

A Capstone Conversation With Randy Mowat



Randy Mowat
Senior Vice President of Marketing
MNP



CAPSTONE MARKETING

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Hello. This is [Jean Caragher](#), President of [Capstone Marketing](#). I am thrilled to be speaking today with [Randy Mowat](#), an old friend who is now the Senior Vice President of Marketing with [MNP](#), one of the largest chartered accountancy and business consulting firms in Canada with more than 70 offices.

Randy joined MNP in 1996, and the firm revenue was \$22 million.

Now, 16 years later, MNP's annual revenue is \$400 million, so we are going to have a wonderful conversation with Randy today on how that happened. Randy is a member of MNP's Firm Leadership Team and is responsible for all marketing related activities, including brand development and promotion, marketing planning and production, and market facing communication. He works closely with all service, industry and regional business units in the firm, and is a member of the firm's management and operations committees. Randy, it's been a while since we've spoken. Thank you very much for your time today for the Capstone Conversation.

Randy Mowat: Thanks, Jean! It has been way too long for you and I to chat. I would even say it's been way too long since I've been down to the [AAM](#) meetings and to some of the conferences that I used to attend where I met a lot of really great people earlier in my career. I joined the firm in 1996 and it was those early AAM meetings that really helped me get a good start into my career of accounting marketing. You're right, it's been way too long and I promise I'll fix that. I'll look and see when the next ones are and hopefully I can get down and reconnect with a whole bunch of folks, so I'm looking forward to chatting with you.

Jean Caragher: We would love to see you there. Wasn't that a wonderful testimony that you just gave AAM?

Randy Mowat: I really did enjoy it. I remember when I joined, back then it was called Meyers Norris Penny, and Don Penny was our managing partner in 1996. We were a pretty decent sized regional firm at that time and when I joined; I had no clue what professional services marketing was all about or accounting marketing. I came from a corporate background and that was pretty straightforward. You just did what you had to do and it was understood that's how we were going to do things, from a corporate perspective. Then, you go from that into a partnership, that was a learning curve right there. I was a vice president at a consumer goods company and four of us would sit around the table and vote on something, and then go and do it. It doesn't work that way in a partnership.



Jean Caragher: No, it doesn't.

Randy Mowat: It was interesting to go through that and to learn the cultural differences, and then the partnership differences. Also, not to forget about marketing the invisible, because that's what we were really doing back in those days. Of course, back in those days, if you recall, Jean, marketing those services was pretty new stuff across North America. I think the U.S. was ahead, somewhat in that regard, but it was still pretty pioneering stuff in those days.

Jean Caragher: How do you feel Canada ranks with the U.S. now, with professional services marketing?

Randy Mowat: Not being down there for so long, I might be a bit off base, but I think they are getting closer. I remember having chats with [Mike Platt](#) and others and yourself in the early days, and the regulations that the U.S. firms operated under were much more liberal than the Canadian regulations. When I started this journey, we had very strict solicitation rules where we had to be very careful not to be seen as soliciting, whereas you guys didn't have that issue and those have now fallen away, or at least you don't even hear about it anymore. So we had that change and that's helped a lot.

Other than that, from where I sit and see, I think we are getting much closer. We all are faced with the social media advent and the new channels that have opened up and can use, but I never really came into this role thinking "I can't do this, I can't do that," other than you have to be onside. But it never stopped me from putting billboards on highways, or from putting print ads in magazines and newspapers, or having rink boards at professional sporting events, be it hockey or football. I just did what I thought we had to do to achieve the strategy or to achieve the objectives that we wanted to achieve. So I guess the old line, "I did it because I didn't know I couldn't," could apply.

Jean Caragher: Now that you are with the firm 16 years, we've noticed this tremendous growth from \$22 million to \$400 million. What has been the biggest marketing challenge to the firm's growth?

