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# MOTIVATING PARTNERS TO MARKETING ACTION

"How can I get our partners to market the firm's services?" "Why can't we get our partners to do anything?" Time and again, we find that managing partners, marketing directors, and fellow partners are looking for something that will propel marketing-averse partners into producing business for the firm. This article is based on conversations with the partners of CPA firms across the country. It will review what really holds partners back from bringing in business, and discuss ways to break down these barriers and get partners into marketing action.

The bad news about getting partners to sell is that change requires a process; it is not a one-time event. Spending a fortune on advertising, brochures, and on grandiose marketing strategies has yet to prove effective in producing significant amounts of new business for professional firms. In selling professional services, it all boils down to the individual, no matter if one works for a well-known firm or is a sole practitioner. The good news is that even the least likely partner can produce some business for the firm, provided there is a structure in place to nurture, develop, reward, and allow the freedom necessary to create business.

Let's look at why many partners don't actively market their firms:

☐ *No time.* This is a major complaint of many partners. If you talk to the best business-generators in the profession, however, they will tell you it is an excuse. Unfortunately, such is the nature of our vocation, that unlike salespeople, who presumably are selling full time, we have clients who need services. Many partners work 500 or more hours of overtime per year.

☐ *They don't like selling.* The reason I became a practicing CPA was so I would not have to sell for a living, but would be able to rely on my professional skills and expertise. Let's face it, partners see themselves as expert technicians, rather than as marketers.

☐ *They presume that clients know what they need and will come to them when they need it.* CPAs often rely on their clients' ability to diagnose their own business needs instead of helping them. Others think clients might be offended if they ask for more business or cross-sell the firm's services.

☐ *No set plan of action.* Many CPAs don't give practice development a second thought. They are too involved in the day-to-day operations of their firms to focus on building them.

☐ *The firm has no goals for creating more business.* Many firms are comfortable with their existing client base. Others lack vision at the top to help move the organization into a committed marketing direction. Sometimes, firms give lip service to marketing and selling, but have never created a consensus amongst the partnership that business development is vital.

☐ *No recognition for it.* Partners are less motivated by money than most people think. They are usually quite well compensated. The rainmakers usually produce because they are the heroes in their firms. Firms that don't glorify their business developers often find they cannot motivate partners into marketing action.

☐ *They are not held accountable.* Partners don't bring in business because there is no penalty for not doing so. They expect the rainmakers to.

☐ *They don't know how to market and sell effec-*

**What's Inside...**

*tively within their own personality styles.* Many firms have attempted sales training programs with disastrous or no results. The reasons are that the characteristics of good salespeople (being positive, enthusiastic, and persuasive) are often the exact opposite of many partners' personalities. Trying to get CPAs to apply the techniques used to sell tangibles to selling professional services results in resistance and confusion.

- ☐ *Fear of failure is too great.* CPAs tend to be risk-averse. Success at marketing, selling, and business development, however, requires risking failure. There is also risk attached to bringing in another firm member to cross-sell services in case it results in damage to the client-partner relationship.

Following is the process that we recommend to get partners into marketing action.

**Preliminary steps to implementation**

Realize that you cannot change people. A forty-five-year-old, reserved person is not going to become outgoing and enthusiastic. Nevertheless, CPAs have the ideal professional skills needed to succeed at marketing services. They are already expert diagnosticians who can be trained to match prospective clients to their firms' services. Don't try to correct the problems all at once, however.

**Organizational steps to implementation**

You must obtain a group consensus and commitment to the process. Hold a partners' meeting at a location removed from the distractions of the workplace, circulate advertising materials produced by other accounting firms, and have the partners discuss how the firm's best clients are being pursued by other firms. If the partners cannot agree on and commit to participating in a program that will contribute to their firm's survival and growth, as well as fund their retirement packages, there is no point in continuing the process.

