

The Marketing Imperative

When, Why and How CPAs

Should Market Their Services

For CPAs, marketing is no longer a debate concerning principles. The issue now is how best to reach a desired audience with information concerning their firm's areas of expertise, and then close the deal.

For more than 100 years, marketing has played a significant role in practice development for CPAs.

In the early years, a CPA's options were limited, legal and professional prohibitions abounded, marketing was still in its infancy and technology was scant. A CPA's reputation and professional contacts were the only marketing tools available.

Now, however, CPAs may engage in just about any form of marketing, using all available media, as long as what is said or conveyed to potential or existing clients is not false, deceptive or misleading.

Earlier prohibitions, though well-meaning, didn't take into account today's highly segmented markets, fierce competition from non-CPAs, or growing competitiveness within and outside the profession.

For CPAs, the relatively newfound freedom to market at will brings with it a certain amount of fear. Overcoming that fear is a matter of gaining the appropriate knowledge, developing a strategy and applying it.

Turning Community Involvement into Business

According to John Wilkinson, chairman of the FICPA Committee on Membership, CPAs have always marketed their services and firms. Some just

don't know they're doing it. "The most common form of marketing for CPAs is their civic and community involvement," he states. Many firms, including Dwight Darby and Co., CPAs, Tampa, where Wilkinson is a partner, encourage community involvement.

Serving on local boards and committees, joining the local Optimist or Rotary clubs and being a member of the FICPA are all ways to develop professional contacts, says Wilkinson. As visible members of the community, CPAs can leverage their contacts to boost client referrals and develop mutually beneficial relationships with other local professionals.

Some firms have institutionalized this relatively subtle marketing technique. "Our senior managers meet once a month to discuss prospective contacts and develop strategies for getting their business, which may take a year or more," says Jayne Bates, CPA, director of marketing for Carter, Belcourt & Atkinson, PA, CPAs, Lakeland.

By adding this layer of sophistication, Bates explains, tracking success rates yields information about which tactics work best. "From there we can change our plan of action to ensure that it's a cost effective way to reach our target audiences," she adds.

On-Target Marketing Approaches

Before CPAs start adding layers of sophistication to their marketing plans, cautions Eric Riley, CPA, marketing director for Rea & Associates, CPAs, New Philadelphia, Ohio, they must decide if marketing will be done in-house, by an outside marketing firm or some combination. "Marketing entails everything that goes into setting up the sale. Many firms don't have the personnel or expertise to do this in-house," says Riley, who also tracks accounting marketing trends for the Association for Accounting Marketing.

After deciding who will do the marketing, the target audience or audiences must be identified. If a firm has one or more areas of expertise, defining the market is relatively simple. At Carter, Belcourt & Atkinson (CBA), for example, credit unions and the health care industry are niche markets they have penetrated using several marketing techniques such as industry-specific newsletters.

Though CPAs with general practices may find it more difficult to narrow their markets, identifying prospects is still a matter of CPAs putting themselves in front of people who need their services.

"Of our seven offices, five are in rural areas. So, we cater to small businesses and farmers," explains Riley.

Reaching such a dispersed client

pool is tricky, he explains. "As a profession, CPAs are not typically ostentatious people. But our firm had to find ways to make an impact over hundreds of miles efficiently," states Riley.

Riley came up with this interesting strategy: radio advertising during high school football and basketball games. The types of services a CPA can provide don't lend themselves to 30-second spots on radio or TV, Riley says.

Accordingly, his firm's ads weren't about services so much as they were about sponsoring the actual events. "Football and basketball are very important in these small towns. Being sponsors helped us project the image we wanted as a good corporate citizen," Riley explains. Basketball games, notes Riley, "are an excellent time for us to promote our tax preparation and planning services."

Most CPAs and other professionals are reluctant to take the expensive plunge into TV and radio advertising. "We're not selling tennis shoes to a mass audience," comments Riley.

Indirect or Direct Marketing, Which Works Best for CPAs

Wilkinson agrees with Riley. "Most direct marketing techniques don't work too well for CPAs. What seems to work best are the more subtle approaches like yellow page ads, or newspaper ads before tax season," he states.

Yellow page ads can be expensive, writes Albert S. Williams, CPA, in his book *On Your Own—How to Start Your Own CPA Firm*. Aside from the

expense, Williams points out this caveat, "Recognize that potential clients who contact you as a result of your yellow page advertising are often most concerned with location

or price. Conducting a thorough interview before taking work from these potential clients is to your advantage to avoid possible undesirable clients."

