



CAPSTONE MARKETING

How to Create a Disastrous Marketing Plan for Your Accounting Firm:

Top 10 Mistakes Real Accountants Make
(and How You Can Avoid Them)



Mistake #1: Skip the whole vision, mission and core values thing.



If you'd like to begin your marketing planning without the foundation of your firm's vision, mission and core values, skip this part and go right to setting your goals. After all, how important is getting your people on the same page anyway?

Let's define vision, mission and core values. Your vision is the description of your future firm related to size, locations, niches, specialties and revenue and is communicated internally only. The vision for your firm is critical to the goal setting process. Where do you see your firm in five years? In ten years? It is also critical for getting your staff engaged in your firm. What does this vision mean to them? How will they participate in the future of the firm?

Your mission is a brief statement of your firm's basic purpose. It tells everyone why you are in business. A good mission statement typically has three components. It says what the firm does, for whom, and in what context. James C. Collins and Jerry I. Porras in "Building Your Company's Vision" (*Harvard Business Review*, September-October 1996), suggest that you write a draft mission statement on a display board and then use the *five whys*. Ask your team, "Why is that important?" five times. After a few whys, you'll find that you're getting down to the fundamental purpose of the firm.

Core values are the essential and enduring beliefs of your firm that should guide and inspire how you do business. Clear and well-articulated core values will attract to your firm people whose personal values are compatible with your firm's core values.

"Vision, mission and core values are critical to firm strategy if they are enforced," says [David Maister](#), one of the world's leading authorities on the management of professional service firms. "These values are non-negotiable, minimum standards of behavior. But, many firms treat them as aspirations that they hope to be one day."

Bob Bunting, former CEO and current partner at Moss Adams LLP and former President of the International Federation of Accountants, describes the connection between values and accountability. "Accountability has to be based upon principles and values, rather than money," he says. "Someone may make a lot of money but is terrible at developing staff. In fact, they cause turnover. You can have a monetary effect on that but they still might make so much money you can't get them to change. You have to have a set of values that says, 'You can't live in our society unless you live up to our expectations in this area.' It becomes more than just about money. That's why it's so important for firms to establish and enforce their values."

If you're willing to do the work here are a few questions to ask:

- What do you stand for?
- Does your staff know what your firm and its partners stand for?
- What do your clients think you stand for?
- What are the vision, mission and core values of your firm?

Once you have confirmed your vision, mission and core values make sure they are, in the words of David Maister, non-negotiable. Adopt and communicate your values every day and consider them when making decisions, recruiting and evaluating your team.

Mistake #2: Don't create an ideal client profile.



When conducting marketing strategy sessions for CPA firms I always ask them to describe their ideal client. Imagine how horrified I was when one partner responded, “He’s breathing.” And, sadly, I’ve heard that response many times over the years. Clearly, we are at a point when CPAs should require more than “the mirror test” when targeting new business.

One of the best ways to build your practice is to define your ideal client and to go after more like it. This can be achieved by analyzing:

- Fees collected by industry.
- Fees collected for each service.
- Fees collected by geographic area.
- Your clients ranked in descending order by fees collected.
- Your clients ranked by size, e.g., annual sales.
- Your clients ranked by realization rate.

This analysis will reveal your firm’s most profitable clients – your target market! For example, you may discover that 20 percent of your client base represents manufacturing companies with average annual sales of \$10 million located within a 40-mile radius of your office paying your firm an average of \$15,000 for audit and tax services. Within this industry you notice that your firm has a particular strength in working with companies that manufacture plastic and rubber products. Go after more clients that fit this description!

Mistake #3: Don't conduct a proper market assessment upfront.



After you create your ideal client profile you need to conduct a market assessment to determine if there is a market to pursue. Targeted prospects lists can be built through online services like [Hoover's](#). Enter criteria including industry, geographic location, legal status, sales, fiscal year end, number of employees, private vs. public, and more. The search will reveal the number of prospects that fit the criteria.

