



## **Client Retention Strategies Every Firm Can Use**

Are your clients safe?

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The importance of client retention has certainly received much attention from CPAs. It topped the list in the AICPA's *2009 CPA Firm Top Issues Survey*. More recently, the *2010 CCH Accounting Firm Client Survey* reported that one in three (36%) business clients are likely to switch CPA firms in the next year.

Are your clients safe?

To improve your chances of client retention consider these strategies.

### **Create a Service Culture**

According to research conducted by Bay Street Group LLC the top reason why clients change CPA firms is poor client service and inattentiveness. In fact two out of three (66%) client-survey respondents rated this as the top reason, while only one out of four (27%) CPAs in public accounting thought this was the reason why they lost clients. This is a big gap. CPAs need to face the music and realize they must give their clients more attention.

If everyone feels responsible to the client, satisfaction improves. Encourage your team to respond effectively to client problems and give them the means to do so. Set and reinforce problem-resolution standards, give employees the freedom to truly resolve client problems. Provide specific training about how to deal with angry or dissatisfied clients.

Consider that Nordstrom once let a consumer return a set of tires, even though the department store doesn't sell tires. Publix grocery stores have their "10-foot, 10-second rule," which requires employees to greet customers and see if they need help within 10 seconds of someone being within 10 feet of their proximity. The FedEx Purple Promise is, "I will make every FedEx experience outstanding." These three companies ranked number nine, number six and number five respectively in the *2010 MSN Money-Zogby International Customer Service Survey*. Client satisfaction leads to client loyalty.

### **Enhance Your Client Acceptance Process**

Not every prospect will be an appropriate client for your firm. Consider more than whether they are breathing, when evaluating prospective clients, such as, your fee, potential realization, the prospect's ability to pay, year-end, growth potential, risk, leads expected from the prospect and opportunities to cross-sell. By focusing on your best new client opportunities, your client retention tactics will also focus on your best client.

In fact, *client acceptance* and *client retention* were the two very reasons why Norfolk, Va.-based CPA firm, Wall, Einhorn & Chernitzer, P.C., (WEC) formed its Revenue Enhancement Committee (REC) in 2007. The REC is still active today:

- Implementing client acceptance criteria.
- Strategizing pricing options for clients and new business prospects.
- Evaluating the lowest realization clients (largest write-offs) for each partner and manager and brainstorming ideas to improve work efficiency and job profitability.
- Reviewing Client Evaluation Forms (and process) for use by managers to identify problem clients and solutions.
- Reviewing WIP adjustments.

The REC's efforts have resulted in improved realization. This is attributable to REC-initiated factors such as better pricing, more discussions with clients regarding preparation they can complete to make their work more efficient, more up-front discussions with clients about fees and better management of fees incurred while work is ongoing.

The benefits of the REC's efforts also include:

- More input from managers on client billing and about clients, in general.
- Many procedural features that improved WEC's own quality control.
- Identifying additional service opportunities that were communicated to clients resulting in better client service and extra fees.

## **Implement a Client Satisfaction Program**

The *Seven Keys to Successful CPA Firm Management* research indicates that the majority of CPA firms have no client-satisfaction program at all. While any system will do, you need a system in place whether it includes face-to-face interviews, written surveys, online surveys or focus groups.

Burr & Forman LLP a law firm with offices in five southeastern states averages two client interviews per month with the aim of meeting with their Top 50 clients once every two years. The goals of the interviews are:

- Feedback on performance and a service review.
- Uncover opportunities to cross-sell.
- Uncover service problems.
- Gain competitive intelligence.

What are the best client interview questions? According to Laura Meherg, former Burr & Forman LLP marketing director, currently a consultant with Wicker Park Group, the best questions and talking points are:

- What do you like about working with our firm?
- What should we do differently?
- Tell me about your most successful experiences with outside counsel/other service providers.

Prior to launching a client-interview system for your firm, be sure you have support from the top and commitment to act. *Remember:* If you ask clients for their thoughts and do not act on them, you will have been better off not asking in the first place.

## **Conclusion**

This article contains just a few of the client retention strategies every CPA firm can use. Attend my session at the [AICPA's Practitioners Symposium and TECH+ Conference](#) and learn:

- How clients choose.
- How extraordinary client service can pay off in client retention.
- Practical initiatives you can implement to contribute to client retention.
- What you can learn from client service superstars.
- How to build a winning client retention program at your firm.
- Make sure that your clients are safe by creating and implementing a client retention.

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