How to Deepen Relationships and Build New Ones during Busy Season

Deepening business relationships and building new ones is a matter of understanding client expectations and exceeding them. Although difficult to do in general and more difficult during busy season, this paper offers insights on how to define these expectations and tools to help you exceed them.

Introduction

When was the last time you went out to dinner, had some work performed on your house, or worked with another company where at the end you said, "Wow! They really exceeded my expectations!"

It's sad to know that we don't say this enough. In fact, our expectations are generally low for most of what we receive. Now put yourself in the seat of the CEO, CFO or the individual responsible for retaining your firm to conduct the annual review, audit, compilation or tax returns. What are their expectations? Are they higher than yours when you work with another company? At the end of your project is this person saying, "I received what I expected." or is she saying, "Wow! They were really great! I need to tell everyone about this firm!"

If you want to deepen your relationships with your existing clients and build new ones, exceeding expectations is definitely one way to accomplish it. Since most CPA firms typically conduct one client project each year, which we know as 'busy season', this is really the only time you have to exceed their expectations even though you'd prefer it not to be at this time. In this paper, you will learn how to better understand your clients' expectations, how to exceed them, and how to use this deepened relationship to uncover new projects and clients.

Define Your Growth Goals

Before you jump into exceeding client expectations, because it is typically impractical to try to exceed every client's expectations, it is important to define which and how many clients' expectations you should exceed. This is dependent on the growth goals of the firm and the clients which can facilitate this growth.

If your firm's goal is to increase revenues from their traditional services within their existing clients, then targeting some of the firm's larger clients or clients where you know they need or could use other services provided by your firm would be made. An example would be a firm where you conduct their audit but do not provide any tax services. If your firm wanted to introduce some new services like payroll processing or information technology support then there may be different firms you would target. If you wanted to expand your services within a specific industry segment then you might not target your clients in that industry as they may be wary of introducing you to their competitors let alone not wanting you to work for them.

In order to be more specific in defining your firm's growth goals, they should be quantified in the number of new clients and projects you want to win and the revenues and realization on these new projects. A chart below shows one example of how this can be defined.

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In this example, a firm has decided it wants to grow by $100,000 and that 45% of this growth, or $45,000 in revenues, should come from existing customer and service offerings (quadrant 1) while 35% should come from introducing new services to existing clients (quadrant 3) and 20% should come from selling existing services to new clients (quadrant 2).

	Existing Customers/ Markets	New Customers/ Markets
Existing Products/ Services	1 Market Penetration 45% $45,000	2 Market Development 20% $20,000
New Product/ Services	3 Service Development 35% $35,000	4 Diversification 0%

Having now defined where the firm's growth should come from, and knowing the average revenues for each project or client, you can determine how many projects or clients are needed to achieve the firm's goals. For this example, let's assume the average project generates $10,000 in revenues and the average client generates $15,000 in revenues. That would require the firm to generate almost 5 new projects from existing clients in quadrant 1 ($45,000 / $10,000), almost 4 new services projects from existing clients from quadrant 3 and just over 1 new client in quadrant 2 ($20,000 / $15,000). Based on your success rate in winning new business you would then identify how many relationships you'd need to try to exceed the expectations on to achieve these new client and project goals.

Defining and Aligning Expectation

Do you know specifically the expectations of each client? Which ones just want you to complete your work as quick as possible and bill them as little as possible even if you could identify ways to save them money? Which ones expect you to go beyond the agreed upon scope of work and identify ways to save them money, but not charge them for this time? If you try to exceed a client's expectations who really doesn't want them exceeded, or exceed them in ways they are not interested in, you'll be wasting your time and possibly upsetting a customer. For example, imagine a rental car company who believes it can exceed customer expectations by walking each customer to his car, walking around the car with the customer to note any scratches or dents and explaining all the controls within the car before they leave. If this customer was new to renting cars then this might exceed their expectations, but if the customer is a busy business traveler who knows what to do and just wants to get on the road quickly, then the car rental company has upset the customer rather than exceeded expectations.

Your clients have hired you for different reasons and if you haven't spoken with them lately about specifically what they'd like to receive from you, then you probably don't know their real expectations. The best way to identify their expectations is simply to ask them and before busy season is the best time to do this.

If you don't conduct pre-planning sessions with your key clients before commencing your project then now is the time to start. If you do conduct pre-planning sessions then you can simply include these questions into the process. For this example, we'll assume you do not conduct these pre-planning sessions to walk you through the entire process.

A month or two before your project is planned to start, contact the key decision maker at your client and explain to them that you'd like to schedule a pre-planning meeting to review the scope of work, understand any business events over the year which may impact the project, and to outline the project schedule so it can be conducted as efficiently as possible.

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At this meeting you will ask questions about the project scope etc. but just before ending you will ask some of the following questions to receive a better understanding of their expectations.

1. When you hired us X years ago, what were you expecting from us? (try to get him to be as specific as possible — identify tax savings opportunities, completing the project for $Y.)

2. On a scale of 1 to 10, with 10 meaning we exceeded your expectations, how did we score?

3. Where didn't we meet your expectations and specifically what would you have liked to have seen (assuming you didn't receive a score of 10)

4. If we were to complete or conduct what you mentioned above would we then have exceeded your expectations? (some people simply are never satisfied or don't give out 10s so its wise to see how they would score you in advance.)

5. What are the top three challenges you are facing in your department or as a company? (ask follow on questions to really understand and define these challenges.)

