

INSIGHTS ON GROWTH

Key Considerations for Public Accountants



THE GROWTH PARTNERSHIP
— PLAN ON SUCCESS —

INSIGHTS ON GROWTH

Key Considerations for Public Accountants



The Growth Partnership (TGP) works exclusively with public accounting professionals to help them succeed as business owners. Our consultants, coaches and trainers offer growth and development strategies to address the most important issues faced by accounting firms today.

Our expertise includes marketplace positioning, performance training, lead generation and customer loyalty, and our best-practices approach draws on more than 15 years of organizational experience. We excel at helping our clients achieve sustainable, profitable growth. For more information, visit our website at www.thegrowthpartnership.com or call (314) 209-0922.

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This booklet is designed for public accountants and other financial service professionals who want to challenge the status quo. It is not for the complacent or those willing to settle for just being good. Rather, it is for those who aspire to greatness.

Whether you are a managing partner, an executive committee member, niche champion, or simply an up-and-coming leader in your firm, the proven tools and ideas outlined in the following pages will help you nurture and refine your thoughts on what it takes to drive organizational growth and profitability.

“ All organizations are perfectly aligned to get the results they get. ”

— Arthur W. Jones

CURRENT LANDSCAPE/PARADIGMS

The quality of the competition has become world-class.

Today's public accountant operates in a highly competitive environment that is increasingly entrepreneurial. There is little doubt your best clients are your competitor's top prospects, and those competitors are actively trying to sow seeds of discontent among your most important relationships. The same applies to your best employees, the up-and-coming staff you view as your future partners.

To survive this competitive cauldron, firms must focus on achieving sustainable, profitable growth. Only then can they resist the fee pressures applied by low-cost providers and retain the very best clients to create a winning culture that compels your best and brightest to stay for the long term.



Time for a Shift

We all have a unique mental map we use when considering our firm and its prospect for growth. This lens is based on a collection of evidence we believe to be true, but it is often incomplete or even inaccurate. Sometimes these paradigms include scripting and negative beliefs that work directly against our ultimate success.



Notice the contrast and the predicted behaviors and decisions flowing from each. Which paradigm do you think produces the greatest results? If you are willing to challenge some of your long-held assumptions, read on.

"Shift" is about to happen!

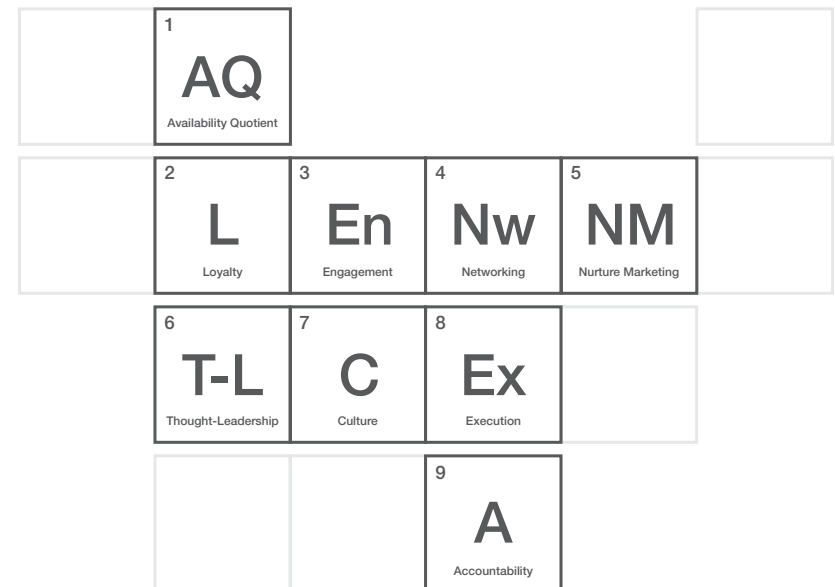
THE ELEMENTS OF SUCCESS

Plan on Success!

At The Growth Partnership (TGP) we practice a disciplined approach to growth and development based on more than 15 years of organizational success. *Plan on Success* is not just our tagline, it also describes how we do business.

Each Growth & Development Plan™ we create provides a unique prescription for success that is specifically customized for you. It can only be created after we get to know you and learn more about your specific firm and marketplace. Only after thoroughly diagnosing your situation and environment are we able to craft a customized approach that will drive your strategic priorities.