Randy Mowat: I don't know if I call it a challenge. I call it more of a reality, in that, a lot of our growth has been attributed to mergers, especially in the early days. We grew the way we did, between 10% to 15% growth year after year for the last 15 consecutive years, which is kind of cool because 10% of a bigger number is a bigger number. So some of the challenges that we were faced with in that regard was, we will merge and enter markets where we have zero brand position awareness...nothing; they never heard of us.

So initially, I'm talking about going from a Western Canadian focus to an Eastern Canada where we are entering Toronto, which is Canada's largest city and is very noisy, very crowded, and very expensive. You have zero brand awareness or positioning in that



market. You go from there into Montreal, where we went into a year and a half ago, and not only do we have no brand awareness, there's also a language challenge because it's a French speaking market and we are an English firm. So you go into that situation and it's very challenging because, effective date, you have to be operating in French and English because there are also Anglophones and Francophones there. You have to run your practice in English and in French. You can just imagine - you don't have a French website, you don't have French collateral, you don't have French engagement letters, the whole thing. Instead, you have to translate, you have to build, you have to get all these pieces in place, and then go to market with that; so that's a big challenge. But taking the language part of it, just like I said with new markets, that's a challenge building your brand into there. I don't know if I look at it as a challenge, per say, but instead as a reality that has to be dealt with and let's get after it. That would be one.

Another one that I'd say is a challenge for growth is having your general practitioners or your accounting professionals engaged with your programs. That seems to be an ongoing challenge no matter where you are and what market, not only if you are a new entrant or you are mature; it seems to be ongoing. You got to make sure that your GP's are engaging in your progress in relation to applying the prospect on a one-to-one basis. We as marketers can select the audiences, we can select the contacts, strategy, and things like that, but we don't go and actually make the call. At least in our case, we don't. We stop with the strategic stuff and rely on our accountants for going out and giving it the touch, face-to-face. Then, if they are not doing that or if they are not doing that effectively, you are not going to be successful in achieving that engagement or that new growth. So we are always watching that.

The third one would be watching that our services don't become commodities. We have to differentiate by our delivery, our relationships, and the way we treat our clients and walk the talk. We, as marketers, can write the great stories about our brand, the positioning, and all that kind of stuff, but it's our folks on the ground that have to live it. If they are not living it, then you are off brand. So again, it probably comes back down to integrating and working with your professional population; that really is your face to the market and your feet on the street.

Jean Caragher: And those are three major challenges, but I would like to ask you a couple of follow up questions on that. You mentioned that the firm's growth has included a lot of mergers. How has that impacted the firm's marketing culture and how do you cope with internal communication and making sure that everybody is on brand as you continue to get bigger and bigger?

Randy Mowat: Great question. I'm ashamed to tell you I can't count how many mergers I've been involved with over the last 15 years; however, it's been an enormous amount. The one foundation to that is you have to be very selective in who you let in. What I mean by that is, when we do mergers with firms it's not a question of, "you'd like to merge, great, let's do a deal." There is very much a robust process we go through with



that potential firm. It's first all about values, culture, vision, and personality. Those are the things that we talk about right up front. We don't even have a discussion about financial performance or quality of files or anything like that. We don't even get to that until the second or third meeting. It's all about making sure those people we are bringing into the larger room fit in the first place. If there's no fit, there's no second meeting. I think that's really important.

Jean Caragher: That is music to my ears because I think in a lot of cases it goes exactly the opposite way. It's all about the financials first, and then it's "oops by the way, do we like each other, do we think we can get along, what type of firm will we be together?" Would you agree with that?

Randy Mowat: So true, I've lived it. I can say very proudly, as a partner, that we have not lost a merger. We've won all the ones we've done, and I'm talking hundreds. We have not had one that was a mistake and leave. We have not had that; we've never come close to that. What we do hear, two or three years after a firm has merged is, "I wish we would have done this earlier." Again, that reinforces that it's got to be right on those other areas. The financials and the performance, those are byproducts of things that are expected to be there. That's number one.

