

Turning Client Service **Outside In**

A client-centric accounting firm ensures that clients are at the center of their business' philosophy and strategy. A firm such as this believes that clients are the primary reason why the firm is in business. It's not good enough that clients are merely satisfied—a client-centric firm wants them to be delighted and become cheerleaders for the firm.



By Joseph A. Tarasco, CPA
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Client-centric service has long been a commoditized expression in firms, along with the phrase “quality service.” However, are most accounting firms truly client centric? The answer is often no. Most successful firms are client focused, but not necessarily client centric. In fact, many accounting firms have been providing the same services to the same clients for years—resulting in very little growth for the firms and no additional value for the clients. As competition intensifies, traditional compliance services are quickly commoditizing, causing firms to primarily compete on fees during a cycle of rising professional labor costs.

Inside-Out Approach

Client-focused firms offer quality work and responsive customer service. They work hard to keep clients happy

based on the services they offer and the technical expertise that staff possesses. This type of client-focused service model is an *inside-out* approach. An inside-out strategy relies upon selling existing internal talent and resources, even if it's only a portion of what a client truly needs for long-term success. While this inside-out approach may have previously been a growth strategy, it's a primary reason why so many firms have seen a flat top-line over the last five years.

Outside-In Approach

Conversely, an *outside-in* approach to service starts with the clients' true needs and addresses their problems by seeking creative, integrated solutions via in-house capabilities combined with those they need to acquire. CPA firms can be more client centric by offering solutions-oriented specialty services such as:

Cybersecurity Advisory Services – This includes security advisory services for vulnerability, penetration and breach-response testing.

Comprehensive Workforce Management Services – These services include employee assessments, human resources management, benefits and insurance.

Divorce Advisory Services – This entails having a certified divorce financial



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analyst on staff to assist in pre-divorce planning, needs analysis and goal-setting planning and implementation. According to Dr. Jennifer Baker of the Forest Institute of Professional Psychology, 50 percent of first marriages, 67 percent of second marriages and 74 percent of third marriages end in divorce. Divorce attorneys can be a significant referral source for these clients.

Economic Claims and Disaster Recovery Services – Here, you'll target individuals and businesses, including monitoring and oversight services to governmental entities and agencies that are required to show accountability for relief or compensation funds provided

by the federal government or the private sector.

Growth Services – Provide clients with marketing, public relations and social media strategies by acquiring a marketing consulting practice. There is no better way to support a client than by helping it grow the top-line.

LGBT Services – These services are for same-sex couples in areas such as tax compliance or financial and estate planning and are customized to deal with complex state-by-state laws. Many states allow same-sex couples to file a joint state income tax return, and this number is growing. This is an excellent example of bundling new services with

a firm's existing technical expertise while addressing the needs of a new and growing marketplace.

Outsourced Corporate Development Services – These range from researching and identifying merger and acquisition transactions for clients to closing the acquisition.

Risk Advisory Services – These services offer information technology assurance and compliance in such areas as Statement on Standards for Attestation Engagements (SSAE) No. 16, *Reporting on Controls and a Service Organization*; Service Organization Control (SOC) audits; and HIPPA/HITECH compliance.

Idea Sources

Where do client-centric services come from? They start with ideas from partners, staff, clients or referral sources (e.g., attorneys, bankers, insurance professionals). Taking these ideas from planning to implementation requires several steps, including research, design, marketing and service delivery. Suggested ways to gather innovative client-centric service ideas include:

- Reviewing competitors' brochures.
- Discussing with bankers and attorneys which special services they believe are needed by businesses in your area.

- Reviewing newsletters, trade periodicals and chamber of commerce publications for industry trends and issues.
- Soliciting ideas from clients and non-clients through surveys or meetings.
- Engaging an outside consultant to perform a market research study.

