DAY 2

TUTORIAL #4:
TARGETING THE RIGHT CLIENTS
Targeting The Right Businesses

Hello and welcome to video 4 of our “Grow Your Practice in 5 days” video training course.

Targeting the right businesses and at the same time enabling those businesses to easily find you is very, very important to your success and it’s the one strategy that virtually EVERY accountancy and CPA firm gets wrong.

Get it right and you’ll attract the right clients at the right fees, but get it wrong and you’ll only attract the wrong types of clients – clients who only care about cheapest price, those you simply don’t want in your firm.

To get the very best possible results from all the other strategies we’re going to reveal to you over the next few days, you must first, and most importantly, clearly identify, your target market, in other words, the type or types of businesses you are looking to acquire as clients.

Firstly, you have to understand that there are only 3 possible target groups. Let’s take a look at each one…

First you have what we call, your PRIME Targets.

These are the businesses you’d REALLY love as clients, those you really must have. You believe…

- they would make outstanding clients
- you believe they are a perfect fit for your firm.
- they may or may not include specific niches (dentists, lawyers, manufacturing, etc.)
- there is a realistic, strong case for them to choose you as their accountant or CPA

The number of PRIME businesses will be quite small, typically between 50 and 150.
But they are prized targets, personally chosen by you.

These are clients you are determined to acquire and, as a result will be the prime focus for all your more expensive marketing resources, like mailing them a hard copy of your monthly newsletter.

The next group is what we call your SECONDARY Targets.

Your SECONDARY targets are all the other businesses who meet your client criteria in your market place and for whom you have contact information. This list will number upwards of 150 and could be as large as several thousand.

Consequently, the marketing budget for this group will be much more controlled, using only low resource strategies that enable you to filter those who may be interested in your services.

These strategies will include email marketing (if permitted in your country), Facebook advertising and LinkedIn advertising, for example.

And finally you have your UNKNOWN Targets.

These are businesses in your market place that you have no knowledge of but would be targets if you knew about them.

You don’t know who, where or how many there are. As a result you will be using very low cost strategies to “blanket” target these unknowns, using mainly Google AdWords, Remarketing, Press Releases, Networking and, Neighbourhood Advertising etc.

As you can see, by understanding you only have 3 target groups, you can use the most cost effective and appropriate strategies to attract them to your firm…

- Your main resources are only focussed on the PRIME targets.

- Regular monitoring of the responses in the three target groups allows targets to be moved between groups for more effective management.
• Activity can by effectively managed within YOUR OWN BUDGET.

But as you create your PRIME and SECONDARY targets, you must go after what we call “the low hanging fruit” – the businesses easiest to acquire.

For example, if your firm currently has a majority of businesses with a turnover of a hundred thousand to half a million you SHOULD NOT be targeting two million plus businesses. Not right now anyway.

So how do you target the low-hanging fruit? Well there are 6 key characteristics you should look for...

The Target Market Characteristics

First, the Industry:

What types of businesses do you want to target? Are there some industries that you want to stay clear of? For example a number of our members in the Accountants Growth Programme don’t want to work with charities,
whilst a few others love working with them! There are three key factors which influence the selection of the industry…

1. Your industry experience

You may want to target industries where you already have experience.

2. Your industry credibility

You may want to target industries where you already have credibility.

3. Your likes and dislikes

You may have preferences already about industries that you like or dislike. This will obviously have an impact on the choices you make in terms of the industries you select.

The next characteristic is the Decision Makers:

An important consideration is choosing businesses with a simple decision-making process. Clearly the larger the business the more likely the number of decision-makers increases, making the sale more difficult.

The low-hanging fruit are owner-managed businesses with no more than say 3 directors or partners

Next we have the Age Of The Business:

Clearly there is an age range of businesses from start-ups to well-established companies. Obviously start-ups come with a number of challenges especially the fact that 80% of them fail in the first 5 years. So are you bothered about how well established a business is?

The next characteristic is Size, usually based on the Turnover or Number Of Employees:

Both these characteristics are easy indicators for choosing your target market. However this is where THE biggest mistakes are made with
virtually every accountancy and CPA firm.

What you need to do is look at your existing portfolio of clients and analyse the turnover range of your biggest grouping of clients. For example you may have 20% of clients below 100,000, 60% from 100,001 to 500,000, 15% from 500,001 to 1 million and 5% greater than 1 million.

Using this example, whether you like it or not, your firm is good at acquiring, keeping and servicing clients with a turnover from 100,001 to 500,000.

This represents your ‘low-hanging fruit’. These are the easiest businesses for you to acquire. If you’re looking to grow quickly, it’s foolhardy to go after larger businesses because your firm just isn’t seen by the market as one that’s associated with their type of business.

I hope that make sense? Your target market is NOT a wish list. Your target market should represent the businesses that are the easiest for you to acquire. Nothing more, nothing less.

The next characteristic is Location and it’s very important:

As proximity is often an important decision for many business owners when choosing their accountant or CPA, you should start with businesses closest to you and work outwards.

There are so many businesses close to your office, you really don’t need to go too far away. Every day you drive into work. How many businesses do you pass that aren’t your clients?

Once again not targeting businesses close to you is a big mistake. As a general rule the closer you are to their business the more likely they are to appoint you – all things being equal.

And finally we have Profitability:

How concerned are you about working with profitable companies? This is a difficult measure because most databases are out of date in regards to their financial data.
Hopefully you can now see how you would use these characteristics to identify your PRIME and SECONDARY targets and to inform UNKNOWN targets if they are right for your firm.

So now you have identified the right target groups, you can choose the right marketing strategies to attract them to your business.

…and we’ll discuss the best strategies you can use in the next few videos.

So let’s recap...

Here are the key learning points from this fourth tutorial...

1. First... There are only three target groups to focus on; PRIME, SECONDARY and UNKNOWN.

2. Second... Always go after the low hanging fruit – they are the easiest businesses to acquire.

3. Third... Use the 6 Target Market Characteristics to identify your PRIME and SECONDARY targets.

Now please turn to the ‘One Page Action Plan’ that accompanies this tutorial and start putting together your perfect target market. These are the businesses that you’ll be concentrating your marketing strategies on.

LOOKING TO ACCELERATE THE GROWTH OF YOUR FIRM?

If you want an EASIER way to acquire more of the right type of clients at the RIGHT fee, where everything is either done-for you or ready-to-go, then the Accountants Growth Programme could be for you. To find out if you qualify, click on the link below to watch this short 5 minute video...

http://accountantsgrowthprogramme.com/pages/agp-video/