Set an overall goal for the firm for a one-year period only. This should be an ambitious goal, but sufficiently realistic that partners can commit to their share of it. Even partners who have never brought in any business can commit to something small enough—$2,500 in new business, for example. The idea is to get everyone moving in the same direction.

Set time budgets for quarterly progress reviews by the partner in charge. The managing partner or the partner in charge must be involved in the review for the process to work. Create penalties for inaction. Have the partners set their own penalties for failure to participate in the business development program. Similarly, have them set their own rewards for accomplishment.

**Action steps for fulfillment**

- ☐ *Invest in partners' skills.* There should be an ongoing program to involve partners and help them learn about marketing and selling professional services.
- ☐ *Train them incrementally.* The first steps in individual marketing and selling should be small. Introduce partners slowly to taking risks. Allow them to enjoy some early successes so that they attempt more later.
- ☐ *Hire professionals to teach partners the skills.* Partners are more likely to listen to people from outside the firm who have demonstrated success at selling professional services, than they are to firm personnel who have not.
- ☐ *Publicize practice development efforts.* Put up posters, bulletins, charts, etc. Get the word out about who is bringing in business.
- ☐ *Never involve partners in high-risk marketing.* There is no better way to ruin a marketing effort than to have partners engage in cold solicitation of business. Instead, look within your present client base for referrals and more business.
- ☐ *Open up more time for partners to market.* Suggest they take clients and referral sources to lunch rather than having lunch alone or with co-workers. This is the ideal marketing time for professionals and won't impair their billable hours.
- ☐ *Reward firm promotion.* There should be special awards given to business developers at the manager and partner level. These could

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include a limited amount of time off during the busy season, vacation bonuses with spouses, and special events given in their names. The idea should be to set the business developers apart, to have others in the firm notice the recognition given, so that they will strive to make similar efforts to achieve the same for themselves.

- ☐ *Never use a rah-rah motivational approach.* Motivate by letting partners see the possibilities of the firm they can help create. Provide new marketing ideas for discussion.
- ☐ *Have them subscribe to the notion that they are capable of selling.* Remind them that they already sell clients their ideas and that they sold the firm on making them partners. Hold regular meetings to discuss selling and closing strategies.

Decide now that the ability to develop new business will be a requirement for future admittance to the partnership. Avoid the pitfalls involved in trying to move future partners into marketing activities by setting up training programs now that will help individuals develop business before they become partners.

Our profession is moving on a course that makes practice development skills a necessity for the partners of local firms. Moving partners into marketing action isn't easy, but it is possible. In fact, there are no alternatives. ☑

*—by* **Allan S. Boress, CPA,** *SAGE, Inc., 120 S. Riverside Plaza, 15th Floor, Chicago, Illinois 60606, tel. (312) 346-8850*

## AICPA Small Firm Conference Set

The AICPA Small Firm Conference, which focuses on the needs of sole practitioners and managing partners of small firms (up to four partners), will be held on August 15–17 in Boston, Massachusetts, and on October 31–November 2 in San Diego, California.

Discussion topics include increasing firm profits, turning clients into cheerleaders, setting long-term priorities in a changing profession, specialization for the small firm, increasing productivity through time management and delegation, billing and collection, merger opportunities, and partner compensation. The program includes two optional evening sessions—"30-Minute MAP" and a practice management discussion.

For more information, contact the AICPA practice management division: (212) 575-3814.

## Publishing a Client Newsletter

In discussions with other CPAs at various continuing professional education seminars around the country, I discovered that relatively few firms produce their own client newsletters. There seems to be an attitude that such an undertaking is overwhelming. I believe, however, that any firm with word processing software and a letter-quality or laser printer can produce a first-class client newsletter.