Your Growth & Development Plan must contain several elements critical to your success.



We will review each of these core elements and list the specific competencies (learning) and infrastructure (systems) associated with each one. Whether you ultimately choose to engage us or simply work to implement these ideas yourself, each element is an essential building block for success!

C List of Competencies Developed

S List of Systems Deployed

DOES YOUR FIRM SAG™ ?

Overcoming the Skill and Availability Gap

While members of your firm may be technically excellent, the skills needed to be a great accountant are not necessarily the same skills you need to be an effective entrepreneur—someone in charge of leading a successful business. Great leaders recognize when they have a skill gap that works against them in achieving their highest priorities, and actively seek out new avenues of knowledge to close the gap.

CPAs are also constrained by time. If you consider how much of your time is consumed by billable work—working *in* the business—you quickly realize that there is very little time to actually work *on* the business, doing the Q2 tasks (planning, preparation, development, mentoring) necessary to achieve your goals.

How can CPAs overcome their Skill and Availability Gap (SAG)?



The Time Management Matrix

	URGENT	NOT URGENT
IMPORTANT	<p>Q1 NECESSITY</p> <ul style="list-style-type: none"> Crises Emergency meetings Last-minute deadlines Pressing problems Unforeseen events 	<p>Q2 EFFECTIVENESS</p> <ul style="list-style-type: none"> Proactive work Important goals Creative thinking Planning and prevention Relationship building Learning and renewal Recreation
NOT IMPORTANT	<p>Q3 DISTRACTION</p> <ul style="list-style-type: none"> Needless interruptions Unnecessary reports Irrelevant meetings Other people's minor issues Unimportant email, tasks, phone calls, status posts, etc. 	<p>Q4 WASTE</p> <ul style="list-style-type: none"> Trivial work Avoidance activities Excessive relaxation, television, gaming, internet Time-wasters Gossip

© FranklinCovey, 7 Habits of Highly Effective People

IMPORTANT

Activities that represent your mission, roles, values, and high priority goals

URGENT

Activities that require immediate attention

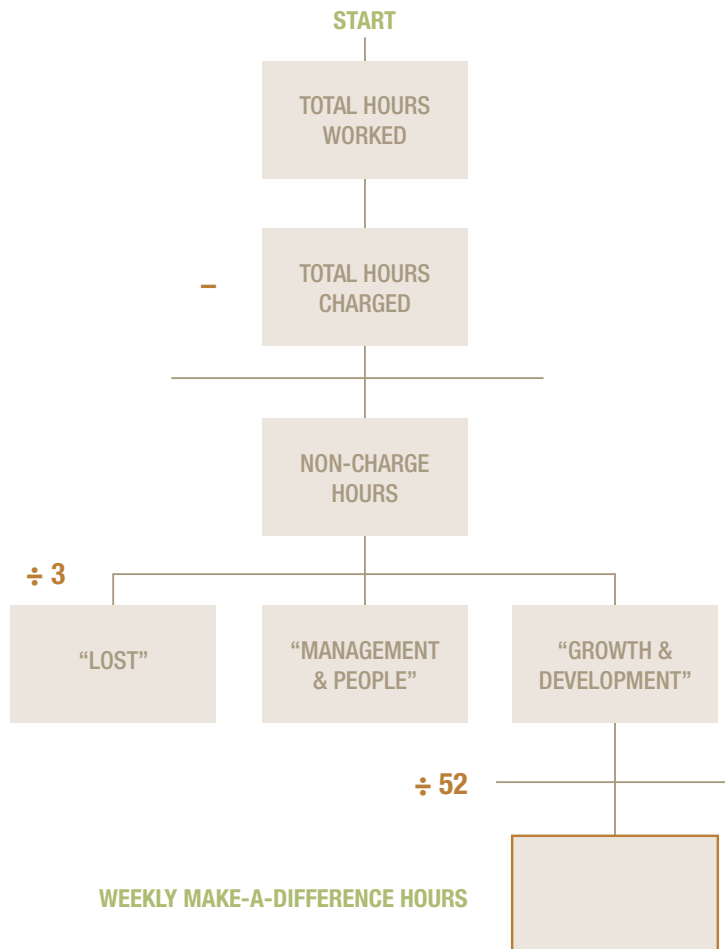
DOES YOUR FIRM SAG™ ?

