



CAPSTONE MARKETING



Client Satisfaction Surveys for Accounting Firms:

The Answers to Your Most Frequently Asked Questions



Let's face it. There isn't an accounting firm on the planet that doesn't claim to provide excellent client service. Yet, based upon research conducted for the SevenKeys to Successful CPA Firm Management, the majority of accounting firms have no client satisfaction program whatsoever.

Even more shocking is the loss of focus on client retention. The chart below, compiled from the *PCPS CPA Firm Top Issues Surveys*, shows how client retention was ranked among the top five issues:

	2009	2011	2013	2015	2017	2019	2021
Sole Practitioners	#1	#2	#4	-	-	-	-
2-5 Professionals	#1	#2	-	-	-	-	-
6-10 Professionals	#1	#2	-	-	-	-	-
11-20 Professionals	#1	#3	#5	-	-	-	-
21+ Professionals	#1	#3	-	-	-	-	-

In 2009, after the economic collapse, client retention was chosen as the top issue for every segment. Client retention remained important in 2011. However, in 2013, encouraged by a strengthening economy, firms seemed more confident in their ability to retain clients and changed their focus to obtaining new clients.

In 2015, client retention completely dropped off the Top 5 list. Perhaps accountants were confident in their strong relationships with clients as the economy stabilized. 2017 and 2019 showed no change.

Then, let's take the pandemic into account. Many firms are serving more clients than they can handle. This certainly will affect the level of service that clients receive.

So, when the economy is suffering accountants pay more attention to client retention. When the economy is strong their priorities shift to other challenges – and there are certainly enough challenges to operating an accounting firm. However, an inconsistent focus on client retention will hurt firms in the long run.

Client retention is necessary for firm growth and retaining staff. Client service can be a point of differentiation for your firm only if you are willing to measure it. A client satisfaction survey is a great place to start. Here are the answers to your most frequently asked questions.

#1: When is the best time to conduct a client satisfaction survey?



There are a couple of answers to this question. First, if you have yet to solicit client feedback – or haven't conducted a client survey in more than three years – create a survey to send on an annual basis. This will provide a benchmark and enable you to track trends.

Second, if you have solicited client feedback within the past three years and are looking for a way to change things up create a survey to send upon the completion of an engagement, e.g., audit, tax

return, consulting project. This will provide you with more timely feedback and enable you to fix any problems quickly.

According to research conducted by [SurveyMonkey](http://blog.surveymonkey.com/blog/2011/08/16/day-of-the-week/#sthash.ZDAxplKN.dpuf) response rates for customer surveys were highest for survey invitations sent out on Monday, and lowest for invitations sent on Friday. On average, surveys sent out on Mondays received 10% more responses than average, and surveys sent out on Fridays received 13% fewer responses than average. (10% and 13% are relative measures. The absolute response rate does not change by 10% or 13%. For example, a 10% average response rate with a 10% increase would be 11%, not 20%.) – See more at: <http://blog.surveymonkey.com/blog/2011/08/16/day-of-the-week/#sthash.ZDAxplKN.dpuf>.

#2: How long should the survey be?

Most survey design experts believe that client satisfaction surveys should include between 10 and 15 questions.

#3: What form should it take? Paper? Electronic? Face-to-face? Focus groups? Telephone?

The days of mailing paper surveys are over. With that said you may want to mail surveys to older clients who are uncomfortable with technology.

While there are many online survey providers the best known is probably [SurveyMonkey](http://www.surveymonkey.com). Online surveys are more efficient, allow you to filter and cross-tab responses, and create reports and presentations of the results.

An effective and personal way to solicit client feedback is to conduct face-to-face meetings. Send a letter to each client in advance communicating your desire for a meeting to discuss how you are doing, determine how you can improve your level of service, and identify how you can strengthen your overall relationship. These meetings should be conducted by your firm's managing partner, except if s/he is the primary partner. Clients are likely to provide more candid feedback to a partner with whom they do not interact.

A client focus group can reveal a wealth of detailed information and deep insight. A good focus group requires planning so be sure that you're up for the challenge. Each focus group should include seven to 10 clients and take no more 90 minutes. Ask no more than eight questions. The facilitator's goal is to generate as many different thoughts and ideas from all the focus group participants in the time allotted.

Here are a few things to keep in mind about the participants:

- They should not know each other (or be very familiar with each other).
- They should be at a peer level with each other, e.g., all CEOs or all controllers.
- They should be in a similar age range.
- They will not know the questions in advance.

Telephone interviews can be effective for clients located out of your geographic area. When opting for the personal touch, choose face-to-face whenever possible.

#4: How do we select the clients to survey?



