practiceresources

Maximizing your wallet share

Make the most of your current clients

BY LEE H. EISENSTAEDT

We all know that it can cost up to 10 times more to secure a new client than to keep an existing one. Even once you secure the new client, it can take years to realize a profit from them. It only makes sense, therefore, to focus on building more business with existing clients.

That's what maximizing wallet share is all about. "Wallet share" refers to your share of a client's total spend on all of the services you offer. It reflects your ability to penetrate more deeply into and win more business from existing clients. And it's an area that deserves much more attention — and resources — than most accounting firms give it.

Why, then, do we hear daily from firms whose wallet shares are less than 50 percent? Why do firms tell us so frequently that less than 10 percent of their clients buy multiple services from them — even when they know their clients like and trust them and would prefer to do business with them? There are many possible reasons. For example:

- You don't offer the services that the client needs.
- Your clients aren't aware that you offer the services they're purchasing from your competitors.
- Your clients are splitting their spending among several service providers to keep everyone honest and to avoid relying too much on any one firm.

Of these, the second is the most common: Your clients simply do not know about the breadth and depth of your expertise. There's no excuse for that.

Mining the opportunities that exist within your current client base should be moved up on your list of priorities. These activities have a high return on invested time because:

- **You have the relationships.** Your current clients already know, like and trust you. You've gained their trust and demonstrated your expertise; you're no longer seen as a salesperson, but as a valued advisor with a proven track record. More important, you know the people who influence and make the decisions about your services. It can take your competition months or years to establish and develop these high-quality connections.
- **You have access to information about the client.** You have inside knowledge about your clients' strategic and operating imperatives. You understand their strengths and weaknesses. You're in the enviable position of being able to proactively propose solutions to the unmet and emerging needs of your clients long before your competitors are even aware they exist.
- **You know how to serve them.** You already understand your clients' corporate cultures, their service expectations, the landmines to be avoided, and what they value and respect the most. With this knowledge, you can jump ahead of your competitors.

You clearly have a lot working in your favor with your existing clients. Here are three ways to leverage those advantages and increase your wallet share:

- **Increase your face time.** The single most effective way to grow your share of wallet is to ask your most important clients to spend an hour with you, at no charge to them. The focus of this meeting will be the client; simply ask them how their business is going. You'll be surprised what they'll tell you. Our experience is that most companies are incredibly proud of what they're doing and are very willing to talk to you about it. You will most likely come away from these meetings with many opportunities for additional work. Just remember — focus on listening. Do not sell.
- **Develop and implement client service plans.** Another way to increase wallet share is to develop client service plans for your top five or 10 clients in each of your most strategic functions, or practices. Assemble teams composed of people from different functions (e.g., audit, tax and technology) and at different levels (e.g., partner, manager, etc.) so the plan represents a broad view of the client. Also, include someone on the team from a practice area or industry unrelated to the client, so that you challenge the status quo and take nothing for granted.
- **Quid pro quo.** A third way to improve wallet share is to focus on motivating your own employees. Carve out a portion of your incentive compensation for cross-selling and up-selling to existing clients. Set some clearly defined stretch goals, attach to them the opportunity to earn a meaningful incentive payment, and then get out of the way.

Summing it up, do not overlook opportunities that exist with current clients to increase your wallet share and grow your revenues and profits. Not only will you realize results faster than you would by trying to attract new clients, you'll also see better client retention, more quality referrals, lower marketing spending and more effective business development campaigns. AT

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M&A WATCH

NEW YORK

Gettry Marcus merges in Kremer

Details: Dennis B. Kremer is merging his practice into Gettry Marcus Stern & Lehrer, a CPA firm based in New York. The merger is expected to strengthen the litigation support and forensic accounting practice of GMSL. GMSL has more than 70 professionals and 16 partners. Kremer will operate out of the firm's White Plains, N.Y., office. Terms were not disclosed.

ONTARIO

Deloitte merges in Canada's Horne

Details: Deloitte plans to strengthen its Southwestern Ontario practice by adding 35 staff through a proposed merger with Horne LLP of Burlington, Ont. (not to be confused with the Mississippi-based Top 100 Firm of the same name). Colleagues in both firms have been working on the transition. The merger was expected to be completed late in July.

TEXAS

Carr Riggs merges in Cooper Graci

Details: CPA firm Cooper Graci & Co. has merged with Carr, Riggs & Ingram LLC, expanding CRI's footprint into Texas for a total of seven states. Cooper Graci's two locations in Austin and Georgetown will now operate under the CRI name, and their team will join CRI's 550 partners and staff. CRI has additional expansion plans slated for 2010.

Doeren Mayhew merges in TR Moore

Details: Michigan accounting firm Doeren Mayhew is expanding to Houston by merging with TR Moore and Co. The Troy-based firm is one of the largest in its home state, but wanted to expand to Texas and acquire more clients in the energy industry.

Doeren Mayhew already services oil and gas companies in Michigan, but Moore has a much more substantial energy practice in Houston. They will retain the TR Moore name in Houston for about 16 months, until September 2011.

Doeren has approximately 200 employees, while Moore has 45. Doeren currently earns nearly $40 million in annual revenue and Moore nearly $8 million.