Guide to Prospecting

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What is prospecting?

Prospecting is the art of identifying and cultivating prospective clients. It is probably the most mundane, least understood, and consequently the most ignored aspect of practice development among accountancy firms. It is also the most important – the key to successful practice growth. No matter what level of sales skills, client skills, or people skills you have, without prospective client opportunities your growth will be severely limited.

Prospecting involves directly approaching people, seeking to persuade them of the quality of your services, and, above all, staying one step ahead of the competition.

In some ways, these are activities that are quite alien to accountants, who are trained to work with numbers, not people. Traditionally, accountants provide independent opinions and avoid getting too close to their clients. In the early stages of their careers they have little contact with clients and so they sometimes lack good communication skills. They prefer to rely upon their professional competence and integrity, not marketing techniques, to secure and retain clients. It is not surprising, therefore, that some accountants view prospecting with trepidation.

Prospecting does not fit comfortably into the accountant's orderly world. It is a tenuous activity with no clear beginning or end, and the results are often not easily quantifiable, especially in the short term. It can require extensive participation in non-occupational activities, such as meeting people at clubs and business gatherings, proving personal competence in unfamiliar arenas, and spreading the firm's professional reputation. Above all, it means emerging from the back room and making yourself and your firm more visible.

Notwithstanding all of this, the simple fact is that the more prospects you contact, the more opportunities you will have, and the more clients you will engage. Without prospecting, you limit your possibilities of growth to your existing referral network. Therefore, it is important to ensure that the culture of your firm includes a solid commitment to developing and maintaining a prospecting programme.

The elements of prospecting

Anyone who knows about journalism will know that a successful story must contain six elements, known in the trade as the 'Who, What, When, Where, Why, and How.' Well, the same can be said of prospecting. Successful prospecting depends upon having a firm grasp of:

WHO do you approach as a prospective client?
WHAT does a client want from an accountant?
WHEN does a client consider changing firms?
WHERE do you find prospective clients?
WHY does a client change accountancy firms?
HOW does a client make the decision to change firms?

These six are the basic elements of prospecting. If you have a firm grasp of them, you will have the essential building blocks of a successful marketing strategy – and the dynamics and momentum for sustained growth in your firm.

Targeting prospective clients

To develop a successful prospecting programme, you need to identify three main prospect groups: directly targeted prospects, passively targeted prospects, and non-targeted prospects.

Directly targeted prospects

This is the small group of companies you personally target for development during the year, usually because of some kind of personal connection. The number varies, but it is generally between five and thirty-five leads at any one time.

Most accountants have good business development skills but a limited amount of time to exercise them. These skills are put to their best use with these few directly targeted prospects with whom you feel most comfortable.

Passively targeted prospects

These are the prospects referred to your firm by your network of clients and referral sources, and those who respond to your passive marketing activities. They are targeted by conveying to clients and referral sources the type of client the firm seeks, and through the firm's reputation-building activities in the marketplace. The extent to which the referral network obliges depends upon how much attention is paid to them. Cultivating your referral network is an indispensable part of successful prospecting.

Although accountants generally feel more comfortable dealing with prospects with whom they already have some familiarity, they do not generally find dealing with this type of prospect too demanding because these prospects have a fairly short decision making curve, and there is a good chance of closing them.

Non-targeted prospects

These are all other prospects. It goes without saying that the vast majority of prospects are non-targeted. These prospects offer none of the advantages of the two previous groups. No non-national firm has the resources to prospect every company in its database.

Finding prospect information

The following story highlights the importance of arming yourself with the necessary information before contacting a prospect:

'I once approached a prospect in the computer retailing industry. Even though he was tight-lipped over the phone, I nevertheless thought it worthwhile to arrange a meeting. Before the meeting, I contacted one of our clients in the same industry and asked him what he knew about the prospect. He told me it was rumoured that the firm had major stock control problems and needed new management software with strong retail and stock control applications. I quickly researched the possibilities and identified three software packages that would suit their purposes. At the meeting I took a three-step approach:

1. I opened with the pitch that we were better suited to them than their present national firm because we were a similarly sized company.

2. I then emphasised the need for stock control.

3. Finally, I demonstrated the capabilities of the software packages.

They engaged us on the spot!'

