



# The MARKETING Essentials



## For Accountants

**Published By**

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# Preface

To some extent, the introduction of GST has disguised the need for accountants to market their services. Overnight we saw a 30% increase in fees and the promise of a spike in profits and practice values. A decade later, the fairytale could yet turn into a nightmare for many baby boomer practitioners.

Let me explain...

The demographics of the profession suggest we can expect a flood of practices for sale over the next few years and many of these firms have an ageing client database. This could be a ticking 'time bomb' for the principals who are banking on the sale proceeds as part of their retirement plans. Who is going to buy an accounting practice where the top 30 clients are aged 55 over and generate more than 40 percent of the total fees?

Let's be honest, GST made most firms very busy but it hasn't translated into profit. Many firms are now compliance sweatshops characterised by a lack of capacity and systems, poor growth rates and no marketing plan. Their compliance emphasis means they generally offer very little job variety and their lower profits mean lower salaries so they struggle to attract quality Gen X and Y staff because their lower profits mean they offer lower salaries. The final nail in their coffin is they perceive websites to be a waste of money, not a recruitment or marketing tool. It's no coincidence that marketing has been on the bottom of their 'to do' lists for years but the truth is, marketing should never have been off their agenda.

2010 presents accountants with a great opportunity. Small business owners are looking to cut accounting costs and some will move 'downstream' from bigger firms while others will seek advice and strategies to restore their ailing cashflow and profits. As the economy rebounds we will see a surge in business start-up activity and property prices are fuelling renewed interest in the negative gearing of investment properties. This guide explores these niche areas and we have built specific tools to help you capitalise on the opportunities.



Marketing is all about growing the practice and attracting the right type of client but a word of warning. You need to be selective about the type of client you are targeting. Winning new, poor quality clients who bring 'computerised shoeboxes' to your table will make you and your team very busy, but they won't improve your profitability or practice value.

This introductory guide is really just the tip of the marketing iceberg. It details the marketing essentials for accounting firms in Australia and introduces some valuable tools to help you get traction with some popular niche markets. The contents have been extracted from 'The Accountant's Marketing Toolkit' that has been updated and will be re-released in April 2010. The kit contains marketing theory supported by numerous purpose built tools, templates, software programs, letters and checklists. Combining the strategies with the tools will help you develop your marketing plan and attract record levels of referrals and growth in 2010.



Remember, if you continue to do what you have always done, you will continue to get the same results. If you want to improve your practice efficiency, profitability and value contact us today because we are dedicated to 'Helping Accountants Succeed' in public practice.

*Pat Camm*



## Why You Need To Be Marketing NOW!

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While the primary purpose of marketing is to grow your practice through acquiring new clients, your marketing efforts should also let you broaden and deepen the services you provide to existing clients, improve the overall quality of clients and expand the base of preferred clients.

Your first marketing priority is to focus on client retention rather than client acquisition. Too often accountants spend time rolling out the red carpet for new clients at the expense of their existing clients. Start by focussing on your existing clients and what you can do for them so you attract more referrals.

Ironically, most accountants don't know how or when to ask for referrals and *hope* satisfied clients will simply refer their friends and small business colleagues. Hope is not an effective strategy and to maximise referrals it needs to be systemised and supported by tools that take the uncomfortable 'selling' feeling out of the process.

There are a number of dangers lurking below the surface for the huge number of baby boomer partners and principals due to retire over the next few years. For many, the value of their practice is a significant chunk of their retirement nest egg but the law of supply (that will increase dramatically) and demand could mean a decline in values. Let's examine some of the big issues.

Probably the biggest danger is the fact that firms have an ageing client base. Would you buy a practice where the top 30 clients are business owners aged over 55? This could mean more than 30% of the practice could disintegrate over the next few years. It devalues the practice and could lead to a much higher retention amount on sale. This is a wake up call for baby boomers, if you don't start appealing to the next generation of younger clients then a few years down the track you'll pay the price.

For this reason we explore three specific niche markets in this guide in a bid to inject some younger blood into your pipeline. Clearly, failure to appeal to Generation X and Y could prove costly.