We began a monthly client newsletter when our firm, Snyder, Scheffler, Scherer & Fast, had a total staff of twenty people. We printed fewer than 800 copies a month then, and used only word processing software. Today, three years later, we use desktop publishing equipment and have added two industry-specific monthly inserts for healthcare institutions and agribusinesses. We now mail more than 6,000 copies per month to three separate mailing lists. The newsletter has become a critical part of our marketing efforts, and we can identify clients that have come to us with no contact or referral other than its receipt.

The key to a successful publication is to keep the format and articles as simple as possible. We have changed the format of our publication twice in three years (see the chart on page 6) in the interest of simplification and flexibility.

The first step in designing a newsletter is to develop a name and banner. The banner is that portion of the front page that graphically presents the publication's name, and may include the firm's logo and other information. Choosing a name could be a staff contest—an excellent way to make the staff newsletter-oriented early in the process.

Lack of articles seems to be the biggest fear to producing an in-house publication. While this reservation is realistic, it is our experience that potential contributors often have more trouble thinking of a topic than actually writing the article. Compiling a list of topics provides more impetus than anything else for maintaining a stockpile of staff-prepared articles.

Ideas for articles come from various sources. Many CPAs trade newsletters with other firms to obtain ideas and often use each other's articles, crediting the source where appropriate. National conferences are excellent places to find CPAs willing to trade publications.

The financial and trade publications CPAs read regularly are full of topics that could be adapted and rewritten for a newsletter. In addition, clients often ask questions that have general application and can be turned into an informative article. Staff members are also a fertile source of topics. While our

*(Continued on page 6)*

## How to Benefit from Your Quality Review

I recently attended an AICPA seminar "How to Conduct a Peer Review." Afterwards, I concluded that there may be some misunderstandings about the process, and thought I would write the following in an attempt to clear up a few issues and also to offer some positive input.

Peer review is not new, of course. The peer review program has been in existence for over twelve years, with significant benefits realized by the participants. What is new are the mandatory quality review requirements. This program, too, can be beneficial, to the point that the benefits will exceed the costs involved for firms that approach their reviews with the proper attitude.

One of the foremost points to keep in mind is that we all may choose our own reviewers. This is a critical element to success. To a certain extent, reviewers can and should be our advocates. We should select them, therefore, as carefully as we choose any other professionals who perform services for us. Looking at the quality review program positively, we really hire reviewers to

- ☐ Make sure we are conforming with professional standards.
- ☐ Act as independent consultants to assist us in improving our operations and procedures.

If we hire reviewers who are knowledgeable and experienced, both in the review process and in our specific areas of practice, the benefits obtained from quality review should far exceed the costs.

Rather than viewing the process negatively, putting off the review as long as possible, and settling for the lowest-cost arrangement, it is far better to take a positive approach.

Schedule the review as soon as it is practical. Consider a confidential consulting review prior to the actual review if this will ease any anxiety. Then, spend the necessary time preparing for the review. Hire the right reviewers, work with them, and follow up on comments made. Firms that do this will find they gain from the process.

In fact, I have been involved with this process, both as reviewer and as reviewee, and I have yet to come across a situation where both parties did not benefit. ☑

*—by* **Ronald D. Bouska, CPA,** *Commerce Plaza, 401 East Douglas, Suite 3, Wichita, Kansas 67202*

*Editor's note: In a future article, Dale E. Rafal, CPA, vice president–quality review at the Institute, will describe some of the requirements and procedures of an on-site quality review.*

## Turning Telephone Calls into Cash

It has always been standard practice in our firm not to charge for short telephone calls, and we let our clients know that. This encourages them to call when they have a problem. The problem then does not get "buried" in the books only to be discovered later through the tedious process of reconciling account balances. The same goes for tax questions.

There are also client relation benefits to this practice. Our clients feel we are accessible to them, that their questions are important, and, thus, that *they* are important to us.

There seems to be only one drawback to this policy. No matter how long we talk together, the client always considers it to be a "short" phone call. Occasionally, I have received a negative response when I have attempted to bill a half-hour phone conversation.