Overcoming the Skill and Availability Gap



Leveraging Your AQ

To overcome **SAG** you must first leverage your personal Availability Quotient (AQ), and then commit to living above the line when it comes to the Time Management Matrix.



Your AQ represents the best-case scenario in terms of the time you have to work on your business. While the seasonal nature of the profession dictates these hours may not be available in any one week, the AQ does consider the total amount of make-a-difference hours you have at your disposal, and how they translate to a weekly average of hours across the year.

Great firms are made up of people who have the discipline to capture their AQ time, and use those hours to do the things that are truly the highest and best use of their time—the things that allow a goal to become a reality.

Now consider what it would be worth if everyone in the firm focused their AQ hours toward your greatest strategic priorities!

- C Time Management Essentials
- A “Disciplined” Approach to Marketing
- S Personal AQ™ Calculator



THE LOYALTY EFFECT



Because somebody is always willing to do it for less...

Today's accountant routinely encounters fee pressure in the market. Whether it is through a formal bid/proposal process, or simply a competitor engaging with an existing client of yours, there is no shortage of firms willing to do your work for less.

Before simply matching fees or taking write-offs, practitioners must first take stock of the state of their very best relationships. According to the Pareto Principle, a firm should focus 80 percent of their client service efforts on 20 percent of their clients. This 20 percent represents a majority of a firm's revenue, profitability, referrals and other critical elements—and these clients must be defended at all costs.



Unfortunately, most firms fail to measure the degree these clients are:

Promoters — Loyal enthusiasts who will buy more and recommend your firm to friends and colleagues.

Passives — Clients who appreciate what you do, but see your services as a commodity that could be traded for a competitor's lower fees.

Detractors — Clients who are currently caught up in a bad relationship and are just waiting for someone to come along and make it easy for them to switch.

Using Fred Reichheld's Net Promoter Score™ (NPS) methodology and our online satisfaction and loyalty survey, we can help you measure the degree of loyalty among your best clients, and actively manage any relationship that requires attention.

Once you know a client's NPS, you can ask follow-up questions that provide insight into what it will take to build a more effective and enduring relationship. For example, here is a comment taken from one of TGP's client's recent customer surveys:

“Your team is efficient, courteous and professional. However in this financial climate it takes more than that to stand out amongst the competitors. We would consider shifting our accounts to a more proactive, personal accounts team. Satisfaction with the service you provide is not necessarily an indication of loyalty to the firm.”

Would you rather know how a client feels before you get notice they have moved on? Implementing a client survey system is the best way to keep a thumb on the pulse of your most important relationships!

- C Leveraging the Loyalty Effect
- S Online Loyalty / Net Promoter Score Survey

DEEPEN ENGAGEMENT

Tap the limitless potential in your existing client base.

Once you know which clients are Promoters, Passives and Detractors, you can begin work to improve any relationship that requires attention.

Engaging your clients more deeply and acting as an advisor - not just an accountant, is practicing what David Maister calls "True Professionalism" in his book of the same name. Multiple studies have confirmed that the CPA is a business owner's most trusted business advisor. Often accountants relegate themselves to vendor status and simply focus on the compliance needs of their clients. Generally, this is a result of not having a system to interact at a deeper level, and a reluctance to engage in perceived sales activities.

TGP's Client SpotLight™ is a proven best-practice process refined over the past 20 years. Using this work-paper approach, accountants systematically follow a process that yields a number of desired outcomes.



SpotLight Your Clients!

By deploying the Client SpotLight process, you drive six desired outcomes that are crucial to the growth and development of your practice:

Create Additional Projects / Revenue

Reduce Fee Sensitivity

Increase Satisfaction / Loyalty

Train Staff to Think Like Partners

Diminish Seasonality

Create Referrals to Give



C Practicing True Professionalism

S The TGP Client SpotLight™ Process

GET YOUR NetWORKing!

