



Actionable Insights on Gaining More Clients and Maximizing Client Retention for CPAs



White Paper

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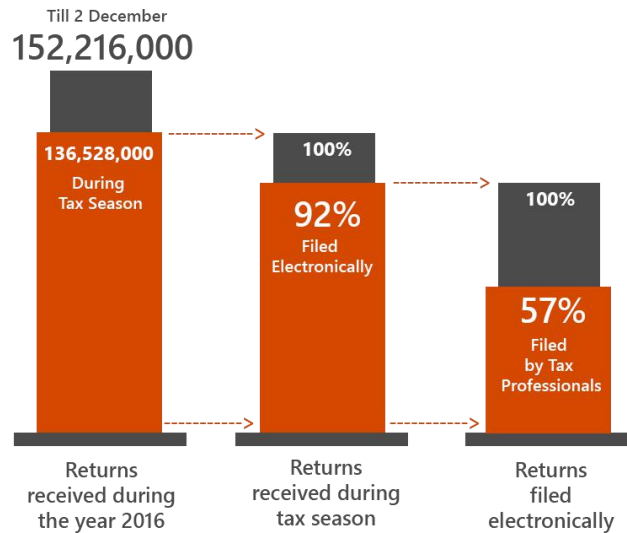
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Introduction

According to the records of the Internal Revenue System (IRS), the total returns received during the year 2016 were 152,216,000 till 2 December. Of those, 136,528,000 tax returns were received by 22 April (i.e. during the tax season). Almost nine-tenth of the returns received during the tax season were filed over electronic channels. Of the returns filed electronically, more than 57% were filed by tax professionals, while the remaining were self-prepared ones. These numbers support the commonly known fact that the tax season brings an abundance of opportunities for the tax professionals.



With the taxpayers struggling to meet the IRS deadlines, services of tax professionals are in immense demand. Easily, it's the time when accounting professionals can gain a number of clients even with limited marketing efforts.

Adding some serious efforts to the marketing, there is a sound possibility of making a considerable profit growth during the tax season. Or in a simpler interpretation, the more popular you are the more clients you are likely to gain.

Accounting professionals may even have to work overtime to file the returns for clients. It is a 'more demand than supply' scenario during the tax season. Once the season is over, things change rapidly. Demands for the accounting and tax professionals fall.

Once the filing is done, most client and tax/accounting professionals part their ways until the next season. And, the next season could be new beginning as client has all choices to go with other CPAs. As customer retention can be a strong contributor in profit growth, CPAs should emphasize on keeping the customer base intact even after the tax season. This process will involve some hard work, but the results are more than worthy of it.

This whitepaper is a detailed discussion of the marketing and operational strategies that an accounting firm can deploy before, during and after tax season to get an increased number of clients.

Before & During the Tax Season

Tax season lasts from January to April. As most of the tax professionals are busy looking after the mammoth task of filing the returns for existing clients, most CPAs ignore the methods of attracting new customers or enhancing a more productive work approach.

Marketing To Attract Maximum Clients Before/During Tax Season

1. Get a Plan and Define Some Targets (Achievable Ones)

Planning plays critical role in any project and most accounting professionals are aware of it. Your marketing plan should start with recognizing your potential and accordingly identifying the opportunities.

Give in a reliable SWOT analysis to pick the methods that will help you achieve the optimum value. Set smaller targets for specified timeframes that lead to the ultimate target. Things to remember with the plan:

- *Set numbered targets (such as- Number of lead, Conversion percentage, Targeted audience number, etc.) with a constant attention to the potential of the firm and season duration*
- *Plan must be flexible to accommodate minor failures and over achievements*
- *Using a project tracking software can come in handy*

Along with the factors mentioned above, summarization of the plan should include the customer journey, accordingly planning actions for various instances, and the channels for marketing.

2. Structurize Sales Tactics

Most often, accounting firms, especially the smaller ones, have no dedicated sales and marketing teams. They rely on referrals, client in dire need, etc. to keep the business going. So, their accounting staff interacts with the potential leads.

