PRACTICE MANAGEMENT/TECHNOLOGY

Get Close to Your Clients

You already have CRM capacity. Now put it to work.

by Michael Hayes

EXECUTIVE SUMMARY

- **Customer relationship management (CRM)** is about organizing client information so you can readily use it in appropriate, thoughtful communication and actions that strengthen the bond between the firm and the client.

- **There are a variety of software packages** to help manage a CRM program. Software can be hosted by a third party or in-house, or it can be a standalone package. Some help you time when to offer service upgrades, cross-sell or even just be personally thoughtful.

- **A CRM system is only as good** as the data that go into it. Getting staff to update client data each time they "touch" an account (exchange e-mails, meet or converse with a client) is the key to success.

- **Common desktop systems** can track received and sent e-mails, phone calls and other contact information; track date-stamped notes; schedule tasks and calendar reminders; and create customized fields within a database for you to sort and report on.

- **To build a CRM-based culture,** firms need to see their clients and contacts as assets and to evaluate their current process for tracking and managing those assets. The most useful first step a small-firm CPA can take is to interview staff about how they handle and document client contacts and tasks now.

- **Features of accounting software** are constantly changing, so seek out the most current information available and be cautious before buying.

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Good clients are a firm's treasure. As their businesses prosper so does yours, so it's important to hold on to them. To accomplish this you'll of course provide excellent service, stay aware of changes in their businesses and lives and cultivate comfortable relationships. Customer relationship management (CRM) capability in standard or dedicated software takes a well-established principle (organizing information so you can readily use it) and merges it with technology to help improve your timing for offering service upgrades, cross-selling or even just being personally thoughtful. Here's how CPAs can use data in their client files to generate more business and strengthen relationships.

To reach out to clients and organize information to better meet development goals, managing partners can take advantage of CRM features in common desktop programs such as e-mail calendar alerts and Excel name and address lists or turn to a variety of CRM software packages. Even something as old-fashioned as a birthday calendar is a good start—CRM is as much about the data-management process as it is about the toolsets.

ONE FIRM'S SUCCESSION TOOL

William F. Gurrie & Co., a 40-person CPA firm in Chicago, provides accounting, audit, tax and management consulting services to local, state and federal government organizations, individuals and small to midsize businesses. For some clients the firm serves as part-time finance director and even attends board meetings. Managing partner Tim Cole, CPA, says the partners discussed for years creating a proprietary CRM program for the firm's government-intensive clientele as a way to improve client service and communications among staff, partners and clients and strengthen its marketing. Then two years ago the firm bought InterAction, a dedicated system, for about $100,000.

Consultant Michelle Golden, president of St. Louis-based Golden Marketing Resources Inc., recommended the software to Gurrie after a stint with the Association of Accounting Marketers brought her together with CRM developers and she learned more about their products. "InterAction is widely used in the legal profession and is among the most useful systems for CPAs, followed by Market Ease (a time and billing offshoot) and Elite," she says.

InterAction keeps all Gurrie & Co. employees informed about each other's client teams, including firm members working away from the office. Before a client meeting, staff and partners now access a file and review all prior exchanges between firm and client. After the meeting, the partner or staff member who worked on the engagement updates the file. The software has improved the firm's ability to track and market to individuals who change jobs, such as a school board member or business manager who moves to another district. Cole says CRM helps Gurrie achieve "better operational efficiency at lower cost."

Although it's too soon to gauge the return on investment, Cole says, the CRM system is institutionalizing knowledge and increasing the firm's opportunities. Where intimate knowledge of a client's business needs, history and personal preferences once resided only with those who serviced a particular client, now anyone working on an account can obtain information on everything from the client's annual revenues to the names of the CEO's children. "In effect, it makes goodwill tangible, which I see as a firm succession planning tool," says Cole. In the short term, it can prevent gaffes such as rooting for the wrong team if a client is a sports fan or making an insensitive remark if there has been a death in the family.

Ultimately, because any CRM system is only as good as the data that go into it, culture is a big factor. Getting staff to update client files each time they "touch" an account by exchanging e-mails, meeting or conversing with a client is perhaps the hardest part. InterAction transfers client e-mails to the database at the touch of a button, but "you may have to adopt a system of rewards and penalties to encourage your staff to change habits," Cole acknowledges.

