

AAM Session RECAP

Session B4: Future Forward – Redefining Practice Growth

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Tracy Crevar Warren was excited. The President of the Crevar Group, former Chief Marketing Officer of Dixon Hughes and past President of AAM told a packed session that she felt we were “getting ready for one of the most exciting times in our profession.” And she wanted to show us a map to how to become “Practice Growth Architects.”

The time was when growth in the accounting profession was pretty straight-forward- you worked hard and you pulled more hours. Not especially creative, but it worked. Then as Crevar Warren things got complicated and she proceeded to list a litany of several of today’s practice growth issues:

- Sarbanes-Oxley
 - “Fat and happy” syndrome
 - Succession issues
 - Staffing shortages
 - Generational differences
 - Mergers
 - Decline in customer service
- etc.

Where does marketing fit into this? The Crevar Group has been conducting research on practice growth and they asked the question- “Does your firm have a clear picture of role for marketing and business development to achieve successful growth?”

Answers: 55% - yes
 45% - no

Thus, Crevar Warren noted, there is a gap between the practice growth agenda in the board room and the marketing agenda. Marketing, she asserted, is misunderstood:

- CPAs are unclear on roles
- unclear definitions
- viewed as a dreaded task vs. opportunity
- misunderstandings lead to false expectations, and
- marketing is not aligned with practice growth discussions.

How do we get past this, she asked? Let’s begin by redefining practice growth- it is so much more than the bottom line. She then unveiled her “Practice Growth Architecture”, featuring 4 main elements forming a strong “house.”

First, at the bottom level, is the “foundation.” This is firm’s purpose – what we do; its values- what we believe; and its vision – where we want to go. The foundation drives all initiatives, actions and decisions the organization makes.

Next are the “cornerstones,” consisting of the “3 Gs” of practice growth:

- grow people – the #1 concern;
- grow clients – bring ideas to help clients resolve needs; and
- grow the firm – infrastructure to support the growth.

Next comes the “framework” consisting of:

- brand – who we are in all we do;
- leadership – fosters behaviour, culture, collaboration, and performance; and
- the operational structure – how manage efficiency, track results and reward success

Topping off the structure as the roof are growth strategies, consisting of organic, M&A and hybrid growth models including:

- client development
- globalization
- niche
- people and leadership development
- product and service innovation
- technology

The Crevar Group’s research shows the firms selecting the following models:

- 58% – Organic
- 50% - M&A
- 41% - Brand development
- 33% - geographic extension
- 7% - globalization
- 78% - niche development
- 52% - product & service innovation
- 45% - technology

What is our role?

Crevar Warren asserts accounting marketers’ role is to bridge the gap between marketing and practice growth. Help your firm see the complete practice growth architecture. We have to have tough conversations with leadership. She cites several examples from KAF Financial, BKD, and others. Marketing needs to act like a true business advisor- challenge and question partners on practice growth.

What additional new or expanded rolls can marketing and business development play?

- Bridge generational gaps
- Recruiting
- M&A involvement
- Involve everyone in the growth agenda
- Strategic approaches to manage growth
- Increase practice development skills among CPAs
- Product development and differentiation

Create a shared vision of growth that everyone understands and buys into.

Leadership at the top is key- Crevar Warren cited examples of commitment of MPs from UHY, Moss Adams and Porter, Keadle, Moore.

Growth should be everyone's job. The Crevar Group research uncovered the following responses to the question "Who is responsible for practice growth?"

54% - everyone

11% - professional staff

39% - marketing and business development

38% managers & partners

"People know there is a place for them and know what they are supposed to do."

The Crevar Group also looked to define the growth process by asking: "What processes, systems and tools does your firm use to standardize, manage and track growth initiatives?"

38% - brand standards

55% - client service standards

62% - CRM/pipeline management

53% - lead generation

40% - marketing expectations by level

68% - proposal processes

25% - lost client process

49% sales process

Finally, they also asked about how firm's celebrate and reward success, with responses as follows:

61% - financial rewards

20% - meetings

15% - newsletters, e-mail

10% - parties

10% - we don't

7% - other prizes, trips, days off

2% - special awards

The take away? Marketing definitely has a big role to play in the practice growth agenda and in these times, it is more important and significant than ever.