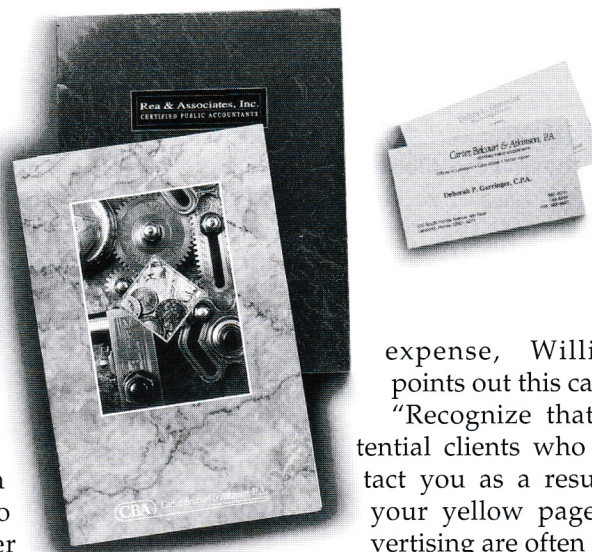
Another subtle technique that seems to be catching on with CPAs is marketing on the Internet. "This is less intrusive," explains Wilkinson. In addition to its low-key, personal nature, the Internet offers as many layers of detail as the CPA or potential client wants. "It's perfectly suited to match our nature," Wilkinson says.

Another low-key form of marketing is the newsletter. Many firms are finding that regularly communicating with existing clients and potential clients this way is an effective marketing tool. Newsletters and brochures range from the simple to the sublime—with prices to match—and can be produced in-house (with the right equipment), or shopped-out to graphic design firms.

Carter, Belcourt & Atkinson sends professionally produced quarterly newsletters to health care professionals and credit union officers, and one of more generic content concerning personal tax and financial planning issues to their other clients.

"We found that providing specific and useful information about their industry is a cost-effective way to market to our existing clients as well as attract new clients," says CBA's marketing director Bates.

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Wilkinson, who is the editor of his firm's newsletter, believes the greatest advantage of producing a newsletter is marketing to existing clients. "We can offer tips on tax planning, give clients the 'heads up' on other financial issues and let them know what's going on with our firm," he says. "Besides, it's a ready-made introduction to our firm when I meet prospective clients," he adds.

Newsletters and brochures, which can be used for direct marketing purposes, are better used as follow-up pieces, says Riley. "Direct mail is a lot like phone solicitation. It just doesn't work that well for CPAs," he states, adding, "It's better left to political campaigns and fund-raising groups."

Seminars and the 'Expert' Approach

One of the most effective means of direct marketing, Williams writes in his book, is offering seminars. "Seminars put you in the role of expert in front of a lot of people who you otherwise wouldn't meet," Riley adds.

Seminars on tax planning and preparation, financial planning, budgeting or even higher-end accounting standards can be organized through local banks, adult continuing education programs, charitable organizations, CPAs or by other professionals, to name a few.

Offering free, or low-cost seminars requires a great deal of advance work and planning. Presenters should publicize the event, develop high-quality materials and follow up on all leads.

In his book, Williams offers this advice: "Know your topic thoroughly, don't talk technically, use visual aids, provide handouts, collect names and follow up."

Another helpful tip is to invite existing clients to seminars. They may feel more relaxed and can spur questions. Use your existing clients to your advantage, advises Riley.

Existing Clients Can Help Marketing Efforts

Marketing to existing clients, or intra-marketing as CPA marketing specialist L. Murphy Smith, CPA, calls it, is an inexpensive, and potentially eye-opening method of increasing profits.

"Too often, clients will take their business to someone else because they are unaware of all that their

present CPA can do for them," Smith says. "Clients can sometimes provide information that a firm can use to attract new business—about half of all new business is derived from referrals from current clients."

Smith suggests CPAs solicit as much information as possible from clients so that services can be improved and appropriate marketing techniques can be developed. "Continually increasing your quality of service is the best marketing tool I can think of," adds Smith.

Another strategy CPAs use to present themselves to the community as experts is to write advice columns for local newspapers and trade journals, or appear on local radio and TV talk shows. Cultivating an image in the media as a trustworthy expert can be used to the CPA's advantage. "Say what you will about the media, but getting print in the local paper adds instant credibility," says Riley. "Plus, it's free."

With so many tools available to CPAs to promote their firms or practices, standing out in the crowd can be a challenge. "You really have to put some time into developing the campaign that best suits your firm's strong points," stresses Wilkinson.

Concentrating on marketing and making the final sale have become integral parts of the CPA's practice. Without a well-conceived, professionally presented and continuous program, CPAs run the risk of doing more harm than good for their practice.

Riley offers this advice to CPAs to keep their programs on track: "Seek advice from fellow CPAs. They can tell you what worked for them. Consult with a marketing professional, you may not realize some of the opportunities available. Set up systems that let you know if a particular program generates clients. But more importantly, you have to find out from your clients what's working and what isn't. It all boils down to customer satisfaction."