6. If we were to offer you a special complimentary benchmarking report, employee survey, executive behavioral profile or (add solutions to challenges mentioned in question 5), would you want to hear more about what we would provide? (the goal here is to see if providing these special offers would allow you to exceed his expectations)

Throughout this questioning the client will probably ask why you are asking these questions and why you're offering this complimentary project. This is your opening to mention that the firm is trying to add new clients and projects and that they have been selected as one of the clients to invest in hoping this investment would provide a return to the firm. You can then ask directly if you did conduct a special project for them, and exceeded their expectations, would they potentially hire you to implement the recommendations or at least introduce them to another executive who might be interested in your services.

Each client has different expectations on what they want or expect from you. The better you understand these expectations the better you can exceed them and grow your business.

Tools and Techniques to Exceed Expectations

Here are some fairly simple tools which you can use to provide some additional value to your clients without too much of an investment in time or money.

Financial Trending: Typically if a CPA firm is providing a review or audit, the firm provides an 'annual report' or similar report summarizing the company's financial results. These summaries typically show the current year results, previous year results and variances. Although a current and previous year analysis is helpful, longer term trends really provide insights into the performance of the company.

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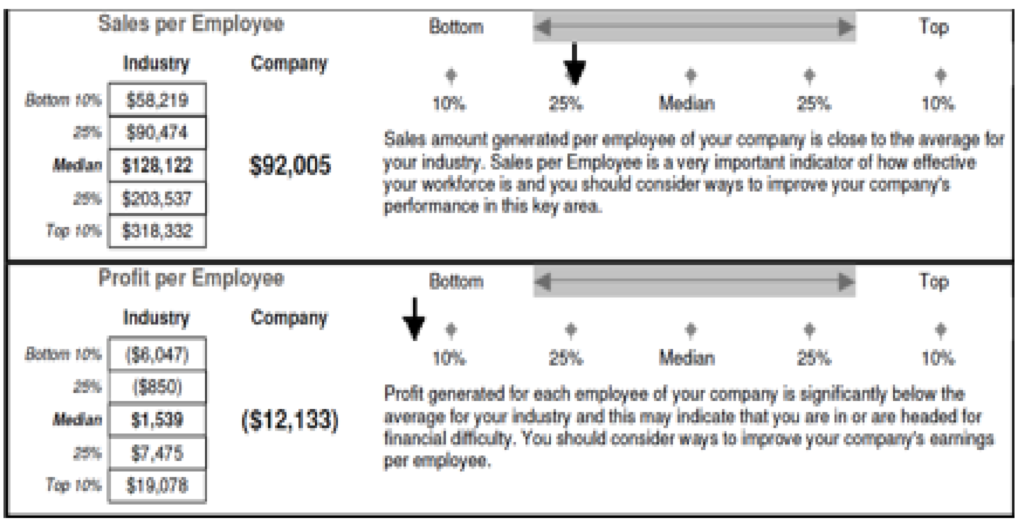
Since most CPA firms have been servicing their clients for at least three years, providing trend analysis is simply obtaining the data and creating the charts. Some of the charts that should provide more insight and value are:

- Revenue growth percent: the percent of revenue growth year over year. As a company adds $1M in revenue when it's smaller, growth may equate to 5% one year but only contribute to 2% when the company is larger.
- Net income percent growth: the percent of net income growth year over year. Is the company growing its profits while also growing revenues?
- Net income per employee: net income dollars divided by the number of full time equivalent employees. Is the company producing more with less?

Benchmark Analysis: Executives are always wondering how they compare to other similar companies but the challenge has mostly been finding comparable benchmarks specifically for private companies. There are a few on-line tools which allow you to enter a company's financial information then select specific SIC or NAICS codes to compare these financials to. You can then receive comparisons on your client's profitability, liquidity, asset efficiency and growth. These results are typically provided in a graphical form which makes presenting to the client very easy. A sample chart is below.



Roundtable Discussions

Many business owners and executives love hearing from other successful executives on the challenges they are facing and how they may have overcome these challenges. They also appreciate hearing from experts on particular topics of interest. As a firm who services many different companies, you could facilitate roundtable discussions where non-competing owners and executives could discuss their challenges amongst each other and how they might solve them. You could also invite non firm experts to speak depending on the topics of interest. Many executives join peer groups for this purpose, but for those who don't, you'd be the one providing the value. Some firms do this on a quarterly basis and clients see this as a recurring value added service by the firm.

Identifying New Projects and Clients

Having a better understanding of your clients' expectations, and hopefully exceeding it using some of the tools described above, you are now in the position to identify and sell new projects or receive introductions to new prospects. As with every successful project, follow through is critical.

Hopefully you have set expectations with the client before embarking on any complimentary projects so now it should simply be a matter of follow up and a little selling. During the final presentation, which should include any special projects, you should first specifically ask if you exceeded their expectations. When they answer in the affirmative, that's your queue to explain how you can help them overcome some of their challenges through your services. If they are not prepared to engage you immediately, ask if they'd be willing to introduce you to, or connect you with, executives at other companies who might be interested in your services. These executives could be suppliers, partners, friends, peers, bankers, lawyers or other trusted advisors. Ideally you'd receive a name, title, company, contact information and the ability to use their name to make a call rather than waiting for them to make an introduction. Don't forget to ask them if there's anyone they'd like an introduction to.

Summary

Deepening relationships and building new ones can be accomplished by better understanding the expectations of your clients and exceeding them. To accomplish this you need to identify the growth goals of your firm and identify how many and which client expectations you will attempt to exceed to meet these growth goals. You then need to identify and conduct value added projects to achieve these expectations. Hopefully at the end of your engagement your client will say, "Wow! You really exceeded my expectations! There's a few projects I'd like you to work on and people I'd like to introduce you to."