Another emerging issue is the trend line for fees and profitability. Many baby boomers postponed their retirement plans in a bid to restore their superannuation balances that took a beating in 2008 and 2009. Accordingly, they are burnt out and no longer have the energy to grow the practice. The net result is usually a small decline in gross fees, profitability and referrals which is a cause of concern for prospective buyers.

The Henry Tax Review could present yet another problem for smaller firms who traditionally prepare a significant number of basic I returns. If the Government decide to abolish simple I returns it will impact on practice values with some firms losing up to 25% of their fee base.

There is no doubt 'compliance sweatshops' are also at risk because clients gravitate towards the pro-active, innovative and systemised firms who offer strategic business advisory services, run client seminars, adopt the latest technology (including a quality website) and regularly communicate with their clients. Having said that, it's never too late to start marketing but there is no silver bullet. Some of the concepts and tools mentioned in this guide provide an excellent starting point.

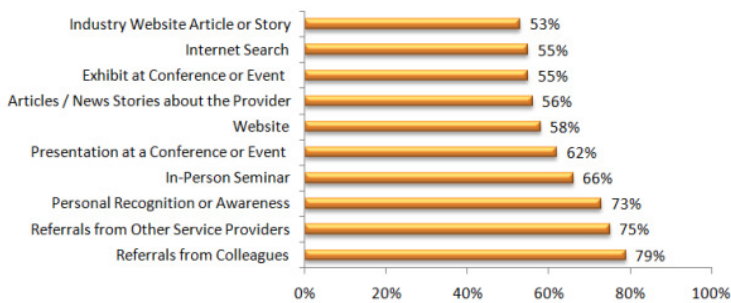


# Websites

You can only make a first impression once with a prospective client and increasingly your website will be the first thing people 'meet'. An amateurish website or no website at all is not the type of impression you want to make with a potential new business client or employee.

While word of mouth referrals remain the most important source of growth for accountants, a survey conducted by RainToday.com of more than 200 buyers responsible for purchasing more than \$1.7 billion in professional services suggest your internet marketing strategy has never been more important. In fact 3, of the top 10 ways clients now find and learn about you are online.

### Top 10 Ways Buyers Find Service Providers



Source: RainToday, How Clients Buy 2009 Benchmark Report, 2009



What will prospects find when they :

- Search in Google for the services you provide?
- Visit your website?
- Visit an industry website?

The data supports the fact that business owners are online searching for an accountant and a web presence is an absolute necessity for any accounting practice that wants to compete in the 21<sup>st</sup> century electronic business world. Of course, when they find you, do you have enough compelling information and content to hold their interest and want more?

The latest ABS statistics suggest 81.3% of businesses in Australia have internet access yet less than 10% of accounting firms have a website. Of those sites, at least 50% are simply electronic business cards that have no marketing content or focus. Clients expect their accountants to be IT savvy but what are 90% of firms saying to clients when they ask :

- Do you have a website?
- What's your web address?
- I'll check out your website

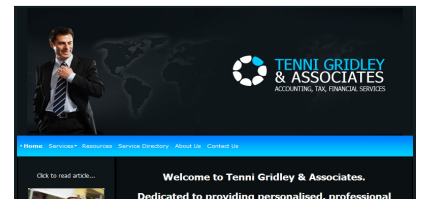
If you don't have a website you might feel quite uncomfortable with this line of questioning but your website is your marketing hub that should provide real value and information to both clients and visitors to the site, including any potential employees.

Your website should sell your services to potential clients and also offer benefits to existing clients. It tells people who you are, what you offer and most importantly, why you should be their accountant. It's easily accessible, available 24/7, highly visible and gives you the opportunity to present your firm and the services you offer in the most positive light. It needs to be more than just a billboard and 'talk' to your ideal client with relevant and quality content.

Your website should also double as a recruitment tool. With such a chronic shortage of quality people in the accounting pool you need to sell the firm to these candidates. The traditional employment ad is only marginally useful in today's competitive environment and without a website you have virtually no chance of attracting the best Generation X and Y candidates. They review your website before they even bother applying for an advertised position so your website must appeal to this demographic, send the right message and be constantly updated.