Number two. One thing that we have is a generator-marketing culture within the firm. Some of that is just because it's been such a growth-oriented practice that we don't know any other way; we just keep growing and growing. Last year was like 13% or 14% growth and some of that was merger, no question, but we are also to a point now where organic growth has caught and surpassed our merger growth. That's a really cool story because that means that the new services we've developed and the new people that we brought into the firm as strategic mergers, that's all now maturing and really starting to pay dividends, so that organic growth outpaces our merger growth. That's exciting, that culture of growth really helps us as marketers to put in plans and strategies, and they get accepted so much easier and quicker now than they ever have before as well. In fact, of all the mergers I've done, there's only been one instance where there was a marketing person in place. Every other firm didn't have any marketing people in place. They didn't really do marketing and I think that they've seen what we've been doing in their markets or their adjacent markets and they go, "Now I get to do that too."

Jean Caragher: They are part of the team now.

Randy Mowat: They are part of the team and they can't wait to go do some of the stuff because it's fun. It's a lot of fun to grow your brand and to get some publicity, to see your face in the newspaper, do some speaking; the guys like that. They embrace it and we've been doing this now for so long that it's just the way we do it. It would be very different for someone to come in and say, "I don't have to have a marketing plan." Well, yes, you do; it's just part of our fabric now.



Jean Caragher: That leads me into another follow up question. How are your partners and staff expected to participate in the firm's marketing program? Is it clearly set out for them?

Randy Mowat: Absolutely. What we put in place years ago was an approach, a very collaborative integrated communicative process. When I look inside our firm, one thing I like about our governance is that we have a leader of every practice unit. There actually is an individual that is responsible for that practice unit, be it tax, forensic accounting, or corporate finance, whatever it might be, there is a leader. So from that perspective, that's whom my guys and I will work with to create plans. Right off the hob, it's integrative, it's collaborative. We sit in the same room. It doesn't matter if we are in different cities, they will all fly to the head office and we'll book at least a day or two and sit and do the marketing plan together or at least flesh out the objectives, the key messages, audience, and things like that. We'll do that in conjunction with that unit leader and we'll do that from a service line.

Then, also we have regional leaders. Our governance is very much a matrix; you have a regional element, a service element, and a niche or a client group element, and there's a leader for each one of those. We'll sit down with each one of those and collaborate on plans. We'll make sure that they have an understanding of what we are trying to do and that we understand what they need to get done. They understand what we are trying to do with our strategies, and then we'll take it down and say "now your teams have to be buying into this and are aware of the plans because they have a role to play in it." As I said earlier, we'll take you right to the water, but we can't drink for you. We can't go out on to the street or into those meetings and bring that prospect to a client or we can't go to that client and bring value added to them. We have to absolutely rely on those folks and we just tell them like that and explain it to them, and they get it right away. Then, it becomes more of a supporting exercise - what do you need to feel comfortable to go and do what we need you to do. So the answer is, they are very integrated into our marketing strategies.

Jean Caragher: Wonderful. You need that, especially since the firm has grown so much. If you didn't have that process, it would be more like my husband would call a "soup sandwich," there wouldn't be any focus and you would just be putting out fires all day long.

Randy Mowat: Or you do, but then after a while you run out of water and you just sort of burn yourself out.

Jean Caragher: That's right, so clearly the firm does utilize a niche marketing strategy. How long has that been in place?



Randy Mowat: A good solid 10 years. It wasn't in place when I joined, but about five years or so after, it started to come almost one-by-one based on where our firm had been; it was a very large agricultural practice. We looked like the Midwest U.S.; we're the prairies and the mountains and lots of beef and grain growing and things like this, so that was obviously our first niche. Then, we started branching out into understanding what our geographic markets looked like and seeing what niches were available inside. So, oil and gas in Alberta, no different than down in Colorado or Texas. We'll develop mining for more northern areas, but even in agriculture, one of the real niches that we have is private enterprise; that's our biggest and most robust. We will go after some of the public companies...it's, I'd say, 80 % of our practice is niched; that's really the way to go.

Jean Caragher: Speaking back 10 years ago, when you started this niche marketing strategy, did it take some convincing of the partners to do that or did they understand how important that was?

