

THE 90-DAY MARKETING PLAN FOR CPA FIRMS



HOW TO CREATE THE ROADMAP
FOR YOUR FIRM'S GROWTH

BY JEAN MARIE
CARAGHER

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Library Data

Caragher, Jean Marie

Bay Street Group LLC / CPA Trendlines

ISBN-13: 978-0991266258

ISBN-10: 0991266250

BISAC: Business & Economics / Accounting / General

1. Accounting firms – Marketing.
2. Accounting firms – Management.
3. Accounting firms – United States

ADVANCE PRAISE FOR THE 90-DAY MARKETING PLAN FOR CPA FIRMS

“Jean continues to be a trendsetter when it comes to innovative and creative marketing ideas. More importantly, her ideas and concepts work and come from many years of successful execution in CPA firms. Her book is a “must read” for firms serious about growth.”

– Allan D. Koltin, CEO, Koltin Consulting Group

“A ‘must have’ resource for practitioners who want to put their firm on the right path to growth. This practical, step-by-step action plan is like having your own personal GPS with Jean’s expertise conveniently packed inside. Say goodbye to confusion as you learn how to navigate from where you are right now to wherever you want to go, in just 90 days.”

– Tracy Crevar Warren, editor of Bull’s Eye! The Ultimate
How-To Marketing & Sales Guide for CPAs

“In The 90-Day Marketing Plan for CPA Firms, author Jean Marie Caragher has efficiently approached the age-old dilemma of how to get started and how to maintain a marketing approach that will enable a firm of any size to build its brand and develop a sustainable reputation. By integrating practical advice, relevant survey data and a timeline for implementation, Caragher’s readers are assured of success. Segmenting the process into manageable, actionable items backed up with explanations provides everyone from the novice to the most seasoned professional with the ability to connect the WHY with the HOW and WHEN.”

– Sally Glick, Chief Marketing Officer, Sobel & Co., LLC

“Whether you want to put together your marketing plan in 90 days or nine months, Jean provides a great framework that will help. She stresses the importance of analyzing clients as well as the marketplace and provides templates for those who wouldn’t know where to start. Her process will help anyone start and keep the marketing planning process moving along.”

– Katie Tolin, Director of Practice Growth, SS&G

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ABOUT THE AUTHOR

JEAN MARIE CARAGHER



Jean Marie Caragher is an award-winning, recognized industry expert with more than 25 years accounting marketing experience. Known as a knowledgeable, experienced, and tenacious marketing consultant to CPA firms Jean inspires CPA firm growth and longevity using a practical, relationship-based approach. Her approach is based upon her experiences as a CPA firm marketing director, a CPA association executive director, and her 16 years of consulting experience since forming Capstone Marketing.

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INTRODUCTION

CPA firms of all sizes are placing a greater emphasis on obtaining new clients. There is no better way to do this than by creating a focused, actionable marketing plan. *The 90-Day Marketing Plan for CPA Firms* provides you with a step-by-step process to create a plan for your firm.

Now, you may be thinking, “Is it really possible to complete the steps in this handbook and create our firm marketing plan in just 90 days?” The answer: yes. While the timetable is aggressive, it is doable, particularly when you work with a team that is motivated to make it happen.

It is important for you to stick to the schedule. This creates a sense of urgency and makes your marketing plan a priority project. With that said, don’t be concerned if you stray by a few days here and there. The point is that you keep the process moving forward.

It is also important that you implement each step. You’ll notice that there is quite a bit of research to be conducted at the start. You may be thinking, “Do I really need to conduct a client survey?” or “Do I need to analyze client data for three prior years?” How you end up utilizing this handbook is completely up to you. However, the more items that you skip the less effective your marketing plan will be.

Who is meant to use this handbook? *The 90-Day Marketing Plan for CPA Firms* was written with both CPAs and marketers in mind. Whether you are a CPA or a marketer remember: someone must be in charge. Someone must take the ultimate responsibility to make sure that each step is completed.

