

BUILD RELATIONSHIPS & REVENUE WITH CONSULTATIVE CLIENT MEETINGS

**YOU ARE THE VALUE IN
CLIENT RELATIONSHIPS**

Written by: **Katie Tolin**,
Chief Growth Guide, CPA Growth Guides

Produced by:

sageworks[®]

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INTRODUCTION

What do clients want from you? They want many things, but at the top of the list is [proactive advice](#) that will help them improve their business and hit established financial goals. While this seems simple enough, many accountants drop the ball and leave their clients wanting more.

How many times have you met with a client and instantly started sharing all the great number crunching that you and your team completed? It's an easy and comfortable presentation. But you are sharing data that looks at the past—and your client is already looking to the future:

- How can we solve that inventory problem that is costing the company thousands?
- Can we hire enough qualified employees to keep up with planned growth?
- What can we do to add value to the business so we can ultimately sell it?

When you have the opportunity to sit down with a client to talk about his business, you should [be prepared](#) to understand the company's obvious needs, but you should also use the opportunity to uncover the not-so-obvious ones.

Remember, every business owner is facing some challenge, and that challenge needs a solution. As a consultant, your goal is to provide the expertise the client doesn't have so he can make better decisions and reach his desired outcome.

BE CONSULTATIVE

Being consultative does not mean telling the client all the great things you and your firm can do. It is about listening—really listening—to your clients concerns and then collaboratively coming up with ideas and recommendations that lead to helpful solutions. Chances are, you will be able to provide most of those solutions at your firm, but if you cannot, you can recommend someone who does.

While it's a simple formula to comprehend, identifying each of the individual components is what makes it complex. You have to uncover a challenge the business faces and [identify a solution](#) that will produce the outcome the company desires.

Challenge + **Solution** = **Desired Outcome**

This is not unlike what your doctor does when you are sick. Let's say you go to your doctor with lower back pain. The pain could have many causes, so what does the doctor do? She asks you questions to try to figure out what the problem is. Perhaps she runs a few tests to find out more; narrowing down potential diagnoses. And she does all of this before prescribing any course of action—the solution. By this time you feel like she understands what is happening with and you are confident she has prescribed the right treatment, even if that means being treated by a specialist. You may have felt differently if she walked into the examination room, told you to take a few aspirin and walked out.

BE CONSULTATIVE CONT.

By asking you questions, the doctor made you feel like she was truly focusing on you and your health. If she's able to bill more for the tests and consultation, then it's a win-win situation: Your back pain goes away and she adds additional revenue to her practice.

To operate as a consultant, it is critical to focus on the problem being discussed and not the predetermined outcome that you'd like to see. Listen more and talk less. And when you do talk, [ask questions](#). Keep your analytical tendencies in check. They can be incredibly beneficial at times or they can stall a discussion when you get so caught up in a number that you don't step back to see the big picture.

ACT LIKE A FACILITATOR, NOT A PRESENTER

While presenters share their knowledge with others, facilitators guide others to an outcome. Your clients know you have a certain level of knowledge or they wouldn't be working with you to begin with. Consultative meetings should be more about provoking thoughtful conversation and less about the tax code, a FASB Accounting Standard or other technical knowledge you have.

Still, you are the expert and your client is looking to you for advice. As a pure facilitator, you would limit your thoughts and opinions. In consultative meetings, you need to lead the discussion while also thinking about what is being discussed and serving as an information resource. Clients want to know [what you think](#).

These facilitation techniques are often used to lead productive consultative meetings:

Employ active listening. The Dalai Lama said, "When you talk, you are only repeating what you already know; but when you listen, you may learn something new." You can learn something new about any client if you employ active listening, which is paraphrasing what you heard to ensure everyone is on the same page. That's how you move listening to understanding.

Structure the agenda. Facilitators bring structure to meetings to allow for effective conversation and decision making. You should take responsibility for developing an agenda for the meeting. Ask your client what she wants to discuss and be sure to include those items. You'll want to make sure you [follow the agenda](#), but don't be afraid to take the conversation where it needs to go. Be flexible as long as you are achieving the ultimate goal, but don't let the conversation go too far down an unproductive path.