### Need A Website?

In conjunction with the Cashflow Manager group, we have produced a quality website full of content that targets specific niche markets



including tradesman, business start-ups and clients buying a negatively geared property. The website is generating leads and new clients so if your current website isn't generating new business then you've got the wrong website!

To increase traffic to your website and attract more new business it needs to have a marketing edge that tells prospects who you are, what you offer and most importantly, why you should be their accountant. This website showcases your expertise and 'sells' your full range of services.

It offers a choice of a dozen different 'skins' so your website aligns with your corporate colours and professional image. If you visit [www.yourfirmwebsite.com](http://www.yourfirmwebsite.com) you can view these skins and take a four minute video tour of the sample website. Simply download and complete the application form from the site and you can be live in just a few days. At only \$990 and \$49.50 per month you will have a quality website that will pay for itself many times over.

# Firm Brochure

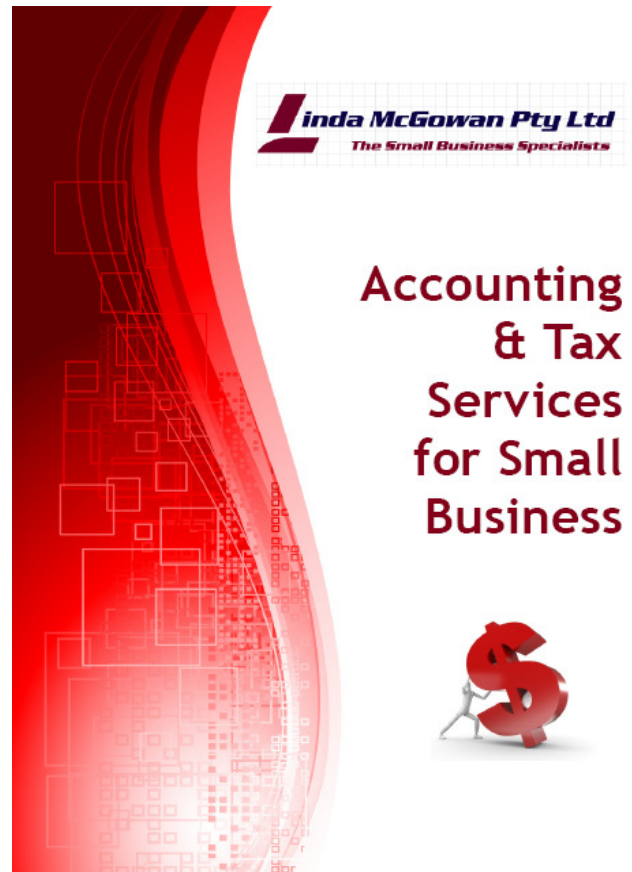
The phone rings. Good news ... it's a potential new client. You say, "Thanks for calling, I'll send you our brochure." Every firm needs to have a 'practice brochure' to send out to prospects that lists your service offerings and how you can help them.

While your website is a very important lead generator, it does require the potential client to sit in front of a computer. For some, this may be limited to work hours or they may be from a generation who prefer a hard copy brochure. As such, printed brochures remain useful and can also be used as hand outs at seminars, networking events and mail outs to target markets. They are also easier to find on a busy desk than a business card. They can be a silent salesperson continuing to promote your firm long after the client meeting when they are taken away to discuss with other decision makers. It therefore makes sense to have both an electronic and printed brochure to cater for the different client preferences.

First impressions count and your brochure may well be the first point of contact. If so, it needs to contain creative and compelling copy plus look professional. The mistake a lot of firms make is to create a very traditional practice brochure that talks about their wonderful commitment to customer service, their history and founders, the basic services they provide plus their location and contact details. Keep in mind that your potential client probably has similar brochures from other accounting firms that say the same things.

Traditional brochures are focused on 'what' the business does, or 'who' the people are, or 'where' the business is located. This is all useful information but it won't convince a potential new client to use your services. Your brochure needs to be different and should address the client's key concerns or needs and 'sell' the client benefits. Give them a reason to trust your expertise and demonstrate how they will benefit from using your services.

