



JULY 2007 PCPS BRIEF

Client Complaints and How to Handle Them

This article is based on "How to Build Great Client Relationships and Get Rewarded for It," a presentation at this year's AICPA Practitioners Symposium given by PCPS Executive Committee Chair David Morgan, who is co-managing partner of Lattimore Black Morgan & Cain PC, Nashville.

Professional services have been and always will be a people business built on personal relationships. All things being equal, clients prefer to do business with people they like. In fact, all things not being equal, people still prefer to do business with people they like.

It's hard to maintain a strong relationship with clients, however, if they have grievances that we're not addressing or if their perception of our services and treatment of them is different from our own.

Addressing Complaints

What are clients' top complaints about their CPA firms? There are surveys that answer this question, but I think that all practitioners could make pretty good guesses about what bothers clients most. In my experience, the chief issues are:

Lack of responsiveness. Clients expect prompt responses to their phone calls and e-mails. They are happiest when they get you on the first try. In my firm, we use direct dial numbers that send the caller straight to a firm member or to our voice mail. We don't have a secretary or receptionist screening calls, because we believe it can give the impression that some calls are more important to us than others.

The next best scenario is when we can return a call in one to two hours. It's acceptable to call back the same day, too, but not satisfactory to make a client wait more than a day for a response. And it's unacceptable to fail to call back at all. To ensure that responsiveness is part of my daily routine, I don't go home at night until I've handled all the calls that came in that day.

Clients will forgive a delayed response if they know what to expect. If any firm member is on vacation or out of the office, he or she should change the voice mail message to say so. To demonstrate your commitment to clients, we should give them not only your direct dial number, but also our cell and home phone numbers.

Last-minute delivery. It's important to meet deadlines, but sending clients

their returns or financial statements at the very last minute is a bad policy. While clients may acknowledge that you did technically deliver the work on time, they will likely feel some annoyance because they're now forced to drop everything and review their documents in a hurry.

To solve this problem, don't focus on the firm's deadline to the client, but consider instead the client's timeline for using the documents they are creating. Make sure they have plenty of time to review their financial statements before they are due at the bank, for example, and that they have a chance to look over their tax return before it goes to the IRS. Clients don't simply want documents that are finished, they want materials they can use in a reasonable time.

Different Points of View

As the difference in attitude about deadlines illustrates, there are often gaps in the way that firms and their clients perceive quality service. For example, while we might think that a service delivered by its due date is an accomplishment, the client might believe that delivering something ahead of time is a true sign of quality. Practitioners may make themselves available to answer client questions, but the clients may be more impressed by firms that proactively bring them ideas for their businesses. We may take pride in providing an audit that is technically correct, but the client may be more appreciative of financial information they can understand and put to use to solve their problems and spot opportunities. And while we might strive to deliver a tax return that will withstand an IRS audit with no changes, the client may be happier with tax positions that match their own risk tolerance.

The best way to guard against these gaps is never to assume that clients are satisfied. To be a more proactive partner with your clients, recommended steps include:

- Ask for their feedback and let them know you've acted on it.
- Don't make promises you can't keep.
- Read business and trade publications to keep up with developments that affect them.
- Ask to receive your clients' internal and external newsletters.
- Ask to be placed on the mailing list for the clients' monthly financial statements.

When Errors Occur

What happens when a complaint is not a matter of differing perceptions but instead involves an oversight by the firm? The first key step is to accept responsibility for the problem and deal with it as quickly as possible. If a serious error is involved, don't hesitate to reach out immediately to the client and to anyone outside the firm who can help resolve the problem.

In addition, don't assume clients will always tell you when they're unhappy or even if they have a serious complaint. Sometimes practitioners have to figure that out for themselves based on indicators such as the client's failure to pay our bills or to respond to our calls or e-mails, or based on comments from others who have heard client criticism.

Taking Action

Good communication and understanding of client needs will always serve us well in client relationships. With that in mind, if firms do a good job in preventing or addressing the two chief client complaints, they will likely reduce overall problems. As part of this effort, when you begin a new client relationship or when you're concerned about an existing one, it's a good idea to talk openly about and set down in writing what the client can expect from your firm and what they anticipate in terms of service and responsiveness. That will prevent misunderstandings and set a firm foundation for a productive relationship.

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