Don't stack the deck by selecting only happy clients who you know are very satisfied with your services. Depending upon the size of your firm you might consider surveying:

- All clients.
- All clients within a specific niche.
- All tax clients (immediately after tax season).
- A number or percentage of clients per partner, selected

randomly.

The managing partner or other neutral party should be involved in client selection. Be sure to survey all the appropriate client contacts, e.g., not only the CEO but the CFO, controller, bookkeeper.

After the clients are selected, whenever possible, invite them to participate, as part of an ongoing conversation. Call up the clients, explain the benefit to them and to you, ask if they need anything to help them participate, then email them the URL for your online survey.

#5: What types of questions should be asked?

Keep your questions short and clear. Clients are less likely to answer if a question is too long or they do not understand how they should answer. Likewise, keep your answer choices short and concise.

Include a variety of questions including single choice, multiple choice, statements they can agree and disagree with, and questions with fixed satisfaction/dissatisfaction ranges.



Use write-ins or a "Comments" field to find out what clients think. Don't assume you know all the possible answers. Include open-ended questions that allow clients to give you specific, actionable feedback. However, don't ask too many. Open-ended questions that require a lot of writing will cause time-pressed clients to become annoyed and abandon the survey.

Each question should ask for just one piece of information and not have any additional questions embedded within it. If either *and* or *or* ends up in your question, there's a good chance your question is inconclusive. For example, if you were to ask, "Were you satisfied with the timeliness of your tax return preparation and the knowledge of the team member who helped you?" a simple "No" answer could have more than one meaning—and you'll have no way of knowing whether the client was unhappy with the timeliness or your team member's knowledge level.

#6: Should client survey respondents be required to identify themselves?

Your survey feedback is worthless if you don't act on it. In order to follow up you must know who the clients are. This requires clients to identify themselves.

#7: How can I get buy-in from my firm's partners to conduct a client survey?

In order for partners buy-in to a client survey they must believe that client service, satisfaction and retention is a problem. Here are the facts:

Customer loyalty drives revenue growth of up to 20%.¹

For many large companies, up to 95% of profits come from long-term customers.²

Adding a new customer costs three to seven times more than keeping an existing one.³

A 5% improvement in client retention can improve profits by 25% to 85%.⁴

Between 65% and 85% of customers who chose a new supplier professed themselves satisfied or very satisfied with their old supplier.⁵

Then, in the words of [Dr. John P. Kotter](#), the Konosuke Matsushita Professor of Leadership, Emeritus at Harvard Business School and the Chief Innovation Officer at [Kotter International](#), it's effective to highlight the problem and the people affected by it in a way that makes the problem *feel real*. Highlight the real, personal consequences of the problem you want people to see, and highlight the real people who suffer because of it.

Ask yourself:

- How is our level of client service impacting our staff recruiting and retention?
- Is our firm's growth hindered by client departures?
- Does our firm have a reputation for client satisfaction? If so, does it help us win new clients?
- What are my partners afraid of discovering from their clients?
- How many of our clients are at risk?

¹ Lawrence A. Crosby and Sheree L. Johnson, "Growing Up," *Marketing Management*, (March/April 2005): 12-13.

² Ibid.

³ Ibid.

⁴ Harry Mills, *The Rainmaker's Toolkit*, (AMACOM 2004), 12.

⁵ Jim Billington, "Five Keys to Keeping Your Best Customers," *Harvard Management Update*, (July 1996): 3-6.

#8: What do I do with the survey results?



Once you've asked clients for feedback it is critical to follow up. If you don't intend to follow up don't conduct the survey in the first place. This can include a letter and/or email thanking clients for their participation along with a summary of the results.

Share the results, including verbatim client comments, and what these results have taught you with your entire staff. Celebrate the positives and determine how you can improve upon the negatives. This is a tremendous learning opportunity for you and your team.

If the results are not what you expected, don't ignore them and make excuses. Embrace the feedback and do something about it.

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Jean Caragher gets things done. For CPA firms seeking to improve their marketing, Jean is the go-to resource for strategy and implementation. With 35 years of experience working solely with CPAs, Jean knows the challenges and opportunities firms face today. Her experience and knowledge, combined with her practical approach, help growth-focused CPA firms attract the best clients and talent.

A well-respected industry specialist, Jean is an inaugural AAM Hall of Fame inductee, a multiple AAM-MAA award winner, and a *CPA Practice Advisor* Thought Leader. Prior to launching Capstone Marketing in 1998, Jean served as a CPA firm marketing director and association executive director. She has twice been named one of *Accounting Today's* 100 Most Influential People in Accounting. She is a HubSpot Certified Partner and a Certified Instructor of Fore LLC's Advanced Pricing Methods®.

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If you're ready to conduct a client satisfaction survey for your accounting firm or have other questions regarding client satisfaction and retention, click the button below to arrange a free consultation!

Let's Talk!