We have developed a practice brochure that is more than just a listing of the who, what and where of the firm. It can be customised with your firm logo and is suitable as a download from your website or emailing to prospective clients.



# Client Newsletters

Survey after survey confirms what savvy marketers already know – Newsletters work! They help to keep the firm top of mind plus build loyalty and goodwill. They are the perfect vehicle to alert clients to the range of services you offer and while they may not directly lead to an engagement or ‘sale’, they often prepare the way.

The challenge for many firms is maintaining an up-to-date database because you might have the most attractive and professional looking e-newsletter, but if it lands in the wrong inbox it is a wasted effort.

Your newsletter can introduce the firm to prospects and help you keep in touch with clients, referral sources and the media. They also help build new client relationships, retain existing clients and facilitate cross-selling and up-selling of your services.

A survey of 4,000 clients of financial services companies found that 83% read some or most of the articles. Most respondents took action after reading a newsletter with:

- 72% saving articles for future use
- 74% visiting the provider’s website
- 60% passing on an article to a friend
- 40% calling for more information

A report by the Direct Marketing Association indicate that newsletters are the best tool for developing new business ahead of seminars, workshops, cold sales letters and cold sales calls. Despite the popularity of email, print newsletters remain the preferred format and they have a longer shelf life than electronic newsletters. On the other hand, electronic newsletters cost less and are easier to distribute so you can issue them more frequently provided you have an accurate and up-to-date database.

Newsletters give referrers something to remember you by and share with their colleagues and friends. They are perfect for starting a conversation with clients and the content is obviously the key. Too many ‘off the shelf’ accounting and tax newsletters focus on case and tax law that are simply too technical or irrelevant. You need to combine relevance and education that highlight your skills and range of services.

If you aren’t using a newsletter both you and your clients are missing out. Theoretically you might be able to write and produce your own newsletter but it can be costly, difficult and time consuming. You lose valuable billable hours when writing newsletters and producing a well designed in house newsletter takes a lot more talent and resources than many firms have. Choosing topics, writing articles and managing production pose problems and can stop the newsletter going out.

## Need A Client Newsletter?

**On The Money** is a professional, high quality quarterly client newsletter that is designed to educate your clients about financial and money matters, how to grow their business and practical tax planning strategies. Unlike other newsletter subscription services it is not full of technical tax and legal content.

Customised with your logo it is a proven marketing tool primarily designed to alert your clients to the range of services you offer beyond compliance. Most importantly, it will drive clients back to you for advice. No doubt you have heard the age-old principle that ‘people love to buy but hate being sold to.’ Education based marketing is a powerful strategy that avoids the dangers of the ‘hard’ sell. **On The Money** is available to accountants for an annual fee of only \$154 per annum.



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### Become A Business Brain Surgeon

Are you working longer and taking home less than your staff? Are you working all hours of the day and night and still barely managing to keep your customers happy? Are you unable to delegate or outsource work to give you more time to work on your business? If the answer to any of these questions is yes, maybe its time you learnt what Brain Surgeons do.

Most business owners we talk to believe almost everything they do in their business, only they can do. They have learnt from experience if they give work to someone else, they mess it up. And then they spend twice as long fixing things. But this is not what Brain Surgeons do. When they operate on a patient, they are not in charge of the theatre - the theatre nurse is. They don't open up the patient, or close. They leave that to a junior surgeon. Everything is prepared for them, and someone else mops up the blood later. All they do is the brain surgery. And some marketing before hand (client needs), and afterwards (client satisfaction).

How is this possible?

Hospitals have very sophisticated systems, and everyone is highly trained in their use. There are checks and counter-checks. Nothing is left to chance. And the very expensive surgeon, the most highly trained person in the theatre, only does what he or she has been trained to do. They don't waste their time doing jobs others can do. In other words they don't spend dollar time on penny jobs. So the brain surgeon only does the brain surgery, and a bit of marketing.