Pursuing Opportunities for Mutual Benefit



Truthfully, all professional service providers want to be held in high esteem by their clients and professional colleagues. Practicing this true professionalism is becoming more than just a vendor who takes and fills orders from a client—it is transitioning into a trusted advisor whose expertise transcends their individual practice. Trusted advisors know the right questions to ask and where to find the right answers.

Building and maintaining a dynamic pipeline of referrals is the lifeblood of any successful practitioner. Cultivating relationships with other advisors who produce referrals is a function of having mutual chemistry, rapport, offering complimentary services and making the concerted effort needed to catalyze results.

Referrals only happen when the possibility for mutual benefit exists. The one who refers wants to solve a problem or meet a need for a client, and the individual receiving the referral wants an opportunity to perform additional services in their specific area of expertise. Unfortunately, understanding this is one thing; actualizing it is another.

Welcome to the Main Event!

At TGP we have devised a strategy to replace the stale “meet-and-greet” with a Referral Event™ designed to produce superior results. During the Event, your visiting colleagues will learn more about your firm’s capabilities, understand how you differentiate your firm from your competitors, and fully understand the benefit you can provide to their clients through an array of specialized services. You also position your firm as leading edge when you host an engaging Event.

As the referrals come in, we also want to account for and measure them to ensure that the appropriate quid pro quo is maintained among professionals. Our online Referral Management System allows you to do just that.



It's going to leave a positive long-term impression on the attendees because it's different. That's what we were going for and I believe that's what we've achieved. A fresh approach is very important and we're seeing the results. — Managing Partner, Fuller Landau, LLP



- C Mastering the Art of the Elevator Speech
- Engaging in Meaningful Conversation
- Presenting for Impact and Results
- S Online Referral Manager
- The TGP Referral “Event”™

NURTURE MARKETING

Proactively Court your Future Clients

Would you rather be sold to or courted? Pitched to or pursued? Successful practitioners know clients do not break their relationship with their professional service providers on a whim, and a decision to make a change is never considered lightly. Therefore, firms committed to growth must invest in marketing strategies built for the long haul.

To develop relationships with your future clients requires a systemic approach:



Your future clients should all share a common demographic and organizational profile that mirrors your current clients. Truly, when one of these relationships is secured, it is a cause for celebration!

What It Takes to Be #2 (at least for the short term)

A general or niche-oriented campaign builds slowly and systemically courts your desired relationships. By following the PIF™ Process (Prepare, Interact, Follow-Up), we work to successfully position you in front of your future clients through a series of carefully scripted interactions. Over time, this initial positioning matures into deeper relationship building, and eventually culminates with the acquisition of a new client.

The key to nurture marketing is a sincere, systematic approach to building desired relationships. Firms that are content with simply being “#2” in the short term generally have what it takes to eventually secure the relationship. The process is one of persistence, where you’ve impeccably positioned yourself to be in the right place at exactly the right time. At some level, the success of your nurture campaign will be measured by the number of proposals you DON’T do—because when the prospect is ready to make a move, their only instinct is to call you.

- C** Advanced Salesmanship / SPIN Selling
- Effectively Overcoming Objections
- S** The TGP Future Client Campaign™
- PIF™ Toolkit (Prepare, Interact, Follow-Up)



CULTURE IS YOUR COMPETITIVE ADVANTAGE

Unleashing Talent

All employees have a job to do—the tasks outlined in their job description they perform in order to get a paycheck. This job is what we call hard skills, the technical competencies we need to complete our work. Hard skills are important if we want our firm to be a viable, ongoing company, but it is not what differentiates you from your competitors, and it is certainly not what allows you to charge a premium price. Someone is always willing to work at a lower rate.

While successful firms realize there is always work to be done, it takes something more in order to create sustainable, profitable growth. Firms also need soft skills that include personality, attitude and ability to relate to others. When employees understand, embrace and willingly undertake what is necessary to achieve your strategic vision, they contribute to your culture and your firm's raison d'être, or "reason for being."

Having a culture of highly engaged contributors is the catalyst for growth and it can be applied at every level of an organization. Consider these familiar organizations that are known for their world-class company cultures. They are all made up of employees who not only know what there are supposed to do when they come to work, but more importantly why they are doing it, and what specific contributions they can make today to drive desired business results.

What is keeping your firm from appearing on this list?