To overcome this difficulty, we developed a follow-up memorandum which we fill out on each phone conversation we plan to bill (see page 5). It records the questions asked and the solutions we have suggested, and includes sections for specific instructions to the client and the member of our staff. The memorandum is printed on two-part NCR paper which allows us to mail one copy to the client and to file the other. Since we began this process of notifying clients of the service provided, we have had no complaints about billing for telephone calls.

### Other practical uses

During the recent tax planning season, we made use of the forms for in-office consultations as well. In the memo section, we briefly detailed the current tax status. In the to-do sections, we discussed tax planning moves to be made before year-end. Then we attached a copy of our tax planning software summary printout.

This is the first year we have done this, and the results have been excellent. The clients had a clearer picture of the actual tax savings involved and of what tax liability would be owed. They also knew what they needed to do before December 31.

From the firm's standpoint, we know exactly what we recommended and the results we expected to attain. Several clients have called back about altered circumstances after the initial planning session. Revising the plan was a snap.

If you are not billing for those "short" phone calls but wish you could, or if you are not comfortable with your current documentation practices for informal client meetings, you might try this simple solution. It works for us. ☑

*—by* **J. Terry Dodds, CPA,** *397 Blue Lakes Boulevard North, Twin Falls, Idaho 83301*

# FOLLOW-UP MEMO

Client ______________________________ Date ____________

In our office ____________ Client's office ____________ Telephone ____________

Consultation between ____________________ and ____________________

Regarding ________________________________________

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**Memo:**

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**To Do - You:**

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**To Do - Us:**

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**Client Newsletter** *(continued from page 3)*

firm expects every employee to participate regularly, several are quite prolific.

Few accountants are good writers, so most submissions must be corrected, dressed up, or focused. A manager or partner should edit each draft for technical accuracy and adherence to firm philosophy, and someone expert at grammar and punctuation should review each piece, regardless of the author's level in the firm. A freelance writer or a faculty member of the local college English department can do the job in a few hours a month for a reasonable fee.

Remember, the key is keeping articles brief. Three short pieces are better than one long one. Each article should also be written so it can be understood by everyone. Never mention an Internal Revenue Code section or use similar technical phraseology. Tax and accounting topics have their place, but their use should be limited. General business subjects have wider appeal and build a diverse readership. Definitely include articles about the firm, its services, and staff.

Photographs, artwork, and open space—"white space"—make a newsletter look attractive and make it easier to read. Members of the firm who are good at photography can take black-and-white photographs suitable for publication. The printer can insert these and artwork in spaces left for that purpose. In addition, printers sometimes have books of clip art that can be used.