Memory Bank

When manufacturer Intuit asked CPAs what they wanted a product for managing client information to do, they said

- **Emphasize serving clients rather than making sales.**
- **Provide only what they needed.**
- **Be integrated with other applications.**
- **Be very simple to operate.**
- **Stand alone as a client manager system.**

Mining for Gold

As a CPA practice grows, CRM helps it track intelligence about clients, prospects and activities. Small firms can use several common applications for CRM, many of which are compatible. SS&G Financial Services partner Carol McNerney, CPA, who heads up the large Ohio firm's accounting and auditing practice, says her group members are point personnel on many engagements and so play a big role in CRM management for the firm. She finds Excel a simple-to-use, extremely efficient tool for sorting data, and Outlook's contact management function organizes contacts and relevant information. Data from both Excel and Outlook can be imported and exported to create mailing lists. "Those applications easily add or delete contacts and clients and sort them into groups (individual vs. corporation; by industry or services provided), which is very useful," she says.

Many time and billing systems also have a built-in application that makes it simple to keep client information current, she says. Some CRM software can do data mining, searching the database for patterns and common characteristics to help you make better business decisions. CRM software also can help you:

Reach out to your clients more meaningfully. Throughout the year use your database to make mail and e-mail communication more useful. (For more on this topic, see "Six Steps to Better Marketing," *JofA*, May05, page 24.) Build a good opt-in e-mail program for only those people who want to participate. Use e-mail Web site links to help clients make informed choices. Send clients a newsletter. "Categorize your clients by how they use e-mail—obsessively, regularly, occasionally or never—and adjust your style to their preferences," says Kip Gregory, CPA, author of *Winning Clients in a Wired World.*

Make new clients feel special with a personal letter. Acknowledge a client's first anniversary with the firm. Send a thank-you note to clients who give you good referral leads. Ask clients for their ideas and opinions to strengthen the relationship.

Learn what's important to your clients. Knowing what clients care about gives you an excellent reason to communicate with them. Review profiles and tax returns of your most profitable clients and enter the following in your database: occupation, type of business, professional associations, birth date, education, goals, concerns, marital status, hobbies and interests. Regularly add new facts to the database to increase your understanding of your clients and what they need and want from your firm. Organize your follow-through—face-to-face meetings, calls, surveys, your Web site, Web conferences, online chats, audio/video tapes, letters, voice mail, e-mail or articles.

Generate information of real value to your clients. Accounting firms and accountants are repositories of great financial data. Business clients need simple financial information they can use for better decision-making, and they don't always understand the financial data your firm provides. Some CRM software "translates" numbers into language and makes it easier to produce reports of tangible value to your clients.

Strengthen the Bond

Use the Internet to reach out to your clients.

- Get clients' opinions on ways to improve your services (www.surveymonkey.com).

- Dispatch an intern to set clients up with online access to the financial accounts they have with you and others (www.monstertrak.com).

- Publish an opt-in (permission-based) e-mail newsletter (www.microsoft.com/smallbusiness/online/).

- Direct clients to a free copy of their credit report (www.annualcreditreport.com).

- Make a donation online to their favorite charity (www.justgive.org).

- Monitor news of their company or industry (biz.yahoo.com/industry).

- Show them how to cut down the amount of junk mail they receive (www.dmaconsumers.org).

Source: Kip Gregory, CPA, *Winning Clients in a Wired World,* John Wiley & Sons, Hoboken, N.J., 2004.

MANY FORMS, ONE ABSOLUTE

Whatever system the firm uses, an important point is that other staff (from administrative assistants to marketing coordinators to IT managers) will need to be able to access the same timely contact information. Communicate the importance of keeping the database current, McNerney says. Establish procedures to update client files often and regularly.

CRM software comes in many forms. It can be hosted in-house or by a third party such as www.salesforce.com or Microsoft's new CRM 3.0 Software. Or it can be a standalone software package, such as InterAction, ACT! or Goldmine, which is installed on a laptop or desktop computer. Some CRM software can be used in all three formats (hosted, desktop and remote) and others are dependent on certain infrastructure requirements. *Note*: Features of accounting software change constantly, so seek out the most current information available and be cautious before buying.