- C Differentiating "Work" and "Contribution"
- Leveraging your Money-Making Model
- S The TGP Personal Image Plan™



A FRAMEWORK FOR EXECUTION

Success is in the Systems

Highly effective firms are not a collection of silos simply banded together to share administrative resources and overhead expenses. Rather, these firms operate in a synergistic fashion with all partners and team members making a significant contribution to organizational success. The challenge is how to get your diverse workforce to unite and pull together as one.

Most firms need a framework for execution—a clearly defined system that allows each contributor to focus on the specific activities that drive firm growth.

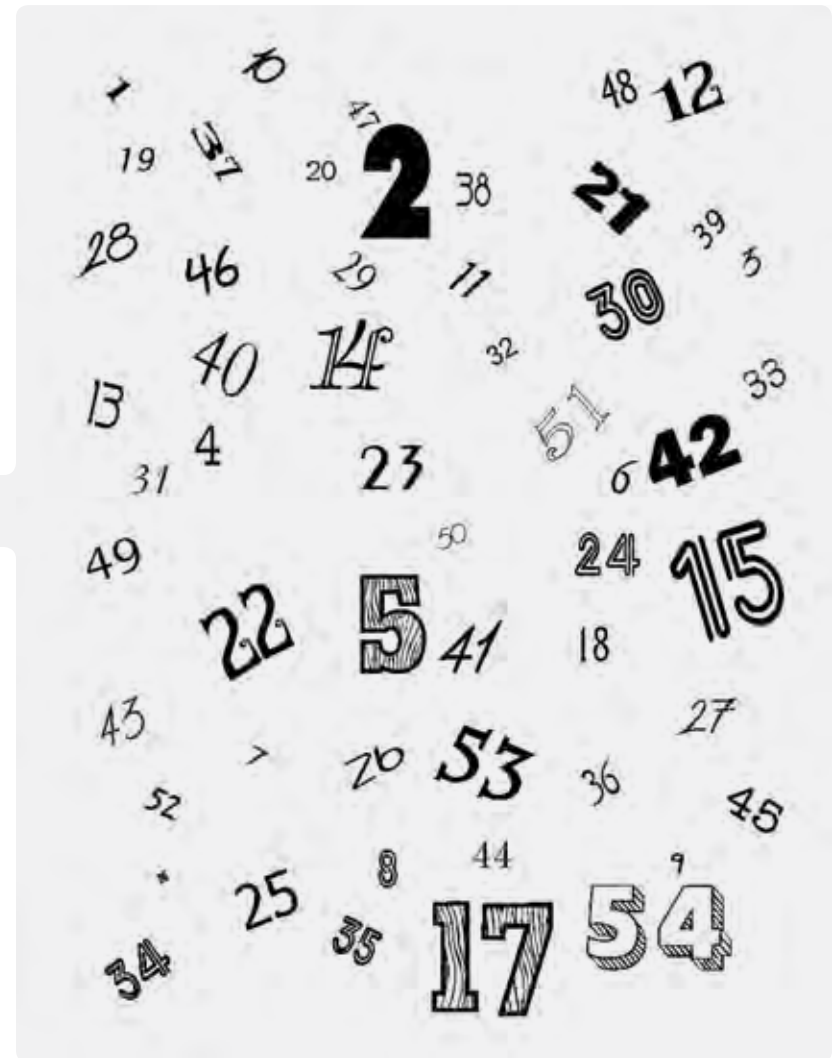
Consider the exercise on the following page. On the next page you see 54 numbers randomly spread throughout the page. To better understand the notion of a systemic approach to success, try to see how many numbers you can put in order by placing a tick mark next to them in 60 seconds.

Go ahead and try it!

Time's up. Record the last number you had a tick mark next to when time expired.

Record Your Score:

Now, turn the page and try the exercise again. The location of the numbers have not changed, but this time we have given you a framework for execution—a system that will allow you to achieve better results than what you experienced in the past.



A FRAMEWORK FOR EXECUTION

Success is in the Systems

Again, try to see how many numbers you can put in order by placing a tick mark next to them in 60 seconds.



Time's up. Now record the last number you had a tick mark next to when time expired. How do you account for the dramatic improvement?