An extra tip for marketers: Find the partner – ideally, your managing partner – who will give you 110% support and help sell this process to the partner group. Without this partner support, no matter how talented you may be, you will not be successful.

Some of the information in this handbook is based on a joint research project I’ve been conducting over the past six years with my colleague, Rick Telberg from CPA Trendlines, called *The SevenKeys to Successful CPA Firm Management*. I’ve combined some of that information here because it gives us great evidence related to marketing planning and how to be successful with your marketing plan.

The research is based on thousands of survey responses of practitioners from firms of all sizes. They self-rated themselves on a scale of one to ten, with ten being leading, world class and one being laggard, worst in class. The differences between what the leading firms are doing and what the laggard firms are doing are amazing.

One of our most significant statistics shows that revenue growth of the SevenKeys Leaders is 19 times more likely to surpass that of competitors.

Clearly, the leading firms are doing a lot of things right. Think of the firms that you compete with most often. What can you do in creating your marketing plan that's going to aid the growth of your revenue and your firm? These leading firms are increasing their revenue because they have marketing plans. They're niching. They're firing clients that don't fit their target. They're making a lot of great decisions which often require difficult conversations and the leadership to make those tough decisions.

SevenKeys Leaders are also 14 times more likely to have profits that are better than most competitors.

Not only are the leading firms growing, they have higher profits because they're doing a lot of the right things.

Now, you might be thinking: "How many people do I need to help me create this marketing plan?" I would suggest that you work with a team of four to five people, but take into account the size of your firm. If you're a smaller firm, you might just need two or three, but work with a team because there are many information gathering and action items that you need to implement. You can also keep each other accountable for moving forward.

Let's get started. By the time you're finished with this handbook, you should have a marketing plan that you can start implementing immediately.

– Jean Marie Caragher

WEEK ONE: DAYS 1-7

MILESTONES:

- **CLIENT ANALYSIS**
 - **GROWTH TRENDS**
 - **INTERNAL FIRM SURVEY**
 - **CLIENT SURVEY**
-

You have to do your homework. Creating your marketing plan in a vacuum without any evidence or feedback is not going to be as effective a marketing plan as when you do the research. In Week One you will begin your client analysis and analyze the growth trends of your firm. We've been through a tough four or five years. Flat was the new growth. You were happy if you maintained your revenue. You felt that was a success, right? Well, we're going to see that in some parts of the country, for some firms, growth is back.

Let's first talk about your client base. There is a lot of information that you have within your firm's databases. It might not be all in the same place. You have your time and billing software, you might have another client database or contact management program. Initially, it's hard getting all this information together, but once you have that benchmark it's easier in succeeding years to update. It helps you make decisions based upon information and not just on your gut feelings.

Analyze your client information. This is going to help you identify niche specialties. It's going to tell you which services are allowing you to make money, which ones are profitable, which ones aren't.

INDUSTRY ANALYSIS

The Industry Analysis chart is one of the most important charts you are going to see. This gives you a snapshot of your industry specialties and strengths. The industries shown here are examples and may be different depending on your firm.

When completing this chart be sure to bundle client groups together. If a client operates five real estate partnerships count it as one client, not five. This will give you more accurate data.

Industry Analysis

	Real Estate	Non-profit	Construction	Manufacturing	Health-care
Standard Fees (Gross Fees)					
Fees Billed (Net)					
Realization (Fees billed/ Hours)					
Fees Billed/ Total Fees Billed					
Hours Billed/ Total Hours Billed					
Average Hourly Rate					
# Clients					
Average Fee					

Figure 1: Industry Analysis

For each industry category, there is information down the left column to track. This tells you not only the number of clients, average fee per client, what percentage of your client base that industry represents, but your realization. Are you making money? What's the description of that industry specialty? When you need to describe the types of new business that you're looking for, go back to this chart. You'll be able to be very specific about the types of new business that you're looking for, which will make your marketing efforts more successful.