Randy Mowat: I think the answer is, they didn't take convincing that this is the way to go because it just makes so much sense. I would love to talk to somebody who wouldn't think that that's the way to go, but it was okay as long as they didn't have to give up their clients... So I'll adopt this niching that you want to do, as long as Jean does it, but I'm okay, I don't have to do it. So, if I've got one car dealership and Jean has five, clearly I should give mine to Jean. But that's where they struggle because they don't want to give up that relationship, that income. Even AAM will say that those who don't want to do it will say it makes sense, but just give me a bit of time because it is going to be a General Manager change or something like that. That's really the challenge and it just takes time. It takes a lot of time, but once you get there, it's just the way to go. You can become so much deeper within that area.

Jean Caragher: Ten years later, do you still have that struggle?

Randy Mowat: Not as much, if even at all anymore. I'm sure there are some partners that can see the retirement window coming at them, and they're probably, "okay I'll transition and now I'm going to transition up to where it should be." You've got to appreciate that. If you had a client for 20 years or so, you are not just going to give them up just because the firm wants you to. You've got really deep relationships there and that needs to be respected, but it does take time.

Jean Caragher: You also don't want to put that client relationship in jeopardy either.

Randy Mowat: Great point.

Jean Caragher: Randy, tell me, which marketing tools do you find most effective in generating leads for MNP?



Randy Mowat: I use a lot of tools. As I said earlier, I wouldn't even classify myself as that old traditional type of accounting marketer. I probably came at things a little bit even from the product side of the equation, so I use direct marketing. I use good traditional addressed and unaddressed, depending on what I'm doing. Maybe some listeners are thinking why unaddressed? Well, that's what I do in my solvency practice because, obviously, I don't know who they are. So I'll do direct marketing, unaddressed direct marketing into postal lock selections and things like this, and that's been very effective. I'll do addressed to either client groups or prospect groups, and when I say direct marketing, I'm not saying mail. I'm saying mail and follow up by phone because at the end of the day, no matter what us marketers are doing, it must result in a face-to-face meeting, otherwise we are not achieving what we need to achieve. So, there has to be the mail piece, or the email piece, and then there has to be that phone call follow up that either we are doing or a telemarketer would be doing. That's been very effective for us.

I like events and seminars and those types of things, which again, are pretty traditional stuff. I like those because you are one step closer to sitting down face-to-face. Your showcasing your talents and your skill sets within your practice. I wouldn't dismiss just having good strong brand awareness; it's part of the lead generation element. Why I say that - it's going to be a lot easier to get our guys a meeting if they know your brand. If they don't know your brand or if they never heard of you, that will be a tougher way to go, that's pretty cold stuff. So I think it's important that the practices have good solid brand awareness. I got goofy sayings and one of my sayings is, "I look at that as air support for the on ground troops." So as I mentioned earlier about going into new markets where no one knows who we are, well it's going to be a lot easier if I can supply some air support for my guys on the ground, so they go and say, "We are MNP, this is what we do and this is who we are all about," and if they've never heard of you, it's tougher. So I don't think we should ever dismiss having a good solid brand and some awareness to the lead generation element. My favorite one is, partners should just go out there and ask, and put out their hand and shake hands, and meet people and talk about business. If it's a client, just go talk to him about their business and what's going on. That generates leads for more work because there are always more things that we can be delivering, but you've got to be talking to your client about that. If there are prospects there, just go and simply talk to them; that's what I really strive for. Everything we do should really have an angle of connection, so by direct marketing, events, strong brand, and willing partners to go out there and reach out, would be my most effective one.

Jean Caragher: That sounds like a great combination. With a firm your size, I think you indicated you've got a team of about 35 people, how did you build that team?

Randy Mowat: Well, that's interesting. When I started, we had a team of one.



Jean Caragher: And that's going to ring a bell with a lot of people listening to this conversation.