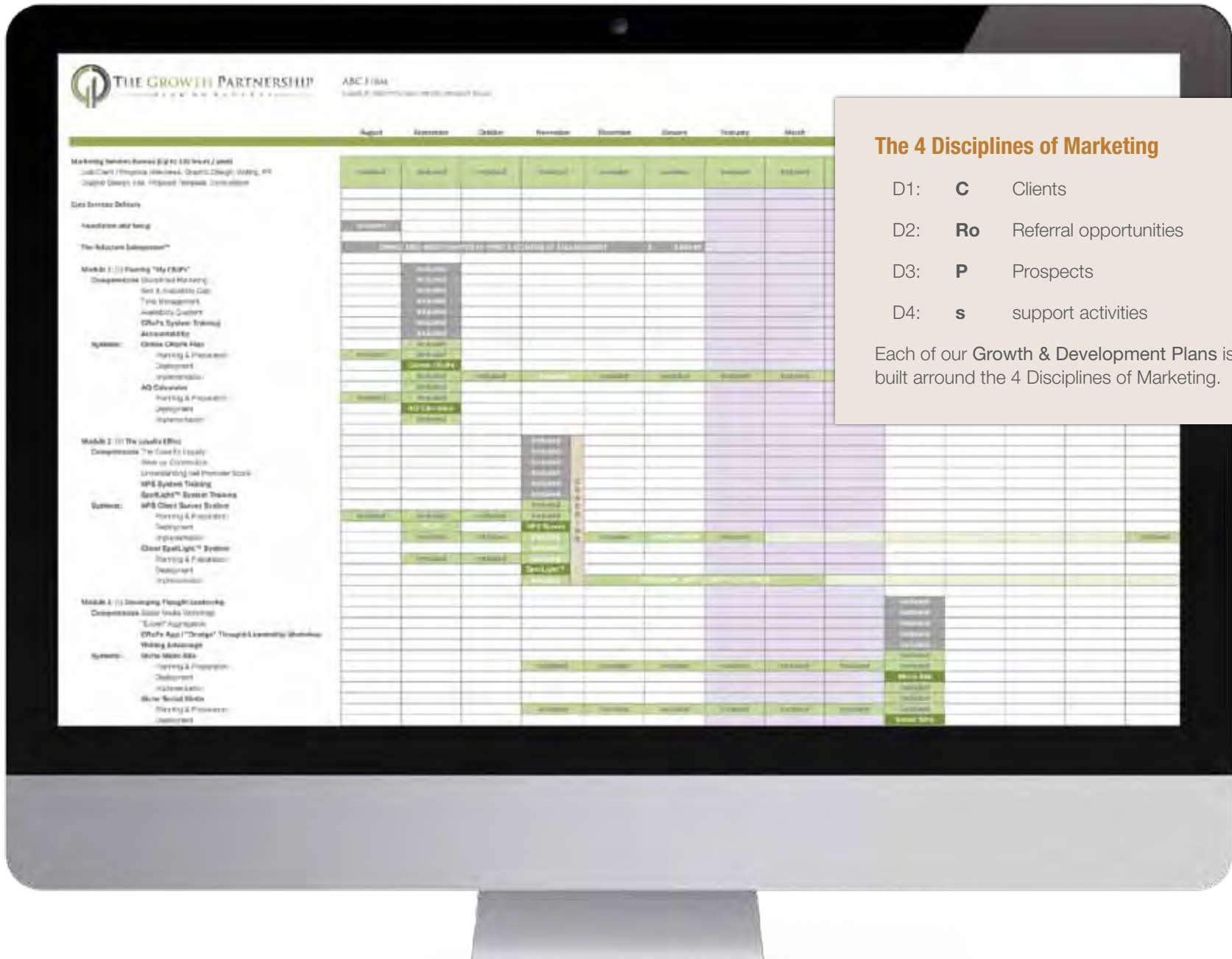
Your New Score:

As we work with our clients, we always insist on establishing systems that provide a framework for success, like our Growth & Development Plan which formalizes your annual growth WIGs (Wildly Important Goals) and memorializes the activities, timeframe and budget needed to accomplish them. Let's face it, most firms don't *plan* to fail, they just *fail* to plan. What could a proven framework for success mean for your firm this year?