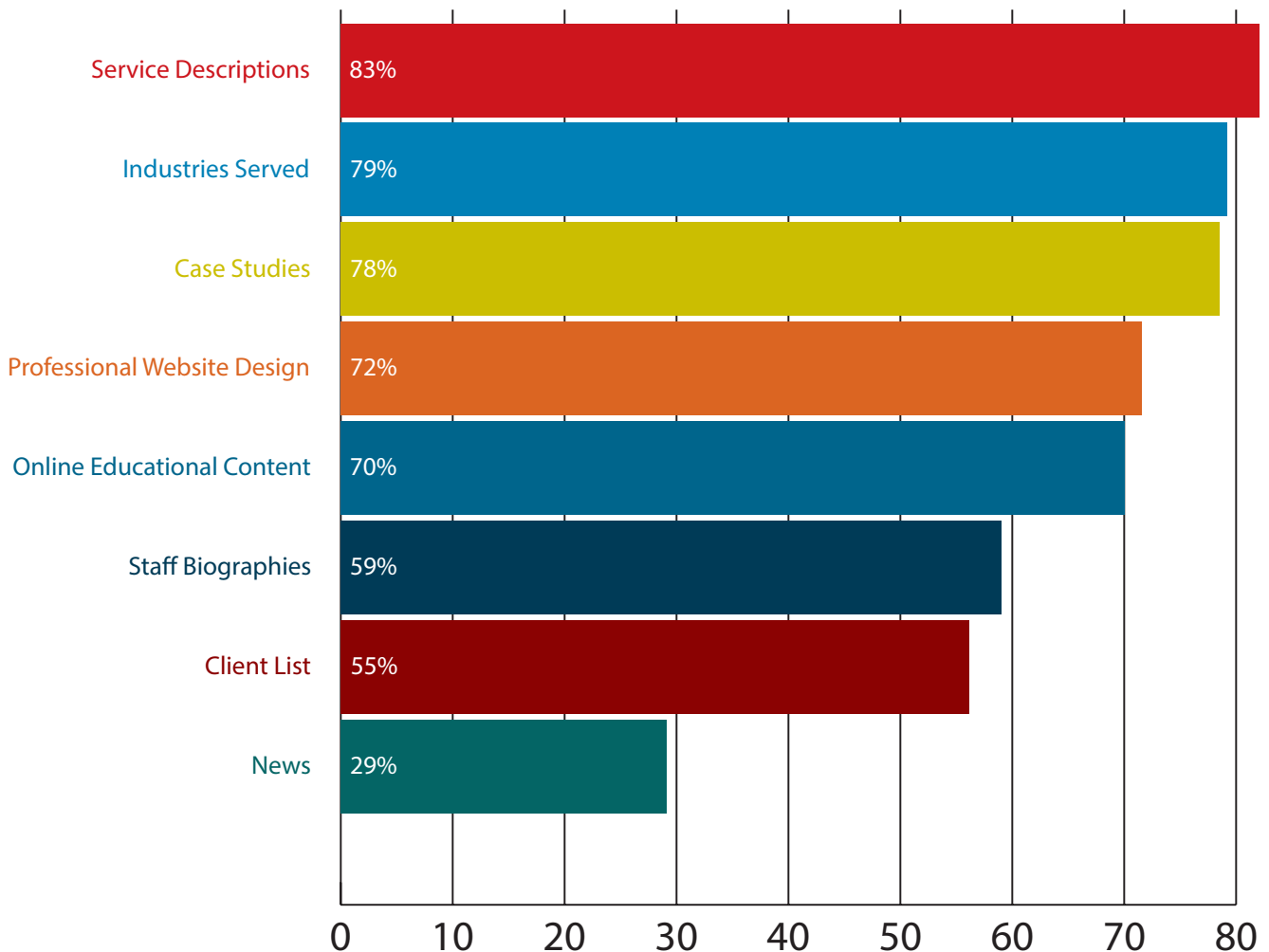
Idea Examples

Some examples of New Jersey accounting firms' client-centric services:

Citrin Cooperman – Provides financial crisis solutions and corporate governance services.



In a survey conducted with 250 buyers of professional services, it was found that the following elements were important to have on a provider's website to help a buyer make an informed decision.



Source: Ryan Caligiuri International & ClearPicture Corporation

“To be truly client centric, firms must listen to both their clients and the marketplace and not only sell what the partners know but what they need to know.”

FGP – Provides transaction advisory services for merger and acquisition transactions.

O’Connor Davies – Provides benchmarking analysis and compensation studies services.

Geltrude & Company – Provides a full suite of divorce and LGBT services.

Untracht Early – Provides outsourced accounting and business support services, along with family office services.

Using M&A to Become Client Centric

When firms offer client-centric services, they increase their exposure to a broader base of prospective clients and referrals, which can expand their network, thus leading to additional growth in traditional service areas. One way for a firm to expand its services is to merge with or acquire a company to combine or replace products to answer the needs in the marketplace.

Many firms are acquiring consulting companies to provide the integrated solution-type services

necessary to sustain their client-centric services and maintain a competitive edge in their marketplace. For example, CohnReznick acquired real estate consulting boutique NOI Strategies; and Friedman LLP integrated Executive Sounding Board Associates to provide turnaround management, restructuring and crisis management services.

To be truly client centric, firms must listen to both their clients and the marketplace and not only sell what the partners know but what they need to know. Take what you know, add complementary services, and acquire the

expertise necessary to satisfy the true needs of the marketplace—then your firm will be truly client centric. ■■

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