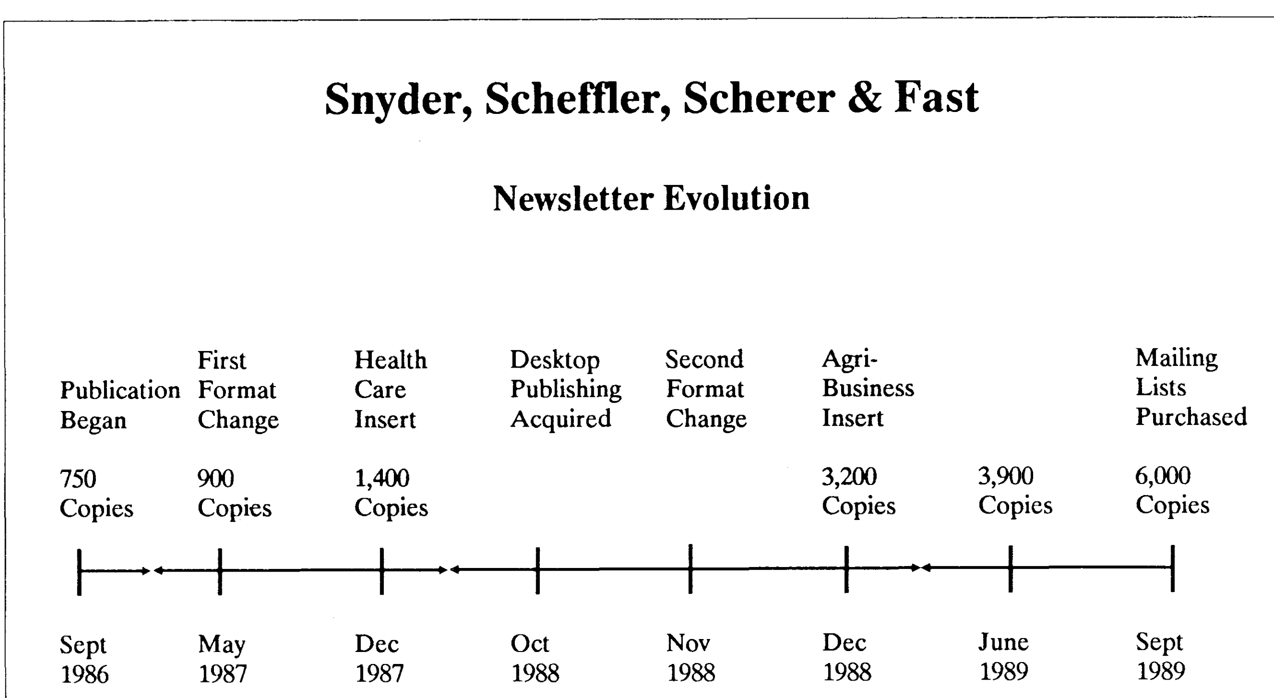
With a little practice, a word processing operator can submit ready-to-print copy. When desktop publishing equipment is acquired, the operator can assume many of the typesetter's functions, including placement of artwork and pictures, and the shading and sizing of headlines. Desktop publishing also allows use of spreadsheet files, graphs, and other artwork. A scanner is necessary for direct use of photographs or independently produced artwork.

One- or two-day seminars devoted to newsletter production are offered around the country on a regular basis. Attending one of these, a word processing operator could learn layout, style, and many other tips that result in an attractive newsletter. Our word processor attended a seminar sponsored by the Business and Professional Research Institute (1-800-222-2921) which cost less than $300.

Many firms send their newsletters by first-class mail. We have always used a bulk-rate permit. The cost is slightly more than half the first-class rate and the newsletter arrives at the same time or within a few days of a first-class mailing. Depending on the amount of sorting and handling assumed, the savings can be as much as $.114 per copy, which is significant when thousands are mailed monthly.

Printing costs less than $.17 per copy for the four-page issue, three-hole punched, and folded for mailing. The industry-specific inserts add $.05 per copy. We have a six-month supply of the newsletter base with banner, masthead, and artwork printed in the firm's colors. The articles for each issue are then printed in black ink on this base.

A mailing list can be compiled from current clients, target clients, and referral sources. Our firm



includes names from trade association membership rosters and purchased lists in target industries. Considering the type and quality of exposure gained for less than $.30 per month, we have followed the philosophy of including even marginal prospects on our mailing list. New clients come from the most unlikely sources.

The most important requirement for a successful newsletter is a mentor within the firm. He or she should be an owner or manager who views the publication as an important and necessary part of the marketing effort. The mentor will probably also be the editor and may occasionally have to write a last-minute article. This person must be willing to devote the time needed to get the newsletter out on schedule every month.

Most firms have the resources to publish a client newsletter. If a monthly publication seems to be too large a commitment, start with a quarterly version. Recognition of your firm's name and depth of services will grow with each issue. When knowledge of your firm and its capabilities spreads, expansion of the client list will soon follow. ☑

*—by* **David L. Scheffler, CPA,** *Snyder, Scheffler, Scherer & Fast, Inc., 110 East Main Street, Lancaster, Ohio 43130-0765*

## AICPA National Practice Management Conferences Set

This year, the AICPA management of an accounting practice committee will again present a summer and a fall conference geared to managing a local firm. Both two-and-a-half-day programs will feature presentations, panel responses, small-group discussions, question-and-answer periods, and an optional evening session.