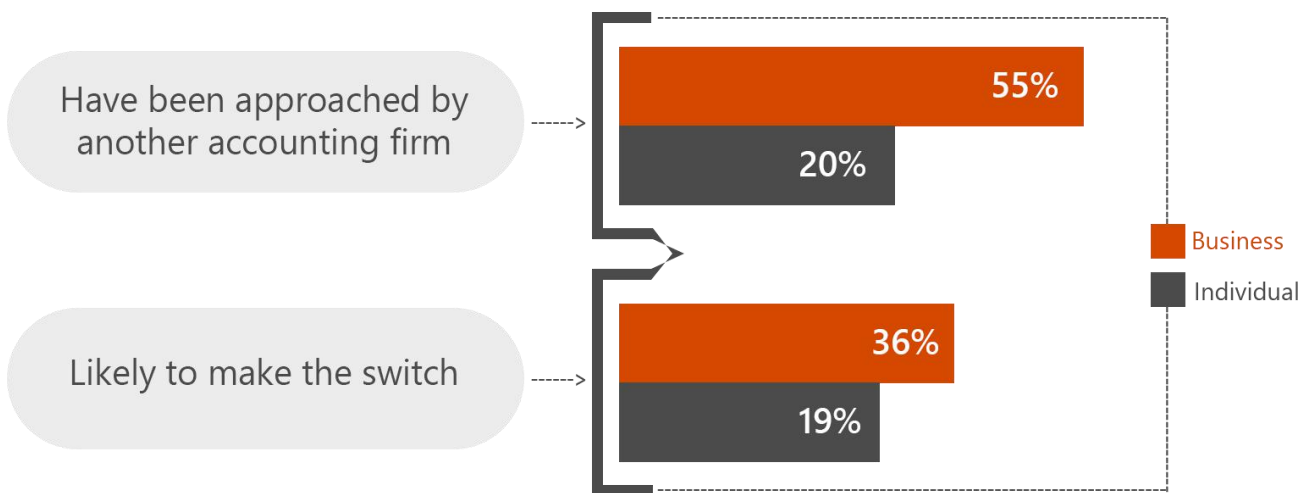
This way, you may miss out on certain opportunities of sale or up-sale that could be attracted with certain sales ethics. Even if the accounting services that you offer are of top standards, it is important to fine-tune the sales journey for the client. Here are some tips for you:

- *Recommend the services that client needs instead of offering simply what they ask*
- *Track and stay in touch with the leads that have random queries for your services*
- *Train your staff that interacts with clients for up-sale tactics*
- *Customize the price plans according to the budget of the client*

3. Improving Retention With Existing Client-base

The customers that you served in the last tax season needs a special attention. Studies indicate that a business enhance profit by one-fourth (or better) by improving 5% retention rate. Convincing existing customer costs less and consumes lesser time than finding a new lead and converting a sale. Apart from these factors what adds more to the need of dedicated effort in customer retention is that existing customers can find you referrals. So, don't hesitate in asking the existing customers for the referrals.

CCH Accounting firm client survey shows that almost 55% business clients have been approached by another accounting firms and 19% are likely to make the switch in the coming year. With the individual clients, the figure of approach by another accounting firm is 20% and chances of making a switch is 19%. Be proactive with the approach of getting the clients from last tax season again with you as your competitors are trying to lure them¹.



4. In-person Activities

Largest chunk of clients that CPAs and tax professionals find is from in-person activities, which could be seminars, conference and so on. A big factor for which is that accounting data is still the dearest for client and customer psychology aligns with the professional they have known personally².

Though most tax professionals are extremely busy during the tax season, attending such events is not always a possibility. Hence, plan your schedule smartly and attend as many of them before the season. As there are some taxpayers are who start looking for reliable professional's during the tax season, there is no harm in making to such events if the schedule permits.

5. Digital Marketing

Digital marketing has numerous options for the accountants to explore and gain more customers. Here are some that you should consider:

- ***PPC & Paid Campaign***

You can run paid advertisements of your services on the relevant online website, such as – Google or more accounting specific websites. There are a number of payment models with it, such as – pay per click (PPC) ads, pay for eyeballs on ads, etc. Though this model is slightly costly, but using it during the tax season can draw positive results for you.

