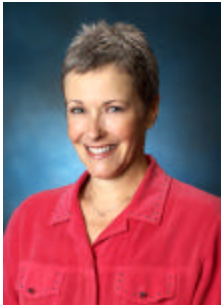




Mission Accomplished

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Making Money



The greatest problem in communication is the illusion that it has been accomplished.

~ George Bernard Shaw

Everything that happens in a law firm or accounting firm is driven by compensation. If professionals aren't compensated for doing something, they are unlikely to do it.

That's why business development is such a hit-and-miss proposition. In most firms, people are rewarded for bringing clients to the firm. Trouble is, they are not rewarded in any way for what it takes to get clients there: relationship-building, networking, community service, teaching, speaking, writing, referral source development, you name it. All these activities require time and effort, and they happen in addition to - not instead of - billable work.

To pique professionals' interest in business development, many firms are instituting incentive programs, where individuals or teams can earn points for activities like those mentioned above. Such programs are still relatively new, so we can't predict their long-term effectiveness. In the short term, they raise the level of marketing awareness and often

increase enthusiasm for the process. Sometimes, they even result in new clients.

While additional work is the most obvious result of an incentive program, the more subtle one should be to recognize and reward the efforts of those who make an attempt at business development. My colleagues who have conducted these programs tell me that the rewards can be relatively inexpensive; it is the public recognition and affirmation professionals are responding to more than anything material.

Despite the success of such programs, some firms are reluctant to initiate *anything* that recognizes and rewards effort as opposed to results. I have been wondering why.

Managing partners typically say that the best way to increase revenue is to work harder and/or raise rates. I believe this has become an axiom at most firms because such an approach enables managing partners to study spreadsheets rather than talk to their partners and senior team members. Thus, they can avoid the possibility of uncomfortable

conversations when individuals fail to meet expectations.

This looks like conflict avoidance to me. It has been my experience that professionals flee from conflict or awkwardness with their partners on many issues, and business development is one of them.

Managing and marketing partners: if you want to increase the firm's top line, learn about clear and honest communication: have one on one conversations - both easy and tough - with your professionals. Talk with them about business development. Discuss what they need to do to increase the firm's top line and what you will do to support their effort. Get their agreement and their commitment. Reward success, recognize effort, and have consequences for failure to meet agreed-upon commitments.

This is how you begin to create a real business development culture, and ultimately, it is how your firm makes money.

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It's The Little Things: A Short Story

If you want more referrals, pay attention to details, whether it be punctuality (which is really another expression of courtesy), preparedness or appearance.

A CPA friend of mine recently had a first-time meeting with a lawyer regarding a client they share. My friend relayed to me a story that reinforces the adage about first impressions.

First, she had to wait for the lawyer (let's call her Ms. Demeanor) for about ten minutes beyond their appointed time, because, as the lawyer's secretary said, "she is wrapping up an important matter right now." Need I say how that made my CPA friend feel? When Ms. Demeanor

finally admitted my friend to her office, the lawyer was unprepared: she couldn't find her file (which was not surprising, since her office was a mess) and apparently had not reviewed any material before the meeting. My CPA friend also noted that Ms. Demeanor was wearing jeans and a sloppy sweater on a weekday; this did not impress my more conservative colleague.

When I asked my friend what the chances were that she would refer business to Ms. Demeanor, of course

you know her response: "Zero." How could she feel certain that Ms. Demeanor would treat her referrals any better than she had been treated?

If you want more referrals, pay attention to details, whether it be punctuality (which is really another expression of courtesy), preparedness or appearance. The most finely honed technical skill is nearly irrelevant in developing business if you overlook the little things.

The Ten Commandments for Building a Marketing Culture

I serve clients by:

- ◆ **Training** all experience levels in marketing, including client service, referral development and cross-serving clients
- ◆ **Helping** professionals set and achieve individual business development goals through individual marketing plans
- ◆ **Implementing** the ideas you have discussed for years

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Burt Bierman, a partner in the regional CPA firm of J.H. Cohn, gives me hope for professional services marketing. He understands business development more instinctively and fundamentally than almost anyone I know. At this year's Association for Accounting Marketing Conference, Burt spoke about building a marketing culture in a CPA firm.

His ten commandments, listed below, apply to your firm, whatever your profession.

Thou shalt:

1. Define expectations clearly.
2. Have a written plan.
3. Prepare a marketing budget.
4. Write a description of marketer's roles and responsibilities.
5. Support continuing education for marketers.
6. Embrace partner participation.
7. Create partner incentives.
8. Encourage marketing creativity.
9. Support a strategic role for marketing.
10. Have patience to wait for results.

CPA Partners: Join the Association for Accounting Marketing

I recently returned from the 2004 Association for Accounting Marketing Conference (AAM). I have been a member of AAM for over ten years and served as its president in 2001. This year's conference surpassed all others in its sophistication and practicality. The audience, which included a record number of CPA partners, was treated to a smorgasbord of topics, ranging from how to create marketing plans for local firms

to developing employee incentives for programs to crisis communications and media training.

Whether you have a marketing director or not, if you are a CPA managing partner or marketing partner and you aren't personally a member, you should be. Learn more at www.accountingmarketing.org.