



How today's clients engage with an advisory-centric accounting firm

WHITE PAPER



After sending out your annual client surveys and taking a brief look at the comments returned, you find yourself storing the feedback in the back of your mind for two weeks before it's replaced by more pressing information. You believe you understand what it is your advisory clients value, so why aren't your advisory services succeeding the way you'd expected?

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We all have the best intentions when sending out client surveys. We promise ourselves we will not only read the results but distill the feedback and make actionable changes to improve our business. But all too often this goal falls flat. The daily work required to keep our businesses running means future business development gets put on the backburner, where the creative spark slowly fizzles out.

In this white paper, reignite that spark. With input from existing advisory clients from accounting firms like yours, you will learn how to transform your business from a traditional, compliance-only service into an advisory-centric accounting firm.

What prompts a prospective client to seek out an advisor?

Clients are looking for more from their accountant. They already have the compliance work covered. They're not looking for their tax returns to be filled out in different ink or to receive more emails reminding them of deadlines. They want that extra something to push them into the next echelon of business know-how.

Advisory services emerge amid a disconnect between what accounting firms see as valuable (filings, paperwork, and other typical compliance work) and what their clients see as valuable (the best tax strategy for their business). Prospective clients are seeking the *relationship* offered through advisory services — less of an accountant and more of a business coach. This isn't to say the returns and forms are swept to the side, rather, there is already confidence that these will be done correctly — this is table stakes. What prospects are seeking (and what they're willing to pay more for) is a relationship that can offer them business knowledge they themselves do not possess. Business by Design is an advisory-centric accounting firm based out of Minneapolis, MN and led by Paul Miller. His clients all come to him with this desire for something more than what they're getting from their current accountant.

"Aside from the numbers, it's knowing not only about my business, but the business world, and then interpreting it into meaning for my business," said Rick Bandimere, advisory client of Business by Design.

Your knowledge is what creates value for clients, making them privy to potential issues, challenges, or circumstances they hadn't foreseen. They want to predict the future with better accuracy. This "eyes wide open" ability is what will help them grow their business in the short term and advance their success in the long term.

Vulnerability: For many business owners, vulnerability is scary. Opening their books and internal processes to critical eyes can not only be time consuming on their end but makes them subject to new ideas or drastic changes.

Fear of change: This leads to another key element of resistance — change. Most of the prospective clients coming through your door have wrestled with doing so because they are resistant to change, even when they know it's for the better. For you, this is another individual seeking your services, and you've spent perhaps an hour or two prepping for the initial meeting. But for a prospective client, the first consultation is something they've been thinking about for weeks,



Even clients who know they need more may not be ready for change. As an advisor, it is your job to not only understand why a client is coming to you, but to also understand what has held them back in the past.

months, or years and the decision to show up was not made overnight. It is your job to put them at ease the minute they walk in and assure them they've made the right decision in seeking an advisory relationship.

Cost concerns: At a time when business owners are keeping a tight grip on finances, most prospective clients coming into your office are wondering, "how much is this going to cost me?" They know they need more from their accountant, but the thought of adding yet another expense to their books has kept them away from advisory services until now. It is in your best interest to explain the value of your services, allowing them to see it's about more about how far a dollar spent can be stretched to achieve their business objectives.

3 ways to show your value during an initial meeting

Unfortunately, there is no "dazzling" formula that is guaranteed to turn every prospect into a paying client. Every prospect is coming to you with a different background than the previous one. However, there are key elements of the initial meeting that you want to nail in order to prove your knowledge and value to whoever is on the other side of the table.

Paul says the top three components to making lasting relationships with prospects are time, teaching, and trust.

1. **Time:** When you meet with a prospect for the first time, make sure you're giving the meeting *enough* time on your calendar. We've all been in meetings where someone is obviously trying to hit all the agenda items and move on with their day. It won't be different when meeting with a client. They will be able to tell when you're engaged and taking note of their concerns versus when you're going through a rehearsed monologue about the value you can offer. Take the time to get to know the individual, their business, and what brought them to this point. "The first time I met Paul," said Jon Zaugg, a Business by Design advisory client, "we got to know each other outside of our professional lives, and the conversation naturally progressed to my business needs and what led me to seek out advisory services. It really made me feel valued as a person rather than just a client of his." The time invested with clients can pay out not only in revenue for your firm, but on a personal level. Building a foundation allows you to hit the ground running in the meetings to follow and sets the tone for the relationship ahead.
2. **Teach:** When you're talking with a new prospective client, your job is to teach, not to sell. "If you can teach your client something about their business they didn't already know, knowledge sells itself," said Paul. Showcasing your own knowledge to clients is a key in the journey to clients seeing the value of advisory services. "I remember the first time Paul sat me down and we ran through the numbers, I felt like I was walking away with a whole new idea of how my business was operating," said Nick Marsden, another client of Paul's, "I walked in wanting to increase my income and he said, 'well, why?', and then he walked me through the importance of focusing on net worth over income. I felt like my entire mindset had changed." Clients are not experts in this area like you are, which is what led them to you for further insights. They want to be able to get well-informed business knowledge, without investing their own time into doing the research. When they see you can confidently answer their questions and give them rationale behind your thinking, they see the value and are willing to pay.