One desktop application small-firm CPAs can use to systematize client relationships is Microsoft Outlook Contacts, which offers a few contact relationship management features. Larger firms can use Microsoft Business Contact Manager (BCM) or, if you already are using Microsoft Small Business Server, Microsoft CRM 3.0 SBE. SAGE offers ACT! for small firms, and SAGE CRM (formerly SalesLogix) and ACCPAC CRM are better for larger or networked environments. Goldmine is a popular CRM package from Sage's recently acquired Frontrange.

Look for a system that can

- Track multiple contacts and contact information within a company.
- Track date-stamped notes.
- Schedule tasks and calendar-reminders (alarm capability).
- Create customized fields within a database for sort and reporting capability.
- Track received and sent e-mails, phone calls and other contacts.
- Run one report that contains all client information.

BUILD A HISTORY

To build a CRM culture, look at your clients and contacts as assets and think about your current process for tracking those assets, says Anne Stanton, a technology consultant with the Norwich Group in Norwich, Vt. The most useful first step a small-firm CPA can take is to interview staff to learn and document how contacts and tasks are handled now.

To start using CRM, a small firm might schedule an action such as sending a tax reminder or a newsletter to a client and note the action in the contact record. The resulting log of such actions ultimately creates the benefits of CRM. To manage contact information, the firm might create a field in the contact database to track an organizer of an event where a partner met a particular contact. Staff and partners then can review contacts from the same source prior to attending a similar event or when doing follow-up mailings or trying to recall details about the history of the relationship.

» Practical Tips

- Before every client meeting, have all participants review the client's file in your CRM system. Update the file after every meeting or exchange. Software can automatically forward all e-mails to the file.

- Categorize your clients by how comfortable they are with e-mail and adjust your style to theirs.

- Build a CRM culture by thinking of your customers as assets and considering ways to efficiently track them. Start by asking staff how they do it now.

The firm also might review all client-firm contact, including e-mails, notes and phone calls, to get a better sense of the opportunities the relationship offers. Doing this regularly improves communication between staff and client, results in deeper customer service and may point to niche services. Practitioners can use that record to do a mailing aimed at a specific niche in a local market, such as food retailers, when a tax-law change affects it.

Once mainly a one-size-fits-all application, CRM is adapting to different financial business models, says Yacov Wrocherinsky, CEO of New York-based CRM reseller Infinity Info Systems. Infinity has developed a series of templates that focus on financial services firms, hedge funds and biotech and distribution companies. All templates are built on Best Software's SalesLogix platform and are compatible with Outlook, Word and Excel.

YOUR RETURN ON INVESTMENT

CPAs will always be in the business of making sure clients comply with regulations, so while a CRM process can help you stay aware of dates and deadlines and sort and systematize information, your return on investment rests on communicating with clients often, thoughtfully and usefully. Keeping abreast of the process improvements and services clients will need next can help you keep them. A database of details may make goodwill tangible to possible successors, too. But the main thing is to make sure clients know how important they are to your firm. ❖

AICPA RESOURCE

Publication
Customer Relationship Management: A Strategic Imperative in the World of e-Business, John Wiley & Sons (# WI644099P0000DJA).

OTHER RESOURCES

Brand links
These will take you to information about specific CRM products.

- www.2020software.com
- www.adaptcrm.com
- www.netsuite.com
- www.profitcents.com

- www.clpsuite.com
- www.everestsoftwareinc.com
- www.infinityinfo.com
- www.intuit.com
- www.marketplace.intuit.com
- www.microsoft.com
- www.sagecrm.com
- www.sageworksinc.com
- www.salesforce.com
- www.saleslogix.com
- www.siebel.com

Note: J.D. Edwards, Oracle and SAP are enterprise resource planning (ERP) vendors that also provide sophisticated CRM.

E-mail programs

Simplify sending personalized messages with these resources:

- Client Dynamics, www.clientdynamics.net.
- Constant Contact, www.constantcontact.com.
- eConnecting Point, www.romni.com.

Publication

Winning Clients in a Wired World, Kip Gregory, CPA, John Wiley & Sons, 2004.

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