- ***Social Media Marketing***

Find the clients where they are. Since almost every taxpayer is active on one or the other social media channel, you can connect with them over there. Most of the social media platforms give you chance to paid campaigns as well. With some thoughtful connection activities, you can attract a significant business using these platforms.

- ***Email Marketing***

Email marketing is arguably the biggest earner among the online marketing methods. As emails are aggressively used by scammers, you must maintain authentic methods in your approach. Collect email ids of the potential clients from reliable sources. Frequency and content of sent emails must be checked to avoid landing in the spam folders.

- ***Website and SEO***

In case you do not have a professional website for your business, you are already running late for this era. It is the time to rush and get it up and running ASAP. In the competitive online world, a website will merely not support your intentions of gaining business. Make sure that the website is optimized to feature on the Search Engines.

- ***Write for Accounting Portals***

Online blogs and articles are good way of expressing your knowledge and skills. For attention of relevant customers, you can approach the leading accounting portals. However, this approach can take some time in contacting the websites and getting their approval. To instant recognition, self-publishing websites such as LinkedIn, Medium, etc. can be a good way to build.

Executing Operations During the Tax Season

Once marketing is done right, a lot rests on the standard of services that accounting firms deliver. From the service delivery time to the tax amount saved, the scope of improvement in operations is immense and that's where the key to impress the customer lies.

Here are some considerations that can help you:

1. Get Organized and Pull Up the Socks

Upgrade the service standards to deliver the perfect customer experience by answering the challenges, like – categorizing the clients for services that they need, defining timeframes for different services, assigning the number of clients per staff, prioritizing clients, etc. Choose and deploy the proper technologies that you should pick for various operations to better the efficiency and ability of your firm.

These technologies are not merely accounting or tax software, but also other applications for task management, scheduling, tracking, etc. to keep the operations in right shape.

2. Keep Client in Loop of Operations

Keep the client updated with the status of their tax filing process. To remain on the same page, modern computing solutions available in the form of cloud can bring in impressive help³. By keeping client in loop of the situation, you gain the trust of the client and get a regular guidance in the situation where the information is required from the client's end.

The client can be asked to fill up the details in the cloud-based software directly to save the time and effort that would otherwise be spent on the multiple follow ups and error check.

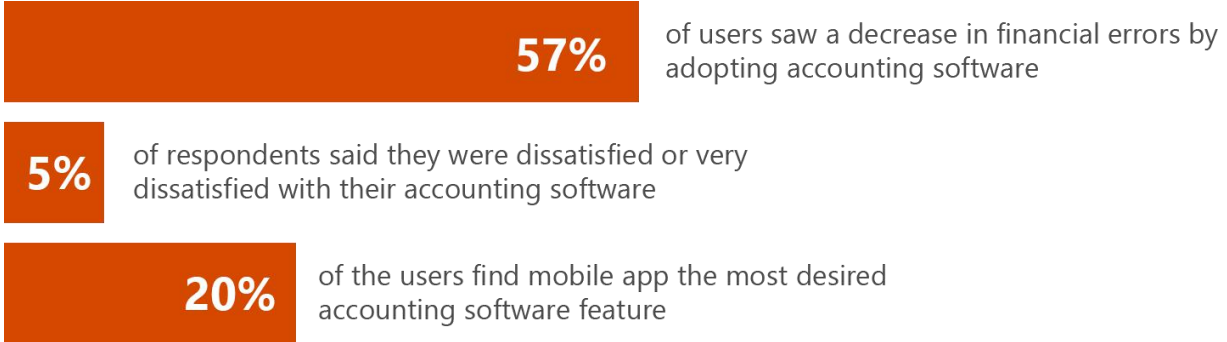
3. Temporary Staffing

As the workload is greater during the tax season, accounting firms require a greater workforce to deal with it. Temporary hiring of interns is a practice that is often accepted in the industry and has been delivering fine results. A step further, you can do is outsourcing some load to regions that can offer accounting services for the lower cost.

