Harcourt Professional Publishing

SEPTEMBER 2000
VOLUME 3
ISSUE 9

PARTNER to PARTNER ADVISORY

The CPA's definitive resource for firm leadership and profitability

Are Satisfied Clients Loyal Clients?

Surveying client needs can improve retention

BY JEAN MARIE CARAGHER

In today's booming economy, when your firm has more business than you can handle, are you paying attention to current client satisfaction? If not, you should. A multi-industry study by consultant Frederick Reichheld found that between 65% and 85% of customers who chose a new supplier professed themselves satisfied or very satisfied with their old supplier. What this means is that we cannot equate customer *satisfaction* with customer *loyalty*.

Client Satisfaction Programs

No matter what size your firm is, every CPA firm should have a client satisfaction program in place. And because no two firms are alike, client satisfaction programs should be developed with *your* firm's objectives in mind. For example, client satisfaction programs can be developed to address many firmwide or practice area goals:

SATISFIED continues on page 2

SATISFIED continued from page 1

- Ensure overall client satisfaction;
- Increase visibility for specific niches or services;
- Target new business opportunities; and
- Evaluate client satisfaction after a merger or transition of engagement teams.

However, do not ask your clients for their input if you do not plan to follow up with them. "We've seen a lot more progress in people getting client feedback," says David Maister, a consultant to the accounting profession. "Yet, the ridiculous mistake they're making is doing nothing with it. That is not only neutral, it is absolutely disastrous."

Types of Client Satisfaction Programs

Client satisfaction surveys can take many forms, including in-person interviews; telephone surveys; mailed and faxed surveys; and, now, email surveys. The Client Satisfaction Program developed for Sax Macy Fromm & Co., PC (Clifton, NJ) in 1998 is composed of three components: surveys, roundtable series, and specialized mailings.

Surveys

- **Personal Interviews:** The first step in Sax Macy Fromm & Co.'s Client

SATISFIED continues on page 8

SATISFIED

continued from page 2

Satisfaction Program was for Alicia Olesinski, marketing manager, to meet with 35 clients representing a cross-section of industries, annual sales, and tenure with the firm. This process may take place every two or three years. The personal interviews gauge the clients' satisfaction levels with regard to service, their relationships with the principal and the engagement team, and the perceived value of the firm. They also evaluate the firm's competitors who are providing their clients with services the firm, in fact, can provide.

- **Written Surveys:** Rather than sending surveys to a large group of clients on an annual basis, surveys are mailed to smaller groups of clients on a regular, yet random basis. Surveys are returned to Olesinski who tracks results in a database. She follows up with the principals for each client with specific results. Overall results are promoted at the firm's Marketing Updates.

Roundtable Series

Sax Macy Fromm & Co. also conducts between four and six roundtable seminars for clients and prospects each year on a broad range of topics, including business fraud, financial planning, and tax strategies. The goal is to educate business owners.

Specialized Mailings

Not all client satisfaction activities are centered around surveying the clients. The principals and staff at Sax Macy Fromm and Co. are encouraged to send articles and other pertinent information, thank-you notes, and other handwritten notes to clients. Principals are also encouraged to call clients on a regular basis to touch base with them.

"We see results," says Olesinski. "Our efforts have resulted in new engagements and value-added services. We have also identified client concerns that we have remedied." For example, one client indicated that he didn't know everyone on his engagement team. This was quickly remedied with a group lunch. Sax Macy Fromm & Co. has experienced very positive responses from its clients and its principals and staff. Olesinski developed the Client Satisfaction Program with a firm principal and input from the Executive Committee.

Internet Surveys

Habif, Arogeti & Wynne, P.C. (Atlanta, GA) had not conducted a client survey since 1994. In the summer of 1999 it decided to conduct an online survey. Clients were instructed how to access the survey on the Internet. Those clients that were not comfortable with the Internet were asked to return an enclosed card to receive a hardcopy via the mail. The firm received 200 responses, 93% of which were completed online. "While we were pleased with the response, I know it would have been greater if we offered the hardcopy at the beginning," says Annette Duwell, marketing director. "When the survey is conducted again in 2001 both options will be offered at the start." Habif, Arogeti & Wynne's partners followed up immediately on comments received in the surveys. Duwell also plans to meet with the firm's largest clients as part of the follow-up process.

Client Advisory Board

Wipfli Ullrich Bertelson, LLP (Wausau, WI) held its first Client Advisory Board in June 2000 that was facilitated internally. The Wipfli office requesting the Client Advisory Board was ranked as the Number 2 firm in the marketplace for tax and other traditional services. This office wanted to nurture its perception in the community by seeking candid feedback from its clients. Six clients were invited to participate in a single-session Client Advisory Board; five accepted. Participants included three small business owners, one vice president, and one bank president. The session began at 7:30 a.m. and was two hours in length, including one break. Continental breakfast was served. The session was audiotaped, and an Executive Summary was created, including highlights of the firm's perception, capabilities, technical expertise, pricing, referrals, and marketing program. This was shared with the office, and then posted on the firm's Intranet. An abbreviated version will be sent to the Client Advisory Board participants along with a gift certificate to an upscale restaurant.

Examine Why Clients Leave

It is also important to examine why clients leave. First, a system should be in place to track lost clients. Second, lost