Learn about the challenges and opportunities in the market through industry reports from [Hoover's](#), [IBISWorld](#), and others. Search for additional resources through industry trade organizations. Google. Analyze this information to determine how your firm can ...

Then, conduct a competitive analysis to determine the role your competitors play in the industry. What services do they offer? Who are their niche champions? In which organizations are they involved? Are they publishing articles? Blogging? Speaking? Are they famous?

Answer these questions:

- What are the current growth rate trends for this industry?
- Can the firm deliver?
- What fees can we expect?
- Can we anticipate premium pricing or value billing?
- Do we know enough about the technical aspects of this industry?

- Can the firm reach the target market?
- What level of manpower and resources will it take to enter this niche and to service prospects?

Mistake #4: Create strategies without a measure of success.



Your goals should be aligned with your vision and core values. Once goals are determined you need to develop strategies – how your goals will be implemented. Facilitating brainstorming sessions with partners and managers is an effective way to develop good strategies.

Be sure you establish “SMART” goals:

- **Specific:** State your goals in the most specific terms available.
- **Measurable:** Be sure to quantify your goals. You need to be able to track the progress and measure the outcome.
- **Attainable:** Your goals should be attainable to you, not to other people.
- **Realistic:** Your goals should be realistic within your set of circumstances.
- **Timely:** Your goals should include a deadline or time limit.

Sample marketing goals might address:

- New business revenue
- Cross-selling revenue
- Client satisfaction/retention
- New product/service development
- Geographic expansion

Here is a sample table to help you track the status of your goals. It makes clear *who* is responsible for doing *what* by *when* and should be reviewed at regular status meetings.

Action Item	Responsible Person(s)	Deadline

It’s important to track the status of your goals on a regular basis to determine if you are successful. Your leads and proposals should be tracked in a pipeline report, including the referral source, to determine which marketing initiatives are working and those that are not.

Mistake #5: Don’t target industry niches.

Niche marketing has become a successful strategy for many CPA firms because it identifies target markets and resources, distinguishes a CPA firm from its competitors and generates higher profit margins. In fact, the [SevenKeys to Successful CPA Firm Management](#) research indicates that leading firms are four times more likely to target niches, double from two years prior.



How do you determine your niche opportunities? First, go back to Mistake #2. Determine your ideal client. Second, go back to Mistake #3 and determine if there is a market. Then, consider these characteristics:

- a. Critical mass of staff and clients.
- b. Team serves industry at least 50% of the time.
- c. Unique skills and expertise.
- d. The industry knows you for this niche.
- e. You have famous partners.
- f. You are hired for experience versus fees.
- g. A niche marketing plan.

Most importantly, develop a niche champion. Without a champion you do not have a niche. The niche champion has the knowledge of the industry or service, is willing and able to lead a team, has the respect of the partners, and has the desire to become a famous person. A famous person is known for their industry or service expertise, attains leadership positions in trade organizations, knows industry vendors and media, publishes articles, and presents seminars and speeches.

Your niche goals and strategies should tie into your firm's strategic plan.

Executing a niche marketing strategy enables you to focus:

- Your marketing activities.
- The publications you read.
- The conferences you attend.
- The people with whom you network.
- The publications to which you submit articles.
- Your time.
- Your CPE.

If you'd like to create a disastrous marketing plan continue to be a generalist. Go after whatever types of new business that comes your way. If you'd like to build a more focused and profitable firm, then target industry niches.

Mistake #6: Do what you've always done because you've always done it.



Albert Einstein defined insanity as doing the same thing over and over again and expecting different results. This is exactly how many CPA firms approach their marketing planning. Without evaluating success or failure marketing initiatives are repeated because that's the way they've always done it. These CPAs either lack the creativity to do and be more or they are afraid of trying something new.

We operate in an ever-changing world. Consider:

- 19 of the Top 100 firms from five years ago have merged or acquired each other.
- Three of the Top 100 firms from five years ago no longer exist.