Obviously, compromising on the quality is not a justified step. Deploying certain technology solutions for outsourcing of the accounting services can keep a check on the solutions. For example, hosting an application on the cloud, you can collaborate with your freelance staff and keep execute the operations faster. This will also keep the burnout low among the staff.

4. Technology Solutions for Enhanced Productivity

Accounting operations have an indispensable dependency on the technology. It helps the quality and quantity of operations in a big way. Here are some interesting stats that highlights the benefits of technology in the accounting arena:⁴



Preference to the mobile solutions indicates the willingness to work away from the office (be it while traveling to/from office or working from home). Picking up the right technology for your accounting operations will mean that you are able to execute, monitor, assign, and control the operations in your accounting firm in a better manner.

Also, different users (your freelance staff, clients, etc.) can collaborate with ease to maintain consistency with the data without worrying about the locations.

5. Backup every bit ASAP

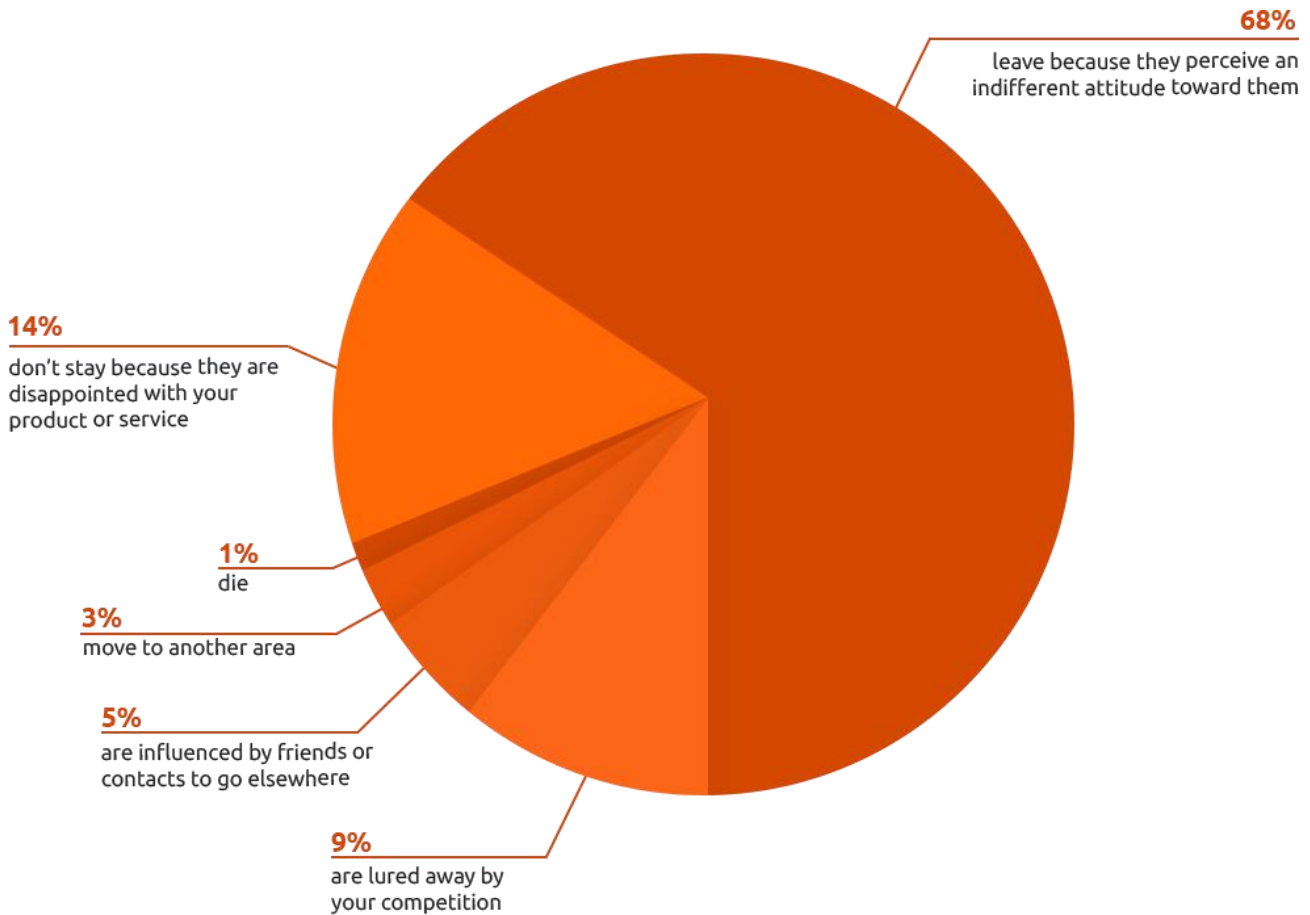
As the data is digital, its fragile nature for various reasons needs a special attention. Causes of the data loss can be several, such as - software glitches, hardware damage, etc., which may be temporary or permanent - depending on the scale of error and the backup plan that you have in place.

