

## Surprise, Surprise!

I have noticed a trend developing when providing marketing consultancy services to larger accounting firms. When asked to describe their 'ideal client' these firms are telling me they are looking for clients who are prepared to pay \$20,000 to \$30,000 in annual fees, have a SMSF and need more of their services. They tailor some of their marketing towards this type of client but their success rate is poor. As Gomer Pyle would say, "Surprise, Surprise!"



So where do these big clients hide? The fact is, if you look at your 20 largest clients you'll probably find most of them started out as small 'fish'. You nurtured them and over time you grew their business and profitability, you helped them with some tax planning strategies like buying an investment property and possibly establishing a SMSF. You might have helped them re-structure, obtain finance for vehicles and equipment then implemented asset protection strategies.

You probably now handle their financial planning and provide business coaching services and are totally entrenched in their accounting, tax and financial lives. If they are baby boomers you're probably now talking to them about succession planning and maximising the value of their business. It's fair to say that it would be very difficult for another firm to win their business (but don't get to complacent!)

Clearly, large \$30,000 clients don't grow on trees and you need to nurture your smaller clients and help them grow their business and their wealth. In turn, they will want more of your services and refer new clients. On the subject of referrals, what are you doing to win more of them? Most firms simply hope clients will refer but 'hope' is not a proven marketing strategy. You need a system in place to encourage and monitor referrals and possibly reward your referral sources. Given most accountants feel uncomfortable asking for referrals, we have developed a range of tools to help you in this area.

While word of mouth referrals remain the most important source of growth for accountants, the next generation of business owners live on the internet, communicate using social media channels and Google is their best friend. They learn about most things online using their smart phones so a web based marketing strategy is essential. Incredibly, a lot of accounting firms still don't recognise the importance or value of a quality website. Statistically speaking, less than 30% of accountants have a website. Of the firms that have a website, 90% simply have an 'electronic billboard' with the 'who, what and where' of the practice. In my opinion, the primary purpose of an accountant's website is to generate new business but most accountants still don't believe in their pulling power. I just did a Google keyword search for the term, 'Accountant Essendon'. How many searches a month would you expect to find? The result was 170 searches or annualised, more than 2,000. Would you like to pick up 5% of them as clients? Ignore this on-line trend at your peril.

But do you need to grow the firm? Absolutely! Buyers are gravitating away from firms who are in fee decline and what impact will the introduction of standard deductions on some of the I Returns have on your fees in 2013 and beyond? You'll also find firms looking to buy accounting fees will shy away from practices with an ageing client base. You might need an injection of Gen X & Y business owners to appeal to these buyers. If the profile of your top 20 or 30 clients suggest the majority of them are also baby boomers, there is a danger that your fees could disintegrate over the next few years.

These facts probably explain why growth is now the number one issue for public accountants in Australia. Having said that, how is it that some firms are flat lining (or in decline) while others are growing at more than 30% per annum? My top clients are winning new business clients every week and tell me "small fish are sweet". They understand they are in a service industry and basically sell their time. They don't fuss about the size of the business client they are catching as long as they fully recover their time on the job.

They understand the importance of a web based marketing strategy and recognise the fact that you can only make a first impression once with a prospect. Increasingly your website will be the first thing people 'meet' and an amateurish website or no website at all is not the type of impression you want to make with a potential new client or employee. What do the 70% of firms without a website say when clients ask, "Do you have a website?" You can only tell them, "It's under construction" for so long before you look like a dinosaur and Gen X and Y will judge you in a blink of the eye.



If you are looking to rejuvenate your ageing client base you can't afford to be without a website that tells people who you are, what you offer and most importantly, why you should be their accountant. It's available 24/7 and gives you the opportunity to present your firm and the services you offer in the most positive light. However, it needs to be more than just a billboard and should 'talk' to your niche markets with highly relevant, quality content. When it comes to websites, content is king. If you produce great targeted content clients will come to you. Deliver great service and your clients will share your story and refer new clients. Make no mistake, creating a content rich website that targets niche markets is quite a process. It is not a marketing silver bullet that guarantees you \$20k, \$50k or \$100k of new business every year but without one you are not in the game.

Historically, firms looking for a quick fix have bought a website 'off the shelf' that contains nothing but a series of outbound links to the ATO website. These websites and billboards don't attract prospects and duplicate content is not going to help you get up the search engine rankings. Your website strategy should include differentiating yourself in a crowded market but these sites just bury you in a sea of sameness. Of course, once you build a website you need to be found using search engine optimisation (SEO) techniques. These include on page content and off page SEO such as building inbound links from 25 other websites and directories like Hotfrog and TrueLocal.

Given the shortage of accounting staff in the talent pool your website should also double as a recruitment tool. Let's be honest, without a website you have virtually no chance of attracting the best Generation X and Y candidates. Before they apply for an advertised position they will thoroughly review your website (including the partner and staff profiles) and check the careers section to see if you offer ongoing training and staff incentives. Your website must appeal to this demographic, send the right message, be up to date and sell the career benefits on offer.

If your current website isn't driving new business it's probably a template or static billboard. It's time for a new website. Firms who generate more than \$50k of new business each year from their website recognise the importance of having a blog, analytics, niche markets and the ability to edit their own website. These firms circulate their client newsletter through the email system in behind the website and have a process to convert website leads to appointments.

With more than 100 firms looking to buy fees in Victoria it's a very competitive market. I can assure you that vendors check a buyer's online credentials and if they find a billboard (or no website) it doesn't enhance your chances. Don't get me wrong, there is nothing wrong with buying fees as part of a growth strategy but spending several hundred thousand dollars is an expensive marketing campaign. My advice for practitioners in buying mode is make sure you invest in your own practice before you invest in someone else's!

While a website is a critical marketing tool for accountants, it is not a silver bullet. To be successful you need to understand that marketing is a process that requires a combination of tools, marketing strategies and people (who implement). We are offering a select number of clients a website that includes content for up to 10 niche industries and services. You can read all about that offering at <http://www.pjcammm.com.au/our-products/websites-for-accountants/>. If you're serious about growing your practice contact us today.



**Pat Camm**

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