TOP CLIENT PROGRAM

Top Client Program (by fees descending)

Client Name	FY Total Fees Billed	FY Ranking	Realiza- tion	FY Total Fees Billed	FY Ranking	Realiza- tion	FY Total Fees Billed	FY Ranking	Realiza- tion
		1							
		2							
		3							
		4							
		5							
		...							

Figure 2: Top Client Program

Conduct an analysis of your top clients, your most successful, largest clients and compare them with the balance of your business clients. What makes these top clients different? What makes them top clients? It's not just about the fee. It could be about the types of services that you're offering, the size of the client itself, the industry that they're in, or how long they've been clients.

It's also important to analyze the realization rate for these top clients. Large-fee clients are important to your client base; you want to make sure that you are collecting above average percentages of what you bill them. This is an indication of the efficiency of these engagements as well as a barometer of client satisfaction.

Taking a step back and analyzing the relationship you have with these clients helps you describe the types of new clients that you're looking for.

BUSINESS CLIENT FEES ANALYSIS

Your practice is most likely part corporate clients and part 1040 clients. Separate out your individual clients and what you do for them. You could treat them as an industry unto itself and have these statistics specific to your 1040 practice.

Business Client Fees

	Fees: Top 20 Clients	Average Fee	Fees: Balance of Business Clients	# Clients	Average Fee
FY					
FY					
FY					

Figure 3: Business Client Fees Analysis

Then, take a look at the business side, the corporate side of your client base and what that's made of. Look at these fees over a period of a few years to see what's trending. Are these fees going up or going down? Then, analyze why. Was it additional services? A new project? Did the scope of what you're doing for them change? How much of these additional fees are recurring?

ANALYSIS OF SERVICES BY FEES

Analyze your fees by service and trend it for a few years if you can. This will tell you which services are making money, which services are your growth areas, which services could be your growth areas. When you're creating your marketing plan, you want to determine the services that you want to focus on. You need to make decisions about the few things that you're going to do really well and focus on them.

In my experience as a marketing director in a few different firms, I often felt like I would come into the office in the morning, see which

fire was burning the hottest, put it out and go to the next fire. Your marketing plan will help you focus how you're spending your time so that you're not operating by putting out fires. You're operating by being more strategic and working off of your plan.

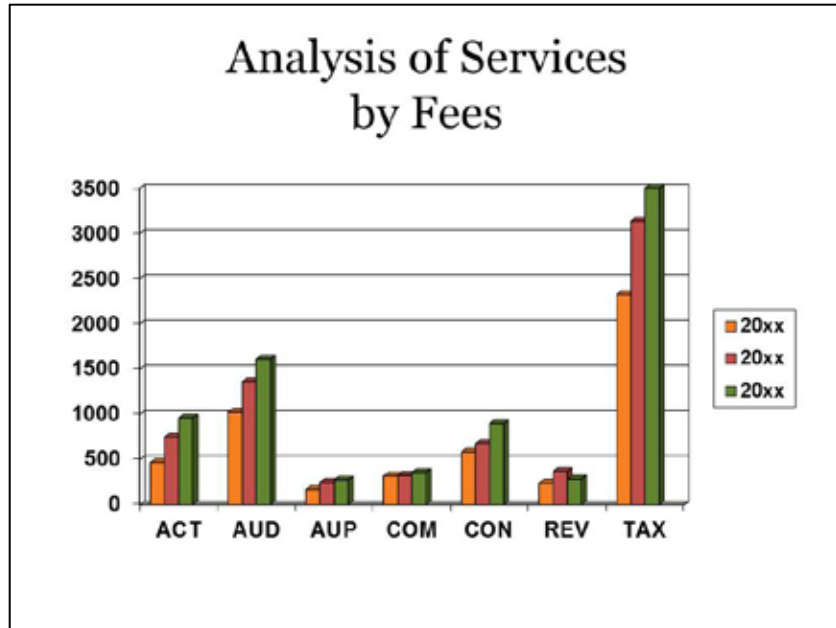


Figure 4: Analysis of Services by Fees

INTERNAL FIRM SURVEY

Conduct an internal survey of your partners and entire professional staff. Why is conducting this survey important? To make sure that your team is on the same wavelength as you are. Most managing partners believe they know how their firm is running, where the firm is going, and the pluses and minuses of the partner group, they have thoughts or ideas about where the firm is heading and where you are, which may or may not agree with what your people are thinking. Your people are your sales force. Your people create your culture. It is important that all of you are on the same page.

