process much better.

That’s It?

Yes, that’s it. The techniques are simple, effective ways to generate new service offerings. We recommend that you specify the various attributes of your new offering, determine pricing that you believe is fair and put the offering into a draft format that is like descriptions used for other offerings in your firm. If you have used

the discovery appointment approach, contact one or more of your past appointments, ask for 15 minutes to get feedback on an idea, present the service offering and ask for the feedback on how to improve the idea. Don't try to close the service offering at the time unless the client/prospect insists.

If you used the Futures Wheel or some other approach discussed in prior columns, consider which clients in your existing base are candidates for the service. Set an appointment to present the service to ask for feedback. You may not want to put your very best client at risk, but a good, cooperative client can be a great help. If the client wants to participate in the offering, ask if they will provide feedback as an early adopter. You'll want to have four to six early adopters before you promote the service widely. We recommend some adopters from your client base, and some new prospective clients to get feedback. You'll discover that clients who trust your firm give different feedback than non-clients who are new to you and your firm. Set up standard processes to deliver the offering effectively. Add these processes to your workflow system. If you don't have a workflow system, you can consider products like XCM, CCH Axxess Workstream or Doc-It to control the business processes. We have written about process mapping and workflow in prior columns. As noted earlier, you can research the history of the publication, but for your convenience, you can find two of them [here](#) and [here](#).

Finally, revise your offering, set your pricing policy, and promote to both your client base and to outside prospects using your normal marketing methods. What you'll discover is that you have found a technique to build market leading, highly profitable services that few or no competitors are offering. It is likely that other firms will have to figure out how you are growing your client base so effectively, and why you don't seem to be working as hard and making more profits. You can smile and remain quiet or you can become the "expert" teaching others in your associations or peer group how you discovered that next big thing that became a profession leading offering. You can do this!

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