- C Practicing the 4 Disciplines of Execution®
- S TGP's Annual Strategic Planning Workshop

A FRAMEWORK FOR EXECUTION

Success is in the Systems



The 4 Disciplines of Marketing

- D1: **C** Clients
- D2: **Ro** Referral opportunities
- D3: **P** Prospects
- D4: **s** support activities

Each of our Growth & Development Plans is built around the 4 Disciplines of Marketing.

AccountABILITY

Achieving Return of Marketing Investment (ROMI)

9

A

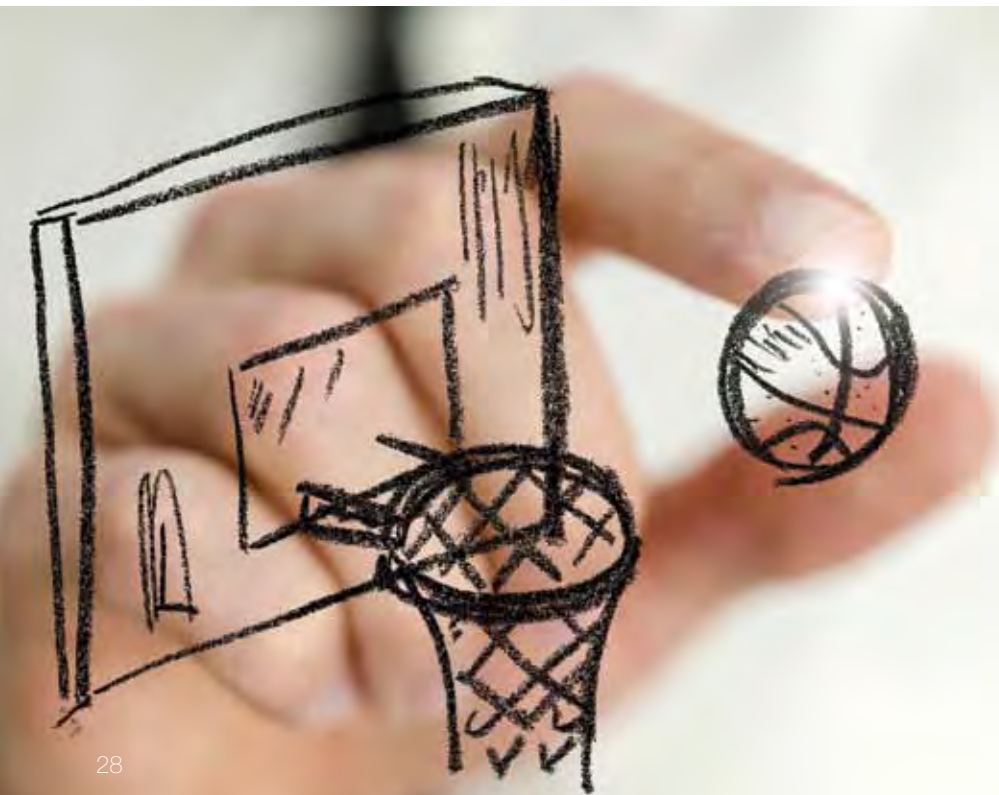
Accountability

The famous UCLA basketball coach John Wooden started the beginning of each season teaching his players how to tie their shoes. On the surface, this may have appeared to be a waste of valuable practice time, but Coach Wooden knew this minor detail would yield large dividends. In fact, his entire practice scheme was broken down into elementary components that when assembled together yielded season after winning season.

Driving accountability in your firm is no different, and starts with your partners and managers focusing on the equivalent of tying their shoes. Practice development can be distilled to each individual managing the 36 key relationships that will produce their desired results. Thirty-six. No more, no less. If these relationships are adequately maintained, everything else seems to take care of itself.

Because accountability is paramount to success, we have designed an online system that allows our clients to keep tabs on their 36 key relationships. Using our proprietary algorithm to measure engagement, a user can quickly see the status of each relationship, and schedule activity and interactions as needed. Additionally, because our system is open among members of the same firm, an additional level of peer-to-peer accountability is also established.

If you are interested in learning more about our online CRoPs application, and how it can help you measure both the **qualitative** and **quantitative** results of your **Growth & Development Plan**, please contact us to arrange for a free trial.