Where do you look for prospects, and how do you gather prospect information? There are four stages:

1 Build up a list of prospects

You need to build up a list of prospects – at least a hundred for each partner, plus another hundred. Choose prospects with appropriate demographic attributes such as industry, size of company, location, job title, etc.

Begin by gathering all the information you can on a particular prospect or list of prospects. Such information takes many forms, but can generally be found in the following sources:

- The Internet
- Chambers of Commerce
- Client information
- Direct mail agencies
- Dun & Bradstreet credit and information reports
- Industry information
- Information bureaux
- Library information
- Local trade and community organisations
- Mailing list brokers
- Partner information sharing
- Professional referral source network information
- Research leads through local business newspapers and magazines
- Staff information
- Trade or social organisation information
- Trade show attendance lists

2 Track prospect information with a central database

An excellent tool you will always value is a computerised memory jogger file, or at least a manual memory jogger file. If possible, set up a database that includes as much of the following information as possible:

- Company name
- Address
- Phone number
- Fax number
- E-mail address
- Website
- Principal decision maker, his or her hobbies and interests, and current attitude towards your firm
- Date of initial contact
- Date of initial meeting
- Follow-up date(s)
- Present accountancy firm
- Previous accountancy firm and the date and reason they changed
- Their bank manager
- Their solicitor
- Their type of business
- Their gross sales
- Their financial year end
- Potential fees
- Services currently used
- Track record of calls and meetings with them
- Decision maker’s feelings regarding their present accountant

3. Gather personal information on each prospect

Once you have your list of prospects and information on each prospect, contact a decision maker at each one to gather information on them.

4. Maintain and update your database

A database that is not well maintained and updated is a hindrance, not a help.

In the words of one Marketing Director:

‘The best business developer I ever knew was an accountant who had his computerised memory jogger file at his fingertips. Every morning he checked his list of follow-up activities, including prospects to contact, prospective clients with whom he needed to arrange meetings, and letters he needed to write, etc. The worst was a partner who scorned the use of such files. Though he was a reasonable salesman, and made excellent first impressions, his follow-up left a lot to be desired because he was so unorganised. If he didn’t secure a client in the first meeting, he rarely secured them at all.’

Mailing your prospects

Having established your prospect lists, select a shortlist for a mailshot campaign.

Send them a regular mailing for at least twelve months. This could include a client newsletter, a tax card, Budget news, year end guidance, trickle letters, etc. If you don't have these marketing tools, contact *Practice Track*. We provide a comprehensive range of personalised client publications.

With each mailing, include a covering letter and a response mechanism, using the ***Business Update*** fact sheets for fulfilment literature.

When a prospect has been receiving mailings for 6-9 months, begin follow-up activities.

If some prospects still do not respond positively, remove them from the shortlist, add new ones, and begin the cycle again.

Follow-up telephone scripts

Here, we present two possible telephone scripts you might use to follow up prospect mailing. The sections **in bold** indicate where you need to insert your own words.

Script 1

This script is designed to help you follow up on a newsletter sent to a prospect.

Note: Telephone calls should begin 3-7 days after the newsletters have been sent, and be completed within 10 days.

<u>Primary goal</u>: To obtain a face-to-face appointment.

<u>Secondary goal</u>: To gain a commitment to the next step, such as requesting samples of other publications (e.g. a tax guide) or attending a seminar.

Step 1: Get through the gatekeeper to the decision maker

'Good **morning/afternoon**, this is **your name with your firm's name**. I would like to speak to **your prospect's name**. Is **he/she** in?'

[if yes]

‘Could I speak to **him/her** please?'

[if no]

‘What time will **he/she** be available?' (Try to obtain a telephone appointment)

[if the gatekeeper asks what it is about]

‘I would like to talk to **Mr/Mrs ______** about improving your company's profitability. Is **he/she** the right person?'

[if yes]

‘Is **he/she** available?'

[if no]

(Ask who is the right person, and then) ‘Is **he/she** available?'

*Step 2: Conversation with the decision make*r

‘Good **morning/afternoon**, this is **your name with your firm's name**. I recently sent you a newsletter containing information on **article topic**. Is this an area of interest to you in your business?'

[if yes]

(Let the decision maker talk on if he or she chooses to)

I have some additional information I would like you to see. It would be best if we could meet up. Would you be available later this week?' (secure meeting)

[if no]

I see. This is just one area in which we can help improve your profitability. There are a number of other possibilities I can discuss with you, but it would be better to do it face-to-face. Could we meet up later this week?' (secure meeting)

Script 2

This script is designed as a follow-up if you have received a phone/fax/mail response from a prospect.