ACT LIKE A FACILITATOR, NOT A PRESENTOR CONT.

Guide the discussion, not the solution. It's important that the facilitator not guide a group to a particular solution. Facilitators, like advisors, don't make decisions for the client. While you may have some ideas about what the client can do, you can't force the decision upon them. Encourage multiple ideas. Review the pros and cons of each. Discuss possible outcomes of implementation. Provide best practices. Explain the legal and regulatory implications. The goal is getting enough information into the room to help the client make an informed decision.

Create an action plan. Facilitators should capture the decisions made in the meeting as well as who agreed to do what by when. You should recap everything that was decided so that everyone understands their next steps. Too often, people participate in a meeting and a couple weeks later forget what was discussed. By [capturing that information](#) and sharing it with the client, you are giving them the tools to take action and reap true value from your meeting. Action plans do not have to be complicated. Here's what a simple plan could look like:

Item Discussed	Who?	When?	Next Step
<i>Recalculate costing per product</i>	<i>Joe CFO</i>	<i>Q1</i>	<i>Joe to prepare calculation and let Sally CPA review.</i>
<i>Review current insurance policy to see if it covers international commerce</i>	<i>Jane CEO</i>	<i>ASAP</i>	<i>Update policy as needed to cover upcoming work in Japan.</i>
<i>Move audit schedule up by one week</i>	<i>John CPA</i>	<i>Jan. 15</i>	<i>John to revise audit schedule and send to Joe CFO.</i>

GET INSIDE YOUR CLIENT'S MIND

As a consultant, you should strive to understand not only what your clients think about, but also how they think. Is she a dreamer, taking risks to achieve her vision? Is he more pessimistic, needing a bit more convincing before spending significant dollars? Is he a linear thinker who needs a step-by-step outline of how something will work before deciding? People think in different ways, and probably in a way that differs from you. Understanding how they think will help you present information in a way that will ease decision making.

As you strive to understand what issues your client is concerned with, don't ask what keeps him up at night. Yes, that gets to the core of what you want to know, but the question is overused and frustrating. You can get to the same answers with probing questions—open-ended questions that get the client thinking more deeply about a specific issue.

There is no list of questions that you can automatically ask to uncover this information, but you can use the following formats to come up with your own:

- What do you think would happen if you _____?
- What would have to change in order for you to _____?
- Why do you think you have _____?
- What was your intention when you _____?
- What do you think the connection is between ____ and _____?
- What criteria must be met for you to _____?
- What has been your experience with _____?
- What challenges are you experiencing with _____?
- Why did you say _____?
- What is this problem costing you?
- If you were to make that decision again, would you? Why or why not?
- If you had a magic wand and could fix anything in your business, what would it be?

GET INSIDE YOUR CLIENT'S MIND CONT.

If you don't know what to ask, don't underestimate the power of a simple "why." It may be the most potent question in your arsenal. Don't be afraid to ask it. And ask it again to gain a deeper understanding. Let's look at how this can play out:

"I can't seem to get my inventory right. I either have too little or too much," the client says.

"Why?" you respond.

"Because the amount we sold last December and this December varies by nearly 40 percent," says the client.

"Why do you think that is?" you ask.

"Because I'm experiencing so much turnover in my sales team and it takes longer for new hires to close sales," the client explains.

A simple why has led you to a greater level of understanding than when you started. The inventory problem is really an employee retention issue and maybe an employee training issue. You can continue this discussion further to get to the root cause of the inventory problem. And that's the problem that is really bothering your client.

SHARE EXAMPLES AND STORIES

When trying to [instill business knowledge](#) in others, consider using examples and stories involving people in similar situations. The human brain is wired to connect with stories which makes story telling a memorable, relatable and great way to drive change and impact organizational growth.

Examples. As a CPA and consultant, you have the unique benefit of working with many companies. You have seen what companies do well and mistakes they made. While specific client information is confidential (unless you have permission to disclose it), you can share unidentifiable examples like:

There is a \$10 million manufacturer that faced (a challenge). What they did was (solution implemented). As a result they (outcome achieved).