- The revenue of the 100th largest firm increased from \$25.95 million to \$30.83 million in the past five years. (Ten years ago that number was \$16.22 million).

In addition to increased competition, client loyalty has diminished. According to the [2010 CCH Accounting Firm Client Survey](#) 36 percent of business clients reported they were likely to switch CPA firms in the next year.

Given these converging trends growth is imperative. Shake off your complacency and dare to expect more from yourself and your team.

Mistake #7: Implement inconsistently.



If you'd like to ensure failure, then implement your marketing plan inconsistently. The accounting industry is a cyclical one. We know the significance of March 15, April 15, September 15 and October 15. It's easy for CPAs to avoid marketing activities as these deadlines approach.

Some firms also deal with the cyclicity of their client base. Major clients sap the resources of partners and staff for significant periods of time.

The key to successful marketing plan implementation is to be consistent. This is where your marketing plan can be extremely helpful. Your plan acknowledges those periods of time when client deadlines must take precedence. Marketing activities that could fill this space include your enewsletter, pre-written blog posts, targeted networking and referral source meetings, and LinkedIn updates.

Disaster is assured when your marketing initiatives run from June through December and stop from January through May.

Mistake #8: Underfund your budget.



One way to ensure a disastrous marketing plan is to underfund your budget. There's nothing like expecting growth without making the appropriate investment.

There are at least two ways you can look at developing your firm's marketing budget. First, you can look at the amount spent in the prior year and increase/decrease, as appropriate. Be sure to revisit Mistake #6. Second, you can look at what you would like your firm to accomplish in the upcoming year and determine the amount necessary to help make it happen. This is proactive and gives your marketing program a greater chance to succeed.

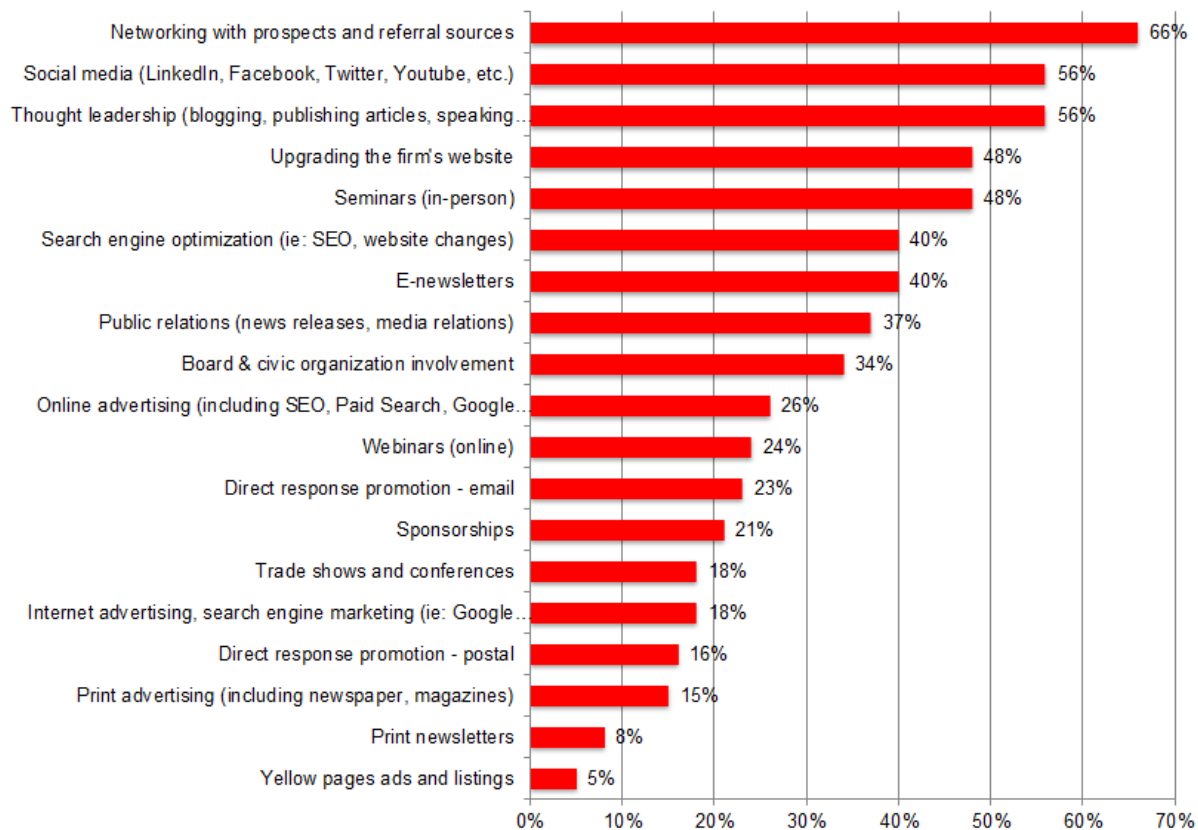
The amount you spend on marketing per year should range anywhere from 1 percent to 10 percent of sales, or possibly more, depending on several factors, including how established your firm is, how much you can afford, and industry averages. CPA firms continue to invest between 2 percent and 3 percent of net revenue on marketing.