An internal firm survey should probe decision-makers in the firm about their level of agreement or disagreement about:

1. The value of business consulting and Type II services to the firm relative to accounting and other Type I services?
2. What it might mean to be a "top quality firm?"

3. How important is it for the firm's professionals to be clients' trusted advisors?
4. How do professionals rate on taking the initiative with clients in offering advice?
5. How consistently the firm provides high quality services to clients?
6. How well the firm's professionals provide clients with creative solutions?
7. How aware are professionals of the complete range of services the firm can offer clients?

In addition, the survey should ask open-ended questions, such as:

1. What are the firm's unique strengths (preferably strengths that other firms do not have)?
2. When competing for new business, what do you feel differentiates our firm from our competitors?
3. Thinking about our existing clients, what do we think they value most or like most about our firm?
4. What attracted our best people to work here?
5. How would we describe our corporate culture?
6. If you could say only one thing about our firm to get someone to do business with us, what would that one thing be?
7. What, if anything, can the firm do to improve its image in the marketplace?

The internal firm survey also gives you evidence and information to create your firm's story. When you meet people at networking functions you're meeting with prospective clients. So consider:

- How are you describing your firm?
- Is everybody doing it on a consistent basis?

This also makes your team feel a part of the marketing effort. If you have expectations for your people to participate in your marketing program, it's going to be more successful when they feel that they've contributed to the overall goal. They want to know:

- If I'm spending a lot of time working in this firm, what am I doing?
- How am I contributing to the overall effort?

Consider, in particular, responses from the firm's younger generations. Do your homework internally to find out the pulse of what your people are thinking about your firm. Let's see if everybody is on the same page.

CLIENT SURVEY

Survey your clients. Many of the questions for your internal survey are also suitable to ask your clients. Now, I know you might be thinking: "Ask my clients?" Oftentimes, you don't give yourselves enough credit for the great job that you do and the value that you bring to your clients. Your clients want you to continue to be successful. Use that secondary sales force, if you will, and ask them questions as well.

Here are some sample questions for you to consider:

1. What do you enjoy most about working with (name of) firm?
2. What are you dissatisfied about with your relationship with (name of) firm?
3. What do you think differentiates (name of) firm from other firms?
4. What are the two or three most important things that (name of) firm offers you?
5. If you could describe your experience with (name of) firm in one sentence, what would it be?
6. If you were to take over the management of this firm tomorrow, what three things would you change?

Also include questions related to:

1. Criteria in selecting a CPA firm, e.g., Rate how important each characteristic is in choosing a CPA firm. Provide a list of characteristics to rate.
2. Referrals, e.g., Have you recommended our firm to others?
3. Competition. See below.

If you're really brave, you may ask them questions about what they feel you do the best, where you could improve, have they considered changing CPA firms, how they chose your firm in the first place. This is great information for your SWOT analysis because it's going to tell you what you're really doing well and what you need to improve.

Ask questions about your competition. About half the time I get the feedback: "Why would we want to list another firm's name in a survey we're sending to our clients? Why do we want to remind them that these other firms are in our market?" Don't you think they know those firms already? This is where your confidence comes in; you need to be confident enough to ask these questions. If you ask the question using the specific firm names you are going to get tremendous information about what they know about those firms that you may not know. That is very powerful information that you can carve into how you are different and how you tell your firm's story. The weaker way to ask it is: "Are there other CPA firms with whom you are familiar?" Now, they might answer that, they might not. They might give you some names, they might say: "Oh, sure, I know other firms" but they're not giving you as important information as if you included the competitors' names specifically. Be brave and ask the questions with the specific competitor names.