You can talk about any role you had in the outcome, but the example in itself is what is of tremendous value to the client sitting across from you. Clients are looking for fresh ideas and you have them, even if they aren't your own.

As you share examples, be sure to manage expectations. If the example was an exception and you've never seen it turn out that way before, say so. However, if the result is similar to what you have seen in other businesses, be sure to share that, too. This will help your client make a more informed business decision.

Stories. Stories are even more powerful than examples because:

“Stories have power. They delight, enchant, touch, teach, recall, inspire, motivate, challenge. They help us understand. They imprint a picture on our minds. Want to make a point or raise an issue? Tell a story.”

— **Janet Litherland**, *author*

SHARE EXAMPLES AND STORIES CONT.

In *Tell to Win*, producer and entrepreneur Peter Guber contends that people are moved by emotion and not “data dumps,” from PowerPoint slides or Excel spreadsheets which CPAs often revert to using. A story is easier for others to understand compared to the data, figures and regulations that you may be tempted to use.

Tell a story about someone your client can connect with. Share what happened and don't forget the emotion as it's what drives decision making, even in business. If you were talking to a new business owner or perhaps a client who was recently sued, consider how a story like the following could help:

About 10 years ago, Matt decided to leave the printing company he had been a sales representative at for nearly 15 years to start his own promotional product business. He had a solid relationship with the owner, Gene, and knew how much Gene appreciated that he kept the business operating for months while Gene took time off to care for his ailing son. Six months after Gene returned to work, Matt worked out a two-week notice and departed on what he thought was good terms.

On the first day of his new venture, Matt was served court papers. Gene was suing him! Gene claimed that he took a client list and files and was using the information to build a client base for the new company. Nothing was further from the truth.

Matt didn't know where to turn. He had a wife and two children and he was suddenly afraid he was going to lose his new business as well as everything he worked so hard for throughout his career. What was he going to tell his wife?

Luckily, Matt's neighbor was an attorney. He immediately called him and...

SHARE EXAMPLES AND STORIES CONT.

Are you hooked? Curious as to how thing worked out for Matt? That's the power of a story. They are persuasive. They draw you in. And they are easier for people to relate to.

So as to not to leave you hanging...Matt countersued and Gene tried to bury Matt in legal fees. They settled a year later. But word got out about the suit and Matt's former customers reached out to him to show support. Gene's actions ended up building Matt's initial client base in a matter of months.

REAP THE BENEFITS

Chances are you will need to [change your current processes and behavior](#) to be able to conduct true consultative client meetings. It will require preparation up-front and follow-up afterward, but the effort will be worth it. You will experience numerous benefits that will strengthen your existing client base and secure recurring revenue including:

Stronger client relationships. Consultative meetings result in [stronger client relationships](#) as you are able to provide the unique experience your client is looking for. Clients desire proactive advice and you can give it once you know the issues. The action plan you develop focuses on the future and steps that can be implemented to achieve a desired outcome. You can even direct future conversations and communication accordingly. If you read an article about controlling healthcare costs and know that issue is important to your client, you can email him the article. Doing so reinforces that their interests are near the top of your mind.

Greater client loyalty. Putting the client first leads to increased client loyalty, too. When you provide insights to clients they could not easily receive elsewhere, you become a truly valuable advisor. It differentiates you from other consultants they work with and the client will want to utilize your expertise wherever and whenever they can. They will also be more likely to refer you to others.

Reduced costs. Benefits extend beyond happy clients. You will also experience reduced costs. It's more cost-effective to [keep an existing client](#) than it is to find a new one. Depending on the survey you read, the cost can be anywhere between three and 30 times more to obtain a new client. You will also add profitable top-line revenue. Not only will there be opportunities to provide new services to your client after the meeting, but chances are you will be providing advisory services which typically have a higher realization.

REAP THE BENEFITS CONT.