This is, of course, a rather simplistic description of a brain surgeon's job. And I hasten to add an apology to any brain surgeons reading this if they feel insulted (after all, you never know I might need their services in the future: some might argue my need is immediate!) The point of this for business owners is to understand where the real brain surgery is in their business. The part of their job that is most valuable to the business. The part only they can do, which for most business owners, is only a very small part of their time.

Examples of brain surgery are: the marketing of your consultant, the analysis of the problem you have been And not the bookkeeping. So the challenge for bus Theoretically, everything else can and should be dele your business income.

A great theory, but how can you make this happen in 1

Business Systems. When you delegate or outsource, receive and what they will return to you, complete v all involved need training in the system. This takes s here.

The theatre nurse does not know how to do brain surgeon will need, and when they will need it. The Detailed procedures will have been developed to eve have optimised his or her time doing what they have t

When you know where the brain surgery is in your b

think with your customers, and more time working ON their runs without you.

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March 2009

### Government Stimulus Package

#### Investment Allowance For Small Business

To boost business investment the Government is providing an additional \$2.7 billion temporary tax break to business owners.

Small businesses (with a turnover of \$2 million a year or less) will be able to access the tax break for assets costing \$1000 or more, while larger businesses will qualify for asset purchases costing over \$10,000. Tangible depreciable assets include most types of plant and equipment, vehicles and other assets that are used by the businesses.

Under the plan:

- Businesses will receive an additional tax deduction equal to 30% of the cost of qualifying assets that are acquired from 13 December 2008 to 30 June 2009 so long as the asset is installed and ready for use before 30 June 2010.
- For assets acquired between 1 July 2009 and 31 December 2009 the deduction is 10% of the asset's cost. The assets must be installed and ready for use before 31 December 2010.
- The tax deduction is on top of the usual asset depreciation deduction.
- The tax break will be available for new expenditure on existing assets as well as for new assets. The assets must be used in Australia.

#### Individual Tax Bonus Payment: Do you qualify and how do you receive the benefit?

The Federal Government has also announced that many Australians will receive a one-off tax bonus payment from April 2009. The payment is part of the Government's \$42 billion economic stimulus package.

The amount of the bonus will depend on your taxable income:

- A \$900 bonus will be paid to taxpayers with a taxable income up to and including \$80,000
- A \$600 bonus will be paid to taxpayers with income between \$80,001 and \$90,000
- A \$250 bonus will be paid to taxpayers with income between \$90,001 and \$100,000

To be eligible you must be an Australian resident and have paid tax in 2007/08 taking into account tax offsets and imputation credits. The Taxation Office has a tax bonus calculator that you can use on their website at [www.ato.gov.au](http://www.ato.gov.au)

Payments of between \$900 and \$950 will also be made to:

- Single-income families who on February 3, 2009 were eligible for Family Tax Benefit Part B
- Families who on February 3, 2009 were eligible for Family Tax Benefit A
- Farmers and others who receive Exceptional Circumstances related income support
- Students and people outside the workforce who are returning to study or training

To qualify for the cash entitlement you need to lodge your 2008 and any outstanding prior year tax returns by June 30, 2009. If you haven't lodged your tax return you need to contact us immediately for an appointment.

The greatest compliment we receive from our clients is the referral of their friends, family and small business colleagues. Thank you for your trust.

# Targeting Niche Markets

One of the most successful marketing strategies for accountants is to identify and pursue a target market. Once you have established yourself as a specialist within a particular industry or subject matter then referrals will usually flow. Sometimes this can occur naturally within your practice - a plumbing client refers another plumber who in turn refers another one.

Your niche market may be industry based (trades people, doctors, franchises, etc.) or service based (business start ups, clients buying a negatively geared property) and ideally you should have both on the radar. In this guide we will explore 3 common niche markets for accountants (trades people, business start ups and clients buying a negatively geared property) and introduce several tools to help you get some traction.

As previously mentioned, e-brochures are effective and we recommend you have a brochure dedicated to each of your niches. They can be downloaded from your website or emailed to your prospects. We have produced separate brochures for each of the following niche areas.



