Workbooks.com

Sales and Marketing 101
FOR ACCOUNTANTS

A practical guide to cross-selling and upselling.

Accountancy is an industry going through a lot of change. Matters such as Making Tax Digital and Brexit will test accountants in the next few years and irrevocably change how they work.

Added to that are business challenges – the accountancy landscape is evolving and becoming more competitive. And it's not just from traditional accountancy firms – competition is also rising from online accountancy solutions. Clients – younger ones in particular - are demanding more technology-based solutions and have a higher expectation of customer service.

Accountants are great at building relationships and acting as trusted advisers. But to meet the demands of the world we live in, they need to modernise their approach to drive a broader understanding of customers, target their services more effectively and join up services across the practice. This will help them to identify opportunities to cross sell and upsell accountancy and taxation services.

TECHNOLOGY
is key

Embracing technology is at the heart of this evolution.

Some practices are further forward than others, as many are unsure of the different solutions available to them. And accountants often struggle with prioritising the development of their new business approach, which is unsurprising given they have a day job of advising clients.

So, the field is open for accountancy firms to change their approach to business development and marketing through the implementation of new technologies, which will ultimately help them to exploit opportunities to cross sell and upsell.

Integration is a big step forwards to more effective cross selling and upselling. A lot of firms are still very spreadsheet reliant, with different teams using multiple documents. And many have partners who manage specific product areas, which can lead to silos within the practice. This leads to fragmented systems and disparate processes. Integrated data and processes within a practice can improve efficiency, lower costs and dramatically improve real time access to management information.

With a single view of the client and a cross practice approach underpinned by technology, accountants can drive better customer understanding and tailor their services. They can better their communication with their customer base, conduct targeted marketing and improve the new business effort.

CRM has a big role to play in helping accountants improve their professionalism in business development and marketing practices. Here are some key steps:

Step one:
THE IMPORTANCE OF HAPPY CLIENTS

Happy clients are key to high client retention rates for accountancy practices. They will also be more receptive to marketing campaigns and opportunities for cross selling or upselling. Put simply, if a client is satisfied with the auditing services it is receiving, they might be open to hearing more about taxation services or outsourced payroll solutions.

Improved monitoring of client satisfaction and engagement is really beneficial, as it ensures unhappy clients are identified. If warning signs are picked up early on, this can trigger proactive communication and engagement from the firm to identify the problem and turn the situation around, preventing the client from leaving suddenly or drifting away with no warning.

Proactive account management, a robust customer service process and regular measurement of client satisfaction are all steps in the right direction towards happier clients, a better client retention rate and better traction with cross selling or upselling.

Step two:
PROACTIVE ACCOUNT MANAGEMENT

Many accountancy firms don't have a formal account management (AM) structure in place. Traditionally, partners have owned the client relationship. But keeping and maximising customer value is more than just about building personal relationships – it should also be a process that can be measured and managed.

Proactive account management can help to plan and monitor customer engagement, to ensure consistency in the customer management process and ultimately help firms retain and grow the client. Core components include:

- **Client profiling and tiering:** if an accountancy firm has 1000 clients and a team of five AMs, it is not feasible for all clients to receive the same level of service. Tiering clients gives a practice insight into the areas it needs to focus on, and it can create an approach for each tier. The profile might include how much budget the client currently spends, potential revenue and other services they might be interested in. This could inform marketing activity directed at the client.

- **Best practice client management:** client profiling and proactive AM will lead to establishing best practice. For example, the firm might decide the best approach to engage tier one clients is a monthly face to face meeting. Tier two clients might warrant a quarterly face to face meeting and monthly calls. This should be adopted across all tier one and tier two accounts. If this process is defined and documented, the team knows what to deliver and clients know what to expect.

- **Establishing a common, practice-wide language:** part of having a cohesive process for dealing with clients is for everyone to use the same language. So, if you talk about a "tier one" client or a client being "at risk," everyone knows what it means, whether they are an accountant or work in finance or marketing.

- **Measurement and evaluation:** the AM should always gauge key performance indicators (KPIs) to ensure the practice is delivering. A client success schedule and regular satisfaction surveys is a great way to do this and will identify any problem areas and flag up cross selling opportunities.

Step three:
EMBEDDING ACCOUNT MANAGEMENT IN CRM

Embedding good account management processes within the practice's CRM system is pivotal to its success. Best practice procedures will help ensure everything is being done properly. It will also help the account management team to report on progress – whether that is client retention rates or cross selling and upselling success.

Customisation will ensure the system is tailored to the account management team's requirements, making it easier for them to get hold of the information they need. For example, one account manager might be interested in previous spend, whilst another might be interested in clients who have below a customer satisfaction threshold.

The first rule with the implementation of a CRM system is not to overcomplicate it. Keep it simple and focus on establishing a strong foundation, which the practice can build on.

The dashboard can be configured to suit the team's requirements – they might be able to see all customer care calls for a month, how many calls have been made and how many were completed or need to be rescheduled. This information can help AM teams plan their resource allocation and their priorities.

Step four:
RISK MANAGEMENT

No matter how good an accountancy practice is, not all clients are happy all of the time. They might have an issue with a recently conducted audit or they might not gel with a member of the team. Whatever the problem, identifying it early and trying to find a solution will improve client satisfaction. Some key stages of client risk management:

- **Implementation of a practice-wide "at risk" client process:** a process for managing "at risk" clients - those on the point of leaving - will help accountants mitigate that risk. A process that is practice-wide will ensure employees know how to handle any problems. This includes empowering them to denote "at risk" clients, enabling them to flag any problems so complaints can be dealt with quickly.

- **Identifying issues before they become problems:** having the systems to proactively flag concerns early on so they can be dealt with, will ensure that clients are happy and continue to spend money.

- **Joined up communication:** all parts of the business should know if a client is "at risk." For example, marketing teams should not send campaign emails to angry customers. This is common sense, but when dealing with large numbers of clients, mistakes can happen if the process is not integrated. This will make a big difference to how clients perceive the practice.

Step five:
ACTIONABLE INSIGHTS

It's all very well having a CRM system. But if an accountancy practice does not act on the insight it generates, it isn't getting the full value. Extracting intelligence to identify clients who need attention, uncover opportunities for sales and proactively manage the customer base will help a practice with cross selling and upselling initiatives.

Example one: identifying changes in buying behaviour
An effective way to check for changes in buying behaviour is to analyse invoice data to see if there are increases or decreases in the services clients are buying. It is important for the AM teams to identify a change in buying behaviour quickly, so they can try and solve it.

Example two: spotting cross selling and upselling opportunities
Using website data can let you know if clients have shown an interest in other services. The information could be used by the marketing team to orchestrate a campaign to target them, possibly with an offer or an incentive to get them on board.

Example three: risk management
The insight from CRM can be used to drive the risk management process. The client might not have voiced any concerns, but the system might identify indicators that a client is at risk. For example, the cancellation of a service or a decrease in the level of services could be a sign the client is "drifting." The AM team can then put a plan into action.

TO SUM UP

The importance of CRM for accountants is undeniable. Technology and the formalisation of new business processes are an integral part of business life. A robust approach to CRM can help accountants retain and grow their client base through effective, informed cross selling and upselling.

And it's not just a revenue benefit. CRM can help with improving staff productivity, stopping the duplication of effort by teams across the practice and ensuring all processes and systems are seamless and joined up.

Accountancy practices need to move out of their comfort zone and embrace CRM. Not to do so is to miss out on all those cross-selling and upselling opportunities that are just waiting to be identified. The time for CRM is now.