The one thing that you bring to these meetings that no one else can is...you. Your knowledge. Your skills. Your experiences. You are the only one who has that unique perspective. Use them to your advantage to truly understand your clients, and then meet with them to share knowledge, stories and best practices. Putting the client first shows that you care about her success and that will create a win-win relationship between the two of you.

Perhaps Teddy Roosevelt said it best when he said, "People don't care how much you know until they know how much you care." Consultative meetings demonstrate that you care, and your clients will be more likely to heed your suggestions.

Meeting with a client often leads to new work for your firm, but the work does not come from showing up and talking about all the great things you can do for them. You have to take the time to fully understand the issues your client faces and share ideas to help the client come up with a solution...whether that solution is something you can provide or not. Being consultative is not about selling, yet, it's a role that can easily add more revenue to your firm by simply focusing on what's best for the client.

WHAT DOES AN ANNUAL CLIENT MEETING LOOK LIKE?

You are getting ready to meet with one of your top clients next month for your annual meeting. You want to make sure the client gets value from the meeting and that you are providing information that will lead to a healthy discussion and, ultimately, outcomes to improve the business. As you sit down to put together an agenda, consider this sample for inspiration:

1. **Agenda/Goal Review.** Even if you sent a copy of the agenda to the client in advance to review, take a moment to make sure the agenda covers what the client wants to discuss. Write down the client's objectives and make sure you touch on them throughout the meeting.
2. **Company Snapshot.** Present a snapshot of the company's overall performance. Consider things like liquidity, profit margin, assets, sales, borrowing/debt management, etc. As you are presenting information, keep it short. Answer questions and clarify as needed, but stay focused on what can be done with this information and not the data itself.
3. **Areas Where They Shine.** Focus on where the company is excelling. Don't just point out that the company has a great liquidity ratio; dig deeper and explain that the company generated solid cash flow. Then point out that they are paying vendors a bit early and could push payments back if cash flow tightens in the future.

WHAT DOES AN ANNUAL CLIENT MEETING LOOK LIKE? CONT.

4. **Improvement Areas.** Share a few areas where the company could improve. People can't fix everything at once; rather, encourage the client to focus on those areas that will have the biggest impact. Provide examples like: Your growth profit margin slipped and that's a bit worrisome since sales dropped, too. Perhaps you can motivate the client to make the changes necessary to move the needle by illustrating what an increase in profit margin means to net profits.
5. **Benchmarking KPIs.** Who doesn't want to know how they compare to others? Considering all the data a company has to compare, you need to make this process manageable. Maybe you highlight the areas where the company is in the bottom quarter of industry standards. Discuss why that is so and what can be done to improve them. Decide if and how to regularly measure these KPIs to ensure things are moving in the right direction.
6. **Decision Review.** Ensure that what was decided in the meeting actually makes it onto someone's to-do list by creating an action plan. Note any timeline agreed upon along with who is taking ownership of the step. Share the action plan after the meeting and be sure to follow-up on anything you agreed to do. If you take notes throughout the meeting, or have someone from your team there to do so, you can complete an action plan as you go.
7. **Goal Acknowledgement.** Before you leave, review the client's goals and objectives for this meeting. Ask if you have covered everything satisfactorily. Address any issues that still exist or add something to the action plan to cover it at another time.

ABOUT SAGEWORKS

Sageworks provides private-company financial information and develops financial analysis solutions. By doing so, we hope to give people data they can understand and use, which helps them make better financial decisions. We currently work with thousands of financial institutions, private companies and accounting firms across North America.

For more information about Sageworks, our financial database or our solutions, visit www.sageworks.com/cpa.

Accounting firms use this data to:

- Benchmark your business clients to find areas where they can improve.
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- Identify trends in your firm's niche industries.
- Generate additional consulting opportunities by sharing the reports with clients that may be tax-only now.
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Benchmarking Best Practices

<http://web.sageworks.com/cpa-benchmarking-white-paper/>

Using Big Data to Find Your Niche in Accounting

<http://web.sageworks.com/big-data-niche-wp/>

Beginner's Guide to Providing Business Advisory Services

<http://web.sageworks.com/cpa-advisory-services-white-paper/>

Advantages of Software as a Service

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