The summer program will be held on July 16–18 at Caesar's Palace in Las Vegas, Nevada. Topics include navigating the 1990s, managing firm profitability, managing the new professional, marketing, billing and collection, interview skills, adding a partner for the right reasons, the role of the firm administrator, and evaluating partner performance.

The fall program will be held on October 8–10 at the Fairmont Hotel in Chicago, Illinois. Topics include developing the partnership team, staffing issues, the excellent employer, keys to marketing your firm, financial management and controls, and the liability crisis.

For more information, contact the AICPA practice management division: (212) 575-3814.

## Questions for the Speaker (Fees and Billing)

One of the benefits of attending practice management and small firm conferences is being able to ask the speakers, panelists, and other participants about their solutions to specific practice problems. The questions usually cover a wide range of topics concerning firm management, partnership and personnel issues, and practice development ideas.

At various conferences, participants have asked about billing for computer time and whether anyone knows of a formula that can be used. Others questioned how to involve staff in the billing process, and at what stage in someone's career this should begin. We asked our editorial advisers for their thoughts on these questions.

David A. Werbelow, who practices in Pasadena, California, says that while the partner in charge should have the final word, staff should be involved in a bill's preparation. He suggests that a staff member with two or more years of experience could recommend the bill amount, and also write the appropriate detail narrative. He says Martin Werbelow & Co. does not have a formula for billing computer time.

Mesarvey, Russell & Co., a Springfield, Ohio, CPA firm, does not use a formula either, but, at the time the question was asked, billed $20 per hour for computer time. Ronald C. Russell, partner of the firm, believes that staff members should be involved in the billing process as early in their careers as possible. He thinks that staff members spending most of their time on a particular job should prepare the billing after comparison to the estimate for the job. The bill would then go to the partner in charge of that job and subsequently to a second partner for review.

Sidney F. Jarrow, an Elmhurst, Illinois, CPA, suggests computer time should be billed out at a rate per hour for the operator, taking into consideration hardware and software costs. Regarding who should prepare the bill—if the partner does not—he says, "Leave people on the job if they do it well and tend not to write down to the same degree partners do." He believes staff should prepare the bill and the partner review it, and that any level of staff can be involved in billing.

Richard A. Berenson, a New York City practitioner, says, "We have no formula for billing clients for computer time. At this point, we bill the time spent by the person operating the computer." Berenson, Berenson, Adler & Company uses computers for forecasting and special work, and Mr. Berenson, partner in the firm, says managers are involved in client billing and should maintain some responsibility for collection, too. ☑

## Some Thoughts for Today

Yesterday is history and tomorrow, a mystery. Today, therefore, is the most important time in our lives. It is the only time when we are truly living.

If our attention is focused primarily on reviewing yesterday, or if our energies are too directed at planning for tomorrow, how can we possibly experience and enjoy the full measure of today? Which is more important—to anticipate a moment, to remember it, or to fully live it?

The key is to savor each of these dimensions as it occurs daily. Too often we miss the living of the present moment as a result of our focus on the past or future.

Those of us in business sometimes get so locked into achieving next year's goals that we lose sight of this year's real living. Consequently, instead of earning a living, we slip into earning an earning. Too many of us in business know more about generating and protecting money than we do about using and enjoying it. Thus, when it comes to relaxing, sharing, and enjoying life, we are unable to do so.

So think, create, act, and relish today, because yesterday is a memory and tomorrow but a dream. Today, well lived, makes our memories full of happiness and our dreams full of hope. ☑

*—by* **Mike McCaffery,** *Mike McCaffery & Associates, P.O. Box 4101, Laguna Beach, California 92652, tel. (714) 497-6616*

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