

Industry Trends

Things I Wish Someone Had Taught Me about Servicing Clients When I Was Practicing

By Allan D. Koltin

Q: How different is the perspective of a client vs. that of a CPA when it comes to defining “exceptional client service?”

A: When I was practicing, it was all about the “Big 3,” which were: (1) completing the project, (2) getting it out on time, and (3) getting paid for it. Never did I take the time to realize that the client actually has an imaginary report card and evaluates us rather differently than we evaluate ourselves. We are consumed with the technical accuracy of the work product (and rightly so), but the reality is that the client cannot differentiate between an A- and B+ work product (nor do they care).

Q: Could you provide a little more detail in terms of what their imaginary report card looks like?

A: Sure. There are four key components that I think clients use to measure our performance (outside of the obvious things). They are:

1. *Assurance.* This is a little like the Allstate Insurance commercial; whereby, “You’re in good hands with Allstate.” Clients want to know that if they bring your firm’s name up with a commercial lender or an attorney, your firm is highly respected, reliable, and can be trusted.
2. *Tangibles.* In the absence of measuring technical quality, clients measure things that they can see and touch. Sitting in the CPA firm’s waiting room an extra 30 minutes for a scheduled appointment sends the message, “We’re not important.” Going into a partner’s office that looks like a hurricane just passed through it leaving papers all over the place might suggest that the partner is disorganized and out of control. I recently read that a CEO of a major airline said that their research indicated that when passengers lower a dirty seat-back tray, they assume that the engines are dirty and it may not be a safe airline. Tangibles matter, and we need to place emphasis on them.
3. *Responsiveness.* This would appear to be an easy one to score highly on, but all too often, CPAs fail this test.

The simple question is, “Who calls who in the relationship—you or the client?” I, and many other CPAs, used to believe that the time to call a client was when there was a question, issue, or problem. In today’s world, true responsiveness means being proactive with clients and reaching out to them often. Recently, my CPA left me a voicemail that indicated he couldn’t sleep the previous night because he was so worried about me. When I returned the call, he said he hadn’t heard from me regarding a major investment we recently made and was concerned that we might have made a big mistake. The reality is that in Chicago (where my business is) there are 3,000 CPA firms that can issue an audited financial statement or tax return, but there are very few that are as responsive as my CPA.

4. *Empathy.* What is the old expression? “People don’t care how much you know until they know how much you care.” I believe that if you build empathy, then once in a while you can actually make a mistake on a tax return or financial statement, and clients will stay with you because of the deep-rooted factors of trust and caring.

These four components go a long way toward defining how a client’s imaginary report card works.

Q: It sounds as though building a relationship, not just on the business side, but also on the personal side, matters. Any thoughts?

A: Many years ago, a consultant explained it to me by taking a wine bottle during our dinner and using it as an example of how to keep a client for life. He drew a line from bottom to top on the left side of the bottle and indicated that “this is the business relationship that you need to continue to grow.” Then, he drew a line on the right side of the bottle, again from bottom to top, saying, “This is the personal side and this is the glue that will create a client for life.” Similar to what I said previously, in Chicago there are 3,000 CPA firms that theoretically can issue the same audit or tax return, but there are very few that will take the time to learn about a business owner’s goals—

not just the business goals—but also the personal goals. As one business owner once said to me, “Allan, the business goals are secondary, and if you want to build a life-long relationship with me, get to know my personal goals. Businesses will come and go for me and I will buy and sell them quite often. However, my family, and providing for them and their financial security, will be with me forever. That is the part you need to understand.”

Q: What are the major things that you think really upset clients that CPAs need to do a better job at?

A: That is an easy one. There are two biggies:

1. *Clients do not like surprises.* We need to do a much better job of being proactive. We need to literally set aside “think time” for each client where we: (a) anticipate their needs, (b) identify their potential problems, and (c) isolate specific risks that could affect them in the future. Again, all too often I think we are consumed with “getting the job out the door” and don’t do a lot of proactive thinking.
2. *Clients want to be kept in the loop.* We need to watch our fees during the engagement and keep the client in the loop. We all know the importance of “change orders,” but all too often when something happens on the engagement (necessitating additional time, thus adding fees), we just keep plowing forward and even surprise ourselves when it comes time to bill the client and we discover there is a large overage that we have not discussed. We need to do a much better job of talking to the client when an issue arises and making sure the client is OK with any additional fees. Believe me, it will help eliminate unpleasant surprises later on when it comes time to bill the client.

Q: From a training standpoint, what is the best investment we can make in terms of servicing clients?

A: We need to continue to embrace the fact that, not just the world, but business is becoming highly specialized. With the advent of technology, the deliverable has moved from “work product” to highly specialized knowledge in a very specific area. As one of my mentors Tom Feeley (Managing Partner of Feeley & Driscoll) once told me, “We, as partners, need to

know as much about a client’s industry as a CEO of a mid-sized company within that industry would know.” Quite candidly, that sounds scary on the surface, but if we set the goal to truly embrace the niche and have as deep a knowledge of the industry as a CEO within the industry would have, we will become invaluable to our clients and truly have clients for life.

Q: Any final thoughts or comments on the area of client service?

A: It is still perplexing to me that a majority of CPA firms find a reason not to do client-satisfaction surveys. Last week, when I was facilitating a partner retreat, we talked about client-satisfaction surveys and a partner commented, “If it’s not broke, it doesn’t need fixing.” His comments were that clients continue to pay the bills, so why would we want to get them thinking about client service. Sadly, the answer is that if you don’t take the lead with your client, you can bet your competitor will. Firms today not only document the results of client satisfaction surveys, but also use them as marketing tools to explicitly show potential clients the value of the services they provide and accompany it with numerous testimonials. The bigger issue here is what I often refer to as the “Great Accountant Lie.” In nine out of 10 instances when a client leaves a CPA, they simply tell them that the fees were too high. Our research tells us that “fees too high” is the ninth reason (in a list of nine) of why they leave. Simply stated, they often don’t want to hurt the service provider’s feelings and just make up a reason, such as “fees were too high,” and then retain a new CPA firm and gladly spend double the fees because they are getting such wonderful service. I think firms that continue to not only measure client satisfaction—but also do something with the results—will continue to run circles around the firms that are living in denial when it comes to understanding the client’s imaginary report card. A firm’s passion to improve its level of customer service is an essential element for continued future success.

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