I am often asked how to launch these surveys. I usually use SurveyMonkey. For the client survey I would do a combination of sending out a letter in advance alerting them that they're going to receive an email about the survey. Then, I would email the clients with the description and a link. It goes a long way, too, if your partners reach out to those clients encouraging them to participate in the survey. In my experience, we've gotten great response rates, sometimes upwards of 50%, 60%, 70%, which for regular surveys is ridiculous. From the clients' side, they want to help you. And, of course, send some reminders, too. Give them a few weeks to fill it out.

MORE ABOUT CAPSTONE MARKETING AND JEAN MARIE CARAGHER



Services

- Brand Surgery™
- Marketing Plan Development & Implementation
- Inbound Marketing
- Client Satisfaction & Retention
- Retreat Facilitation
- Training
- Recruiting

Experience

- Capstone Marketing, President, January 1998 – Present.
- Moore Stephens North America, Inc., Executive Director, 1994 – 1997, Roswell, Georgia
- BDO Seidman, Regional Marketing Director, 1992 – 1994; Marketing Director, 1990 – 1992; Atlanta, Georgia
- Israeloff, Trattner & Company, Marketing Director, 1985-1989, Valley Stream, New York

Education

- M.B.A./Marketing, Hofstra University, Hempstead, New York
- B.A./Communication Studies, State University College at Oswego, New York

Books/Published Articles

- Contributing Author, Bull's-Eye! The Ultimate How-To Marketing and Sales Guide for CPAs
- Author, Double Digit Growth: Tools From Top Firms
- Contributing Author, How to Hire a Marketing Director and Make It Work
- Contributing Author, The Marketing Advantage II: New Ideas on Getting and Keeping Clients

- Written or been quoted in more than 100 articles on professional services marketing appearing in Journal of Accountancy, Accounting Today, The Practical Accountant, CPA Practice Management Forum, Bowman's Accounting Report, CPA Marketing Report, Professional Marketing, MarkeTrends, Partner-to-Partner Advisory, and other publications.

Honors/Awards

- Inaugural member, Association for Accounting Marketing Hall of Fame, 2001
- Association for Accounting Marketing-Marketing Achievement Awards:
 - Corporate Identity Package (Firms Under \$15 Million Revenue), 2005, 2011
 - Logo Redesign (Firms Under \$15 Million Revenue), 2001, 2005, 2011
 - Brochure (Firms Under 75 Professionals), 2001, 2012
 - Volunteer of the Year, Association for Accounting Marketing, 1999
 - Member, Editorial Advisory Board, CPA Marketing Report, 1995 – 2005
- Member, Practice Management Editorial Advisory Board, Accounting Today, 1993-2003
- "100 Most Influential People in Accounting," Accounting Today, 1994, 2013

Organizational Involvement

- Association for Accounting Marketing:
 - Nominating Committee, Member
 - AAM-MAA Committee, 2008-09
 - Past President, Board Member, and Annual Conference Chairperson
- American Marketing Association, Member
- National Speakers Association, Member
- Leukemia & Lymphoma Society, Team In Training

More at capstonemarketing.com

ABOUT SEVENKEYS TO SUCCESSFUL CPA FIRM MANAGEMENT

New empirical research with thousands of practicing accountants, consultants, thought leaders, real-life experiences and case studies show clearly why some firms succeed and others fail. With the SevenKeys to Successful CPA Firm Management, accounting firm leaders learn what it takes to succeed in today's competitive marketplace, including:

- The strategies and techniques for practicing top-notch leadership and management
- How to drive growth and productivity
- What's working in sales, marketing and business development
- Essential trends in technology planning and spending
- Measuring client satisfaction and leveraging client service for client retention
- Adding more revenue per client
- Creating a great place to work
- Building the agile, adaptable learning organization
- Turning great strategy into bottom-line results

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- Tax Season Opportunity Guide
- The 30:30 Training Method
- The Accounting Firm Operations and Technology Survey Report

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