During the tax season, such instance at your end can cause the delay in service delivery and a hard hit to the client. It can seriously impact your market value and client's trust on you with the future endeavors. Thus, never compromise with the data backup services. A fine backup solution can reinstate the services for any size of accounting firm within minutes from any stage of damage.

With the availability of the solutions that can maintain backup automatically, the task has simplified and does not take much of manual doing. Therefore, choosing the right solution is the key. Best recommended practice is a cloud-based backup service that can maintain the data on remote locations and can be accessed even in the case of unavailability of the local device. For the firms already moved to the cloud, the backup service is usually available built-in with the package.

Improving Retention After Tax Season

Kindly lend some attention to these statistics⁵:



Talking about the service delivery gap first up, studies indicate that only 8% clients find them impressive while the provider is presuming a delivery of 80%. Deploying the methods mentioned in this documents during the tax season, you can close the gap to a significant extent⁶.

Also, it will reduce the figures of 14% clients who leave their accountant because of disappointed services. There is hardly anything that could be done with 1% clients with dead income, but the client moving away (3%), influenced by friends and contacts to switch (5%), lured by competition (9%) and perceiving an indifferent attitude (68%) can be reduced in big by making some changes in the way your work after tax season.

Marketing Efforts to Improve Retention Rate After Tax Season

1. Appreciate the Client

It feels nice to be appreciated, even if you are a client. At the end of the tax season, not just the accounting professional but also the client is exhausted. And to make them feel appreciated makes a positive impact and dwells an improved client-business bonding. It will work in mitigating the clients who leave perceiving an indifferent attitude towards them from your end.

As simple medium as email can do a good job of appreciating the customer. If your budget permits, you can even send a professional gift with your branding along with a message. Try to keep personalized for the client for a better impact.

2. Talk About Your Performance

Tax season is a tough time and you must have worked hard (or smart, maybe) to deliver the satisfactory results for clients. Now statistically arrange the operations that you executed and advertise them. The amount of tax saved, the number of clients served and the industry they belong to, tax software deployed, etc. are some of the stats that you can use to grab the attention of clients.

Create a case study or company report and share it with the clients to update them the good work that you are doing. Such report can go along with the appreciation approach that is suggested in the previous section. Keeping the clients aware about your healthy performance makes them feel that they are associated with a reliable service provider.

3. Renovate Plans & Services for Existing Clients

Accounting services take a completely different shape after the tax season. Fortunately, doing taxes is not the only operation that an accountant can deliver. Depending on nature of the client's business, you can suggest a number of add-on services suitable for them, such as – payroll management, balance sheet preparations, etc. Give in some efforts at computing client's lifetime value and expenses that service delivery will consume. Accordingly, define new service plans and pitch them to the client.

Maintain a focus on the plans that keep a fine balance in helping the client and not just profit. You can use stats and figures to tell the client how your services can ease off hassles for them and why a continuous accounting service turns out more effective during the tax season. Informing clients about the post-season plans can go in align with the two above-mentioned marketing tactics.