Be sure not to let firm politics drive allocation of marketing resources rather than sound business decisions. When evaluating marketing budgets my clients are often surprised about how their dollars are being spent. Thousands could be spent on Yellow Pages advertising, charitable event sponsorship that firm team members

don't attend, Susie's yearbook ad, and each partner's pet project. Challenge every expense and match how it supports your marketing efforts. Provide each partner with a fixed budget to support their causes.

Mistake #9: Don't execute both offline and online marketing strategies.

Today, there are many offline and online marketing strategies that CPA firms can take advantage of. The chart below shows the marketing tools that the leading firms are doing more of, based upon research conducted for the [SevenKeys to Successful CPA Firm Management](#).



When evaluating these marketing tools consider implementing a mixture of those that get you face-to-face with clients and prospects (networking, seminars, board and civic organization involvement) with those that target larger audiences (website, public relations, sponsorships) with those that utilize digital (social media, thought leadership, SEO, webinars). Just like Mistake #8 be sure these marketing tools are selected based upon sound business decisions and the likelihood of goal achievement.

Mistake #10: Believe your marketing professional can handle ALL implementation and read the minds of management.

Developing your firm's marketing plan is the easy part. Implementation is the hard part. On occasion I've looked into the shocked eyes of CPAs when they realize that they have a role in the plan's implementation. The marketing plan will die on the vine without the participation and commitment of the firm's partners and managers.



Remember the sample table to help you track the status of your goals? It makes clear *who* is responsible for doing *what* by *when*. Your marketing effort will be successful when your team makes the commitment and is willing to be accountable.

Jean Caragher
Capstone Marketing



Jean Marie Caragher is an award-winning, recognized industry expert, author, speaker and advocate with over 25 years accounting marketing experience. Accounting marketing is her passion. Her tenacious approach with her CPA firm clients is based upon her experiences as a CPA firm marketing director, a CPA association executive director, and her 15 years of consulting experience since forming Capstone Marketing. Jean is a founder of the Association for Accounting Marketing (AAM), AAM past president, AAM past Volunteer of the Year recipient, inaugural AAM Hall of Fame inductee and multiple AAM-MAA award winner.

Capstone Marketing provides a variety of services to CPA firms including Brand SurgerySM, Marketing Plan Development and Implementation, Inbound Marketing, Retreat Facilitation, Training, and Marketing Director Recruiting.

Contact Jean at 858.737.4762 or jcaragher@capstonemarketing.com.

<http://www.capstonemarketing.com>

<http://capstonemarketing.com/category/blog/>



**CLICK HERE FOR A FREE
30-MINUTE CONSULTATION**

**Let's
Talk!**

If you're ready to create a marketing plan for your accounting firm or have other questions regarding your firm's marketing program click the button above to arrange a free 30-minute consultation!