- C Cultivating Your 36 Key Relationships
- Calculating Return on Marketing Investment
- S The TGP Online CRoPs 36 Plan™
- Q² Report Card (Quantitative & Qualitative)

GETTING STARTED

Putting First Things First

In the preceding pages we have provided you with our insights on what it takes to achieve sustainable, profitable growth. However, before we attempt to prescribe a custom solution for your firm, it is necessary to first diagnose your specific situation. We do this in a mini-engagement called a Marketing Audit™.

Our **Marketing Audit** is a systematic approach to diagnose the strengths and weaknesses of your firm's marketing programs. The **Audit** ultimately provides you with our recommended changes to your marketing activities using a comprehensive 24-month **Growth & Development Plan**.

In gathering information for the **Audit** we will:

- Interview key members of your firm
- Review your firm's existing marketing plan, strategic plan, collateral material, proposals, newsletters, social media outlets, website, ads and branding initiative
- Gather information about your firm's key metrics such as revenues, profitability, billings, billed and worked hours, realization, etc.
- Analyze your firm's top 100 clients
- Conduct a local market analysis to evaluate the competition, niche potential, prospect sets and general market potential
- Review your firm's marketing investment

The **Audit** results and recommendations will be delivered in a 4-hour, face-to-face meeting with key members of your firm. During the meeting, we will facilitate a prioritization process so we fully understand the most important and pressing concerns in the minds of your key firm members. Finally, we present a **Growth & Development Plan** based on our recommendations, the results of the prioritization process and our understanding of your firm and the accounting profession.

What are the benefits of a Marketing Audit?

Based on 15 years of delivering **Marketing Audit** results, these are some of the values your firm receives:

An overview of the accounting profession's current landscape and trends

A review of your local market environment

A look at your self-identified competition

Benchmarking results for key economic data (realization, billable hours, income per partner, utilization, etc.) comparing your firm against like-sized firms

An analysis of your key niche areas

Discussion around our interview results

A report card on a number of marketing initiatives: marketing plan, collateral material, proposals, newsletters, social media activities, website, ads and branding initiatives

A thorough understanding of our recommendations

A 24-month Growth & Development Plan

An investment in the entire **Marketing Audit** and **Growth & Development Plan** process starts as low as \$6,500 (plus minimal travel expenses). If you ultimately decide to engage us to help implement your firm's **Growth & Development Plan**, this investment will be applied to your implementation budget—meaning the **Audit** was actually our investment in your firm!

TAKE THE FIRST STEP

Let's grab coffee!

The Growth Partnership is a team of consultants, trainers, coaches, designers and marketers who want to put our experience to work to benefit your firm.

Now it's your turn.

Whether you simply want to gain deeper understanding about a concept in this booklet, or you would like to talk specifically about how working with TGP can help your firm achieve this year's growth and development goals, let's plan to grab fifteen minutes of phone time together.

To arrange for your complimentary appointment—perhaps scheduled over your next cup of coffee—simply email one of our partners directly.

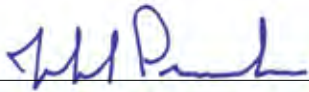
Jeff Pawlow jpawlow@thegrowthpartnership.com
Charles Hylan chylan@thegrowthpartnership.com

Additionally, you may want to take our FREE marketing assessment prior to our call. It only takes a few minutes to calculate your firm's Accounting Marketing Quotient™ (AMQ), and having these results in hand will significantly deepen the dialogue we'll be able to have during our call.

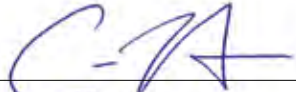
The AMQ survey can be found at www.thegrowthpartnership.com/amq.

Until we are able to connect, please accept our sincere wishes for continued success!

Best,



Jeff Pawlow



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systems for accountability



MARKETPLACE POSITIONING My CROs LEAD GENERATION

our niche: the accounting profession

PLAN ON SUCCESS

ROMI golden handcuffs the rosenberg survey

prospect founded in 1999 diagnose

exclusivity THE GROWTH PARTNERSHIP design

partner institute St. Louis, MO develop

NASBA Charles Hylan deliver

nps net promoter score not a "shingle"

CUSTOMER LOYALTY focus PERFORMANCE TRAINING

on implementation



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