4. Stay Connected

Staying in mind of the client till the next season is important even if they are not using any of your services currently. You can connect with them over social media, drop in some festive greeting emails, etc. to engage them with regularly.

An important and impacting way of maintaining the connection with clients is maintaining customer profiles and then wishing them on their birthdays, anniversaries, etc. Your availability on social media should focus on highlighting your expertise and abilities, along with responsiveness attention towards the client.

Executing Operations for Better Customer Retention

1. Gain Expertise with New Practices

With time changes the practices. The quicker you are at adapting to the changes, the better expertise you will gain. After the tax season when the workload is lower, you can pick up some new courses or attend events that offer the scope of learning.

Larger accounting firms can go with the training session for their staff to prepare them for a more effective and proactive services. Follow the industry leaders, blogs, and other educational resources in the accounting arena. Try to go with the certification courses. Though expensive, they offer better chances of impressing the customer as you can highlight such certifications.

2. Do Not Limit Yourself to Accounting Services

Expand your service range and explore additional solution set that may not be associated precisely with the accountant but can complement with the business of clients. Several experts believe that an accounting professional understands the business of client very closely, which enables them to offer additional services, such as – mentorship, consultancy, analysis, etc.

The best part is that such services are not seasonal, almost every client needs them and almost assures a definite retention for tax preparations. If you have managed to build trust with your services during the tax season, the customer is likely to accept you with these roles as well.

3. Study Customer Feedback and Work on Them

What could be more important than words from the client? Most accounting service providers understand it and make efforts at collecting them. However, many forget to work on the collected information. Accounting firms (actually, every type of business) should implement the modifications with the service delivery considering the feedbacks of the clients.

4. Workout on the Tech Innovations That Matter for You

Accounting relies on the technology solutions in a big way and what initially comes as a luxury turns into a necessity in no time. Most accounting professionals shy away from experimenting with new technologies during the tax season. After tax season, you do not have to fall in accordance with the deadlines and that gives you the chance of experimenting and improve.

As most of the tech solutions come with a free trial options, post tax season can be a right time to sharpen your abilities on the solutions. With the existing data, you can consider the different options and analyze which solutions are lending convenience and efficiency. Once the right solution is picked, you will still have ample time to gain a hands-on experience to master the solution before the next tax season.

Resources

1. <http://cpatrendlines.com/wp-content/uploads/2010/11/cch-ucwhitepaper-10-Enhanced11.pdf>
2. <https://www.firmofthefuture.com/content/9-creative-ways-to-attract-and-retain-clients/>
3. http://www.acecloudhosting.com/blog/3521_ways-to-deliver-excellent-customer-service-to-accounting-client/
4. <http://www.capterra.com/accounting-software/user-research>
5. <http://solidgrowthaccounting.com/tag/customer-retention>
6. <http://www.bain.com/publications/articles/closing-the-delivery-gap-newsletter.aspx>

About Author

Nishant Kadian is an Electronics and Communications Engineer and formally associated with Ace Cloud Hosting as an editor. He has a strong interest in cyber security, cloud computing, and accounting applications, such as QuickBooks, Sage. He has more than 3 years of experience of writing in the technical industry. Smartphone, computer, and internet are his best friends and he spends most part of his awakens with them.

About Ace Cloud Hosting



Ace Cloud Hosting has been a globally trusted cloud-based hosting service provider for over 10 years. The company ranks among the most reliable providers of hosting services for accounting application such as QuickBooks and has won the AccountexUSA User Favorite Award in application hosting category. The company has the experience to offer clients with reliable services and secure platform for hosting their applications.

As an Intuit Authorized Commercial Host for QuickBooks software, Ace Cloud Hosting is the leading QuickBooks hosting provider and is changing the way businesses operate by simplifying access to data and files all over the world. Accountants and CPAs are not restricted by distance and time. The cloud service provided by Ace Cloud Hosting is adaptable and scalable according to business requirements. It provides the ability to expand their business to work with clients from further away.

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