There are so many ways to draw attention to your areas of expertise. The very best way to establish yourself as an expert is to write and speak on your topic in places where your prospects will see you so consider writing articles in trade journals and presenting at industry conferences and seminars. Consider providing content and ideas to trade associations, websites and publications frequented by your target market in exchange for visibility and credibility.

Another tool that can be used to establish credibility with your niche market is an e-booklet. It can be downloaded from your website and for example, we have produced the "11 Things Every Trades Person Needs To Know about Tax".

Most importantly, harness the power of the internet and your website. Website content is a key ingredient of the niche strategy. You should send a clear message on your home page supported by relevant and informative content that 'talks' to your target market. Visitors to your site should get the impression that you understand their business or industry. The secret is to educate readers but leave them wanting more so they contact you. The website we have built includes content for all 3 niches on the radar.



## Small Business is Our Passion

We are not your average accounting firm that just keeps the score. Our goal is to help you build a better, more profitable and valuable business by combining the knowledge of your business with our consulting tools and expertise.



Seminars are also up the top of the list of effective marketing strategies for niche areas. They create instant credibility and are the perfect forum to promote your expertise in an industry or a specific service. We have developed several seminar packages (including client invitation letters, promotional flyers, PowerPoint presentations and handout materials) on topics including business start ups and buying a negatively geared property.

Of course, attracting prospects is one thing but to really get traction with a niche market you need to deliver quality professional advice and supporting educational materials that reinforce your expertise in the industry or area. Business Start Up Manager and Negative Gearing Manager are two very effective software tools available to accountants that we will explore in this guide.

# Targeting Niche Markets

## Business Start Up Manager

'Business Start-Up Manager' provides an electronic checklist of topics to cover during the client meeting. By simply ticking the appropriate boxes it automatically generates a detailed 4-5 page letter of advice. At the click of a button you can also generate your tax invoice for the consultation and a summary of the business structure

At the end of the meeting what do your clients leave your office with? Most firms suggest their clients leave empty handed or with just a photocopy of your scribbled notes. To complement the software we have also published a 44 page booklet that answers all your client's questions about starting or buying a business. It covers topics such as business structures, tax registrations, insurances, accounting software options, employing staff, legal issues, working from home and preparation of a business plan and cash flow budget.



Combine Business Start-Up Manager with the booklet and you have a systemised approach that guarantees that you (and your staff) have covered all the key start up issues. Your client leaves the meeting with a tangible and valuable booklet they can refer to at their convenience. At a mouse click you then can send them a detailed letter of advice.

## Negative Gearing Manager

How many times have you sat down with a client to discuss the tax implications of buying an investment property? The answer is probably dozens, if not a hundred times for baby boomer principals.

At the client meeting you probably provide the client with an overview of how negative gearing works and based on a number of assumptions you prepare a draft profit and loss statement. You break the cost of ownership down to a weekly figure based on the client's marginal tax rate but what do they leave your office with and how much do you charge for the consultation? Our research suggests, in both instances, probably not much. They might get a photocopy of your scribbled notes or the draft profit and loss statement but not much else.

Negative Gearing Manager lets you systematically input the property variables including the purchase price, loan amount, mortgage rate, rental income and annual running costs to produce a profit and loss report. You select the preferred ownership structure (including provision for different ownership percentages) and enter each owner's current taxable income. The program then automatically generates a detailed letter of advice which embeds a number of analytical graphs and tables including calculations of the after tax cost of ownership. Supporting reports including a 25 year profit and loss, cashflow and equity forecast are also available as attachments to the letter.

To complement the software we have also published a 44 page booklet, The Complete Guide to Buying a Negatively Geared Property that answers all your clients' questions regarding buying, maintaining and selling a property. They can also be a marketing tool with your firm name, logo and contact details printed on the front cover. Clients will now leave the meeting with a tangible booklet that adds value to the consultation.

The software and booklet provide a systemised approach to clients buying an investment property and it offers consistency of advice, quality control and improves the value of the consultation. Providing written advice reduces the risk of future litigation, is a major point of difference to other firms and also improves the chances of future referrals. If your website and brochure promote the firm as a negative gearing specialist then these tools will reinforce your expertise.