

CLIENT WHISPERING TIPS FOR ACCOUNTING FIRMS

John McCarthy explains how using active listening techniques can turn your best clients into ambassadors for your accounting firm.

“What's your existing advisor doing to help you grow your business?”

If clients of accounting firms were asked this question, what do you think would be their most common reply?

Most often, the answer is “nothing”. This happens because their current advisor is too busy with compliance matters. The concentration on compliance issues is actually doing clients a disservice because they are not getting the advice that a chartered accountant, with years of experience, is capable of giving. Clients need advice from a trusted adviser.

WHY BE A TRUSTED ADVISER?

One thing accountancy practitioners around the world have learned from the recession is that the fees capable of being generated from compliance work (i.e. accounts preparation, audit and tax compliance) have come under downward pressure as clients generally resist price increases and consistently ‘challenge’ the value of the work delivered.

Accountants need to find new ways to prove that compliance work has value while looking at other work that clients will be glad to pay for. Some of this includes:

- ▶ Producing a tailor-made checklist of all (and I mean literally *all*) the steps taken to ensure the accounts/tax return is correct. Usually clients are impressed by the thoroughness of the work that has to be done in order to be sure that the material submitted to the Revenue/

HMRC and/or to CRO/Companies House is consistently correct, reliable and of high quality.

- ▶ Becoming a trusted adviser and targeting your most profitable clients (usually referred to in the industry as ‘Grade A’ clients) with marketing spend so as to try to elicit more work either through referrals where your clients recommend you to their contacts leading to new business for your firm or by getting additional work from your clients themselves.

‘GRADE A’ CLIENTS

Often your firm’s so-called ‘Grade A’ clients mix with other ‘Grade A’ businesses so it is usually well worth targeting additional marketing effort in that direction.

The key attributes of ‘Grade A’ clients are that they, more often than not:

- ▶ are profitable assignments;
- ▶ pay on time;
- ▶ maintain good records;
- ▶ appreciate your advice and are pleasant to deal with;
- ▶ actively seek your advice, before making major decisions (whereas a typical ‘Grade D’ client expects you to use a ‘time machine’ to put the clock back and to pretend the mistaken transaction never took place);
- ▶ actively refer you to their colleagues/acquaintances;
- ▶ are growing their businesses.

WHY CLIENTS COMPLAIN

If you ask clients about their woes in the current economic environment, what are the most common things they will complain about? In my experience they will say:

- ▶ too much competition;
- ▶ price-sensitive market;
- ▶ poor staff;
- ▶ economic slowdown;
- ▶ recession;
- ▶ paying too much tax.

These problems present an opportunity for the typical practising chartered accountant. It is simply a matter of listening to the client, prioritising the key problems and preparing a plan to deal with these issues. The plan needs to be presented with measureable benefits highlighted so the client can appreciate the tangible effects of success and the timing of the benefits.

BEING A TRUSTED ADVISER

The three most important attributes of a trusted adviser are to be able to:

1. Listen;
2. Listen;
3. Listen.

Partners must know how to sell. One thing that the former Arthur Andersen was renowned for was their worldwide training academy in Chicago where partners were taught how to sell. Andersen partners

learned that during a sales meeting with a client or prospect the partner must spend at least 70% of the time listening and only a maximum of 30% of the time speaking.

The bottom line is that you should never go to a client meeting without an agenda because your 18 minutes talk time (if, say, the meeting is for an hour) is precious and the questions you want to ask must be pre-planned, for maximum effect. This is what we call the 70/30 rule.

By listening to the client, we may pick up on worries that the client has never had an opportunity to express. This may be perhaps because the usual client meeting is dominated by compliance matters and, for

to clients makes them appreciate your service more. Many people think that listening is a passive activity. In fact, if done well, it is a very active role, because you use body language when asking questions to confirm your understanding of what the client has just said. At no time should you be planning ahead as to what you are going to say next! What the client is saying is paramount. Just listen.

► Client referrals

Part of the process can be used to find out if clients are happy with your services and if they are, simply asking them to refer you to some of their business colleagues/

your firm and the clients. If your clients are cold called by another firm, after you have carried out your own cold calling on them, you have most likely bullet proofed them against the worst effects of cold calling and done yourself a big favour into the bargain. ■

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want of sufficient advance preparation, rarely allows time for the client to delve deeper into more long-term concerns such as:

- why is the business becoming less profitable? or
- why can't my children take the same interest in the business as I do?

Therefore it is extremely important to always go into a 'Trusted Adviser' meeting with a prepared agenda. Perhaps there will have been some 'warning signs' coming from the client over the years, that somehow alert you to the issues. More often, you will probably find that by simply asking 'open' questions, you are able to elicit what's really bothering the client.

BENEFITS TO BE GAINED FROM UNDERSTANDING CLIENTS

The main benefits that can arise from acting as a trusted adviser include:

► Improved client relationships

The very fact that you have actually listened

acquaintances. The opportunity should also be taken to ask them:

- Is there anything we are currently doing that you want us to stop and why?
- Is there anything we are not currently doing that you would like us to start doing and why?
- If you are happy with our services have you ever considered referring us in the past?

Perhaps the meeting can end by supplying the client with some business cards and marketing literature to hand to others, should the opportunity arise?

► Build and promote your brand

If nothing else is generated from the meeting, it will build respect between

