



## **Client Retention Tips**

*Welcome to the PCPS Brief — the monthly newsletter that synthesizes information, news and resources around a particular issue or concern and offers actionable ideas for your practice.*

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How can you ensure client loyalty? All firms strive to provide quality service, but what must yours do to develop lasting client relationships? Steps you can take include reminding staff of your practice's expectations of them in terms of client service standards, keeping lines of communication open with clients, and asking what they need.

### *Set Client Service Standards*

Practitioners know that clients want to be treated well, but sometimes, especially during tax season, personalized client service is difficult to deliver because the entire firm is caught up in day-to-day practice demands. When this happens, clients might begin to feel less valued and may look elsewhere for professional services.

Treating clients like valued customers at all times is crucial. "In the end, it is all about service because in reality, there is not much we can do to lower taxes," says Bill Pirolli of Pirolli, Deller & Conaty, PC, in Warwick, Rhode Island. "You cannot believe how many people say, 'I call my accountant, and he doesn't call me back for a week.'"

To address this problem, your firm might consider creating a client service policy. It's relatively easy to come up with several basic guidelines in a simple brainstorming session. These guidelines could include the following:

- Return all client calls or respond to e-mails within 24 hours.
- Meet deadlines.

- Provide services as promised that meet client expectations.
- Show appreciation. Say “thank you” either in person or in a note.
- Take responsibility for problems or delays, and ensure they’re addressed.
- When a problem does occur, follow up to make sure the client is satisfied with the resolution.
- Ask for client feedback at the end of an engagement.
- For the partner in charge of an engagement: Meet in person with the client when possible and be accessible when needed.

These are some sample ideas, but you likely will be able to develop more that reflect your firm’s values. This part of the job will be easy because it’s really a matter of articulating common sense rules that most professionals take for granted.

However, even if there clearly are accepted standards for client service, they may not always be applied consistently. Creating a list helps ensure that they will be because setting them down on paper makes them harder to neglect. It also makes it possible to share them with staff. Staff members may have a general sense of what level of professionalism is expected of them in dealing with clients, but it’s very helpful to spell out your expectations for employees on this matter. Firms might consider adding these expectations to employee performance evaluations.

Once you’ve set your client service standards, you can refine them further in a couple of ways:

- Create client-specific service plans. All CPAs consider the technical and professional aspects of each engagement, but what about the client service concerns? After you’ve established basic documented firmwide client service standards, consider creating customized service plans for each engagement, depending on the client’s situation. More information on client service plans can be found at the [PCPS Firm Practice Center](#).
- Encourage employee excellence. When you recognize staff achievements, be sure to acknowledge examples of excellent client service among the jobs well-done. This might be accomplished not only in staff evaluations but also through in-house newsletters or recognition of a staff member as Employee of the Month.

## *Keep the Lines of Communication Open in Different Ways*

For firms of all sizes, one key tip in working with clients is maintaining communication, according to Bob Fay, a sole practitioner in Canton, Ohio. “Clients in all types of firms are hungry for information and want to know someone is looking out for them,” he says.

As a first step in his communications process, Fay wanted to get a better sense of the people with whom he was communicating, so he categorized clients by segments, identifying in particular clients of high income/high net worth. He has put together a communications plan that’s customized based on what audience is involved.

With the high income/high net worth clients, he makes a concerted effort to stay in touch on a regular basis via phone or e-mail. Fay notes that most clients in this segment have e-mail, even if they’re semi-retired. His communications consist of updates on recent developments relevant to their financial situations. “I subscribe to a number of different tax services and magazines, and I devote time each month to keeping up to date on tax and financial planning issues,” he says. “I’m always thinking about how new developments pertain to my client base.”

An example from Fay is the energy bill passed last year. The bill carried additional tax credits for energy improvements made to residences. “I had two clients who were building houses,” he says, “so I sent them e-mails with information about the credits.”

For the other clients, he purchases a newsletter from a third-party vendor and sends it to them under his firm’s logo. “It’s well-written and addresses financial planning and tax issues without being too technical,” he says. (Note: PCPS firms can order PCPS Express, timely tax and accounting articles in RTF and HTML formats that can be used to create customized client and prospect communications, by going to [www.newkirk.com/pcps.htm](http://www.newkirk.com/pcps.htm).)

Maintaining this level of communication across the board is a challenge, Fay admits, “but it is still very rewarding. I think I have made a better connection with my clients by giving them this personal service.” He also believes this level of contact is a worthwhile way to distinguish his firm from larger practices that may not have the time to lavish on each client. “I am trying to create an advantage for my firm,” he says. “I may not offer all

the services that a large firm can, but I can provide that personal contact and connection.”

### *Go Beyond the Basics*

Another excellent means to deepen your relationship with your clients is to demonstrate your interest in their financial situation and your ability to meet their various needs. One way to find out what clients need is simply to ask, according to Pirolli. “In the first year of service to a new client last year, we found out they had no personal estate plan, so we created one for them. We also implemented a corporate buy-sell agreement, obtained significant research and development credits, and revamped their internal reports so they would be more meaningful to management,” he says. “It really wasn’t hard, just a matter of asking questions and paying attention to what the client wanted.”

The key is to look beyond basic services to engagements that will provide real value. “We view the preparation of the financial statement and tax return as compliance work,” Pirolli says. “They’re both very important, but neither one is something the client really wants.”

In the case mentioned above, the client’s bill at Pirolli’s firm ended up being twice what the previous accountant had charged, but he has found clients are willing to pay more if they perceive value. “I usually tell prospective clients that when they switch to us, they will invest in greater professional service fees in the early years to get them up to speed” by addressing needs that had previously been neglected. “From there on, it levels off,” he says.

### *Ask Questions*

What do your clients like best about your firm? What do they consider your strengths and weaknesses? Why did they choose your firm in the first place? How satisfied are they with the services they receive?

The answers to these questions might surprise you, and they will definitely help you enhance your practice, address problems and accentuate your advantages—all aspects of client retention. But how can you learn what’s on clients’ minds? A satisfaction survey of clients can help gather information about their perceptions, complaints and concerns. This survey also demonstrates your interest in your clients’ opinions and reinforces the idea that you are committed to serving their needs.

Client satisfaction surveys don't have to be complicated or costly efforts. In fact, as a PCPS member, you have free access to a template designed for firms that's available at the [Firm Practice Center](#).

It's advisable to distribute the surveys at the time a service is rendered, so consider including them, for example, with completed tax returns or invoices for any services. The surveys can be sent via e-mail or surface mail with a return envelope.

Client surveys additionally offer the opportunity to correct potentially damaging misconceptions. An article in the Microsoft Small Business Center describes an accountant who learned that his clients liked him personally but mistakenly believed he didn't have a great deal of knowledge about their industry. As a result, he began taking steps to gain a higher profile in the industry, such as joining trade associations and writing articles in industry journals. These efforts helped him achieve recognition for his industry knowledge.