Randy Mowat: Yes, and a very problem employee too, I might add... I started with a team of one and what I've done is I built my department and my team in two sides. I have a creative communication side and I have a strategy and planning side. The first thing I did was build the creative side, one by one. When I joined the firm, we didn't even have a logo, we didn't have any collateral, and we obviously didn't have a website; it didn't even exist then. We didn't have anything. So, here we are, anything we want to do or write or produce for partners or for promotion, we had to go to an agency, which is fine for some stuff but I came from a bit of a background in that area and I knew about print, writing, and production and things like that. So that was a pretty easy place for me to start.

I started by bringing in some writers. I got up to around two or three writers in that area. Then, I moved on to some creative people that could come and design and bring the writing to life. We just really generated that, what I called an "in-house agency," and today we have one overall creative director, an assistant creative director, production people, Mac artists, we've got four or five writers in that area, print production people, web design and web production people. It really does look like an ad agency. Most of them have had ad agency experience, so 80+ percent of all our materials will be done in-house, including video production or else we'll hire a video crew. We'll create videos and all our print productions are all done in-house. I have agencies, but we use them very strategically. We use them more for new thought and maybe some new thinking or a new approach, but we will be directing them very closely and it works quite well.

Building that side allowed me to take my eye off that for a while, so then I was the strategy-planning department and we kept growing. That became too heavy of a load, so I knew I had to bring some more help in there. Then, I started bringing in some good strategy people and it's funny because I'd say in the interviews, "now you can't have a creative bone in your body because I've already got that covered over here. You've got to be dull and boring and the black ink on white paper kind of person," which is not accurate, but what we have built now, at least I have a lead strategist whose main role is to sit down with each of the business unit leaders and flesh out those plans that they have because we do zero based planning. That person has two or three people under him, we have our online strategist under there as well, and their job is to make sure there's a marketing plan in place, a budget in place, and then they execute that plan. They execute it, utilizing the creative department and they utilize it involving the regional people. It's very integrating. Our matrix is always at play.

Jean Caragher: So geographically, is your team all housed with you in Calgary?

Randy Mowat: It's almost a fifty-fifty split. We've got 15 what I call regional marketing managers across Canada, and I've got 15 people upstairs. Then, I've got some



freelancers that are placed within Toronto, Montreal and Vancouver. We've got a team there that is supportive for the regions as needed and we've got expansion capacity when we need it. Yes, it's about an even split, but we will be status quo. We'll be bringing in more online people and they will be housed here at head office.

Jean Caragher: Does your team include any business developers or sales people?

Randy Mowat: No, it doesn't. I've always thought about that and looked at the U.S. models and we talked about that. I think [Mitch Reno](#) uses them or has, anyways, at Rehmann. We've dabbled in it, but we really haven't embraced how that works. We are not saying it can't or shouldn't, but we really haven't put a real focused effort on that. It's probably another reason why I should come back down to AAM and learn more about that, but no, we don't have any of those here.

Jean Caragher: What do you think is the biggest change in accounting marketing?

Randy Mowat: First thing I'd say is there's just more of us. Going back in time, it was a pretty small room where we had meetings, so I think there is more people entering this discipline of marketing and professional services or accounting; so I think that's good. Another change I see or feel is that we are viewed more strategically or as more important. I think we are respected more. I don't mean this in any kind of derogatory way, but I remember when I would go down to AAM meetings in the early days, it almost felt there were a lot of party planners... kind of like "I'm the marketing person and I put on the Christmas party" and that always just made me shiver. I hope that's gone away. Jean, you would know better than I would, but from the people that I talk to, I don't see that as much. Event marketing is still part of our domain, but it's just an element.

I also see that as we get younger managing partners coming into firms, the marketing stock goes up. I think that's a byproduct of them being younger. They've had different education perhaps or they've had more worldly experience, but I'm seeing that crop up more and more as the next generation of managing partners come in; they get it. Whereas, I think some of our listeners would say, "Oh boy, I can speak for it." When I joined, senior partners would look at me and say "why are you here, I don't need you, I'm fine thank you, you spend money, I make money..." I don't even hear anything like that anymore. If I were to hear that, it would be somewhat of a dinosaur thinking, not necessary an age, but thinking.