Note: Your firm should commit itself to certain targets for replying to responses, such as:

- *Telephone calls received in response to a mailing should be returned within eight hours*
- *Faxes received in response to a mailing should be followed up with a telephone call within twenty-four hours*
- *Written replies received in response to a mailing should be followed up with a telephone call within forty-eight hours*

<u>Primary goal</u>: To obtain a face-to-face appointment.

<u>Secondary goal</u>: To send further relevant literature and schedule a follow-up telephone call to discuss further or answer questions, and then obtain a face-to-face meeting.

Step 1: Get through the gatekeeper to the decision maker

‘Good **morning/afternoon**, this is **your name with your firm's name**. I would like to speak to **your prospect's name**. Is **he/she** in?'

[if yes]

‘Could I speak to **him/her** please?'

[if no]

‘What time will **he/she** be available?' (Try to gain a telephone appointment)

Step 2: Conversation with the decision maker

‘Good **morning/afternoon**, this is **your name with your firm's name**. I am phoning to follow up your request for additional information on **topic**. Do you have a moment to tell me how this area is of interest to you in your business?'

[if no]

‘I would prefer to meet with you in person to discuss this further. Would you be available later this week?' (secure meeting)

[if yes]

(Let the him/her talk on if he or she chooses to.)

‘This is very interesting. I would like to talk to you in detail about how we can help you to _____________. Would you be available to meet with me later in the week to discuss these ideas?' (secure meeting)

[if just interested in receiving more information]

‘I see. I shall send you some literature today. Can I phone next week to see if it will be of value to your business?' (secure telephone appointment)

Prospecting tips

Maintain three personal prospect lists:

i. Your top five leads – your five hottest prospects – the companies you are closest to engaging. You should contact them every few weeks.
ii. Your secondary twenty-five leads – the twenty-five companies you are trying to sign at any one time. You should contact them every two months, and try to see the principals on a more-or-less regular basis.
iii. Your tertiary seventy leads – long-term leads you contact every quarter.

Send a hand written note after your initial meeting
Attention to such detail creates a favourable impression with your clients. Few things better demonstrate your interest than taking the time to write a note by hand.

Get to know the senior managers at local branches of banks
These are an essential part of your local network.

Attend referral source functions where you wouldn’t normally see your competition
For example, it can be very valuable to be invited by a banker friend to attend a function where there are many bankers, but no accountants!

Phone prospects, leads, and clients with a goodwill message just before major holidays
This is one of the most powerful techniques for personalising a relationship.

At the end of a prospect meeting, write your home number on the back of your business card as you give it to him or her

This helps to establish a more intimate feeling with a cold or lukewarm lead. Few prospects will actually call you at home, but they will feel a stronger connection with you.

Treat every conversation as a marketing opportunity
As a professional, every conversation you have either enhances or damages your image. You are judged by your ideas, your vocabulary, your delivery, and your empathy. Every time you speak to a referral source he or she makes a judgement about your capabilities. Every time you speak to leads you draw them closer or push them further away. Every time you speak to clients they reinforce or change their opinion of you. Rarely do your conversations have a neutral impact.

Make yourself more visible
For example, if you attended a function, everyone else who attended needs to know you were there; and they need to know you are an accountant.

Remember the little things:

- Make sure your telephone, fax, e-mail, and mobile phone numbers, as well as your website address, are on your business card; but save your home number for a handwritten note
- Prospects will find a way to do business with you if they like you. They will also find a way not to if they do not
- 80% of all sales are made after the fifth call, and only 20% of all salespeople make that call
- A facial expression has more impact than a thousand words
- Your employees regularly ask themselves, 'Am I working for a leading-edge firm?'
- Are you doing the same things this year as you did last year? If so, you are losing ground. If you are not improving you are not in front
- Check your messages at 10.00 a.m., 2.00 p.m., and 4.00 p.m.
- To get around 'gatekeepers' (secretaries who effectively shield their bosses), try phoning before 8.00 a.m., at lunchtime, or after 5.00 p.m. Failing that, call another part of the business where non-clerical staff are more likely to answer
- Underpromise, overperform
- Use all the resources you have available to you. Solo performers have a limited range!
- The client's perception is your reality