To begin the conversation, Paul advises starting with a brief historical overview of the business you're looking to advise. There is no need to linger on this but obtain a firm grasp on the business and move onto where they're at now. What they believe has brought them to this point? After that, show them their own potential. Use your knowledge to show clients how different scenarios can play out for their business. Paul recommends using visuals to do this piece. "The visual element not only allows you to put things down on paper, but you can literally show the client where they are now versus where they could be." This also allows you to circle back to those visuals and show clients how they've grown and succeeded over time.

3. **Trust:** Again, there is vulnerability a client must overcome in order to make that first meeting. When they meet you for the first time, they're looking for someone they trust with their business — their *livelihood*. "I know how to conduct my business, but I want someone I can trust to guide me through the parts I wasn't being strategic about," said David Foy, another



“If I can’t get into contact with my advisor, they’re of no use to me,” said Foy. “If I have a question and they’re not answering, I’ve wasted my time trying to call and I’ve also had to go research the answer myself. That is of no use to me.”

Business by Design client. “What’s fantastic about having Paul is I don’t lay awake at night wondering if I made the right call. I’ve got him to turn to and I’ve got his years of experience to rely on. I can trust his advice and know he’s got my best interest at hand.” Building trust into the foundation is critical for the relationship to be successful for both parties. For a client, trusting their advisor means they can come with ideas and get well-informed business advice. For you, gaining a client’s trust means they’re able to be fully transparent and include you on business decisions from the start. This process may take time and some clients are more trusting than others — that’s okay. Start building a sense of trust by showing them the smaller “wins” and build on them.

You’ve won the client, what now?

Turning a prospect into a paying client is only the first step. Once you’ve secured an advisory client, you need to ensure you are meeting their ongoing needs.

Each client is coming to you with a different background, but they are all coming to you with one objective: growing their business by being able to better predict the future. This means you need to set a few expectations with clients and within your firm. For clients, accessibility is seen as a must. Let them know when and how you can be contacted should they have questions.

- **Make the time:** Look at your day and ask yourself where you’re spending your time. If your calendar’s full, or you’re the one controlling the time with your client, it doesn’t allow for time to be reached by clients when they’ve got questions. If you follow up with them hours or days later, not only have their thoughts and questions escaped their minds, but they’ve also experienced feeling like they’re not a top priority. That will reflect itself in the relationship you have with them. To avoid this, consider scheduling “office hours” into your week. This is an easy way to consistently make yourself accessible to clients.
- **Hold your firm accountable:** It is also critical you set expectations within your firm. Too often firms who sell advisory services slip back into their comfort zone as accountants. Build a story you can tell clients around what you’re going to do differently, and most importantly, stick to it. Don’t fall back to what you’re used to. You’re asking clients to take a bit of a leap, you, as an advisor, need to be willing to take it with them. Clients can go anywhere to get their returns or bookkeeping done. As these types of services become more commercially available, it becomes increasingly important for you to be offering new services tailored to unique businesses and individuals. Clients value the relationship piece advisory services offer, especially when regulation changes are coming more frequently and with greater impacts for businesses. The need for trusted answers is more present than ever, so be clear with your staff about the level of service you’re seeking to give clients, lay out steps to maintain such levels, and consistently check in to ensure your advisory services aren’t slipping back to accounting services.
- **Reassess clients’ needs often:** Revisiting client needs is critical to any business model, but especially in advisory, where the offering is that relationship with clients. “Advisory can be somewhat give and take in this sense. They ask you for your advice, don’t be afraid to ask for theirs. Have an honest conversation around how they think you’re doing as a business partner to them and how you can better meet their needs,” Paul advises. Taking a step back to evaluate what brings your clients through the door and assessing how their needs are being addressed can offer you a window into how your services are matching their expectations.

Contributions from Not Your Father’s CPA Webcast guests, Will Hill of Thomson Reuters, Paul Miller of Business by Design, Nick Marsden of River Heights Lawn and Landscape, David Foy of Keller Williams, Jon Zaugg of Dogwood Media, and Rick Bandimere of Keller Williams

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