I think it's come a long way. I've been a partner in the firm now for about 10 years and I know that I was probably one of the earlier ones there to make partner. Now you see more and more of them, at least here in Canada. I don't know what it's like down there, but I think it's growing and it's nice to see because marketing is like in any business, you have to have a good specialist for marketing if you are going to grow and prosper and build a brand. I think that newer firms get that now and it's going to become, if it



already hasn't, a lot more competitive out there. I think marketing is going to be right in the forefront of that because firms want to grow. They want to grow their brand, they want to grow their share, and that's marketing.

Jean Caragher: I agree with everything you said. I think the profession has really grown. I think it's become more sophisticated and professional and accountable. I see many more marketers achieving the type of status that you have within your firm and that it's looked at as more the discipline that contributes to the bottom line and opens up opportunities for firms as opposed to a discipline that just spends money.

Randy Mowat: I couldn't agree more. That should be a goal for all of us. Now what's going on down there? Has it changed as well, like from what I described?

Jean Caragher: It has. There are more marketers that have achieved that Chief Marketing Officer and that partner or principal level. I think the level of what we see entered into the AAM Awards each year will blow you away. That's how on point it is and how focused it is. I agree, in the old days, I think marketers would take a job with an accounting firm because they couldn't find a marketing job in another type of business. Now working in professional services, whether that's accounting, law, or engineering, is a desirable career choice, and I don't think it always was.

Randy Mowat: I can remember when I started people would say, "You do what? How do you market accountants?" I don't get asked that any more.

Jean Caragher: Not easy.

Randy Mowat: Not easy, that's right. In fact, I'm just cranking my neck around here, you mentioned AAM Awards and I'm looking at my 2002 AAM Award for direct marketing. I got two in 2002. I just put those up there. I haven't looked at those in a while.

Jean Caragher: See, you've got to get back in the mix.

Randy Mowat: I've got to get back in the mix.

Jean Caragher: Last question. You've been involved with MNP for 16 years. You've been a partner for 10 years. The firm has experienced tremendous growth. You clearly play a key role in the mergers and those negotiations and due diligence. What is your best piece of advice for a growing firm or a firm that really wants to ramp up their growth?

Randy Mowat: I would say first thing you make sure is that you are well structured and well governed. Be focused. Don't try to be everything to everybody. Understand who you really are as a firm. So for instance, we are a mid-market firm and we are proud of



that. We have no desires to be seen or perceived as a multi-national Big Four; we just don't. So that's really important; to know who you are and know who your clients are. It's really important to differentiate as best you can in a gaining commoditized type market or industry. You have got to have your service that your offering lined up to really speak to your market that you are targeting on. Some of those are good fundamental type business practice things that you need to have in place. You have to have courage to go and try things and experiment with things and enter into service lines that you weren't in before and see if you can make a work of it. We have a saying around here, "sometimes you got to kiss some frogs, to find that prince," and "don't be scared of failure," to go out there. That's one of the things that I'm proud of the firm is, we are just not scared to fail and sometimes we even celebrate it. So I think some of those things are really good underpinnings for growth.

The other thing is, make sure your prices are right and you are not giving it away as well; that's really important. Also, just having really good leadership, and people in the firm that want to have fun and enjoy what they are doing, and they are good people to be around, and there's very little hierarchy and very little politics, and things like; all those other things are just energy wasters and they don't do anything good for your practice. Make sure you don't have any of that kind of stuff or very minimal kicking around because when you get a bunch of people that like, what they are doing, they are good at what they do, and they just want to have some fun and make some money and then have a good life for them and their family; boy you can do a lot of cool things.

Jean Caragher: I absolutely agree. We have been talking today with Randy Mowat, Senior Vice President of Marketing at MNP. Randy congratulations on all of your success, and thanks for your time today.

Randy Mowat: Thank you so much, Jean. It was just great talking with you again, and I promise I will come down to the next AAM meeting if I can and we will catch up over a glass of wine.

Jean Caragher: I look forward to it.

Randy Mowat: All the best.

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