

Tracking Data: What Can Be Measured, Should Be Measured

By Jill Lock

You may be familiar with the term “data mining,” but you may not be aware that you can mine data internally as well as externally. So much information is available at your firm! It’s possible to determine so many things—new business, lost clients, proposals—and there is so much data within each of these categories. You can uncover specific information about the types of clients you attract, including the industries they are in, the services they buy and the fee range they are comfortable paying. You may also learn which team members are obtaining the most prospects, why you lose clients and why your firm’s proposal did not win an engagement.

Tracking this data can give you important insight into where the core of your business is coming from. For instance, you may find that most of your new business is coming from a particular industry, which may reflect a strength you didn’t realize you had. You may discover that your proposal was not chosen because no particular referral source was rooting for your firm. You may learn that certain teams of people work better than others on sales calls or that someone on your sales team is not an effective closer.

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But tracking the data is not all that is needed. Research and follow-up is an important part of the process. The results can be helpful in many ways. For instance, identifying your best sales team and sending them out to potential clients can help improve your close rates on sales calls. It can also help enhance your marketing efforts by targeting specific industry groups. Typically, a firm's marketing director is responsible for tracking and analyzing the data.

Why don't more firms do it?

If tracking data is so valuable, why don't more accounting firms do it? The reasons vary. Some either don't have the time to do it or don't think about it. Others don't understand the value of such a system or don't have the right systems in place.

Usually there is some system in place that could easily be adapted and used to measure at least some data. The new account data forms that are typically used by firms are a good example. Simply by adding fields of interest such as referral source, industry type, service, fee range, sales team, etc., you can tailor the form to your specifications in many programs.

The tracking of data is most useful over a long period of time because trends will emerge that can be analyzed. Based on these evaluations, strategies can be improved.

Where do you start?

Where can you start? First look at the forms and systems you pres-

ently use. Do you have a form you complete when you obtain a new client? How do you identify a lost client? What records are there of proposals to prospects? Do you identify employees that brought in new clients?

Build on the forms you already have by adding fields for the information it would be helpful to know, such as industry of new client/prospect, sales team, referral source, service offered and fee range. As far as lost clients, you may want to know

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the reason you lost the client, employees working on account, fee, service area, accountant that obtained the business and why they chose your firm. For proposals made, you may want to know the names of the other accounting firms proposing, the criteria for selection, why the prospect is looking, industry, referral source, etc.

How our firms data

By calling prospects that we were proposing, we confirmed that many times a particular competitor competed against us. By evaluating won and lost prospects, we were able to ascertain the best mix of team members

that could close a sale. We also were able to determine the referral sources that gave us the best leads that resulted in clients.

We use this data to improve our practice development efforts. Those referral sources that give the best leads have frequent contact with our staff, and we give them leads. Those employees that sell the best are the ones that go on the calls to prospects. When we compete against our top competitor, we know that they will turn around a written proposal in record time and emphasize the depth of their expertise with charts and reports. We were able to obtain this information about our competitor by making follow up calls to prospects and clients and tracking the data. This information helps us refine our approach and leads to more sales closed.

How other firms use data

What are you doing to improve your close rate of prospects and your retention rate of clients? It's a competitive marketplace; you can't go solely with your instincts. You need crucial data to help you win prospects and keep clients.

Michele Baum, Marketing Director of Weinstein & Anastasio, P.C. agrees that it is crucial to track data. "Our new client reports track clients, person that brought the business to the firm, the dollar amount, whether it is a new or existing client and the business referral. Tracking referral sources is important so you are able to cross refer business. In addition, our pipeline tracks potential clients on a team basis. The tracking is done on an Excel spreadsheet,

and a new client report is distributed on a monthly basis to the Managing/Marketing Partner. The tracking of proposals includes won and lost proposals. If proposals are not won, we try to find out the reason," Baum explains. Baum also finds that tracking the spending in her marketing budget eliminates surprises.

Director of Marketing at Graffi Repetti, Robert Orr, has tracked client and prospect data. At previous firms he has worked at, they tracked and maintained databases of introductions made through direct mail contacts, retained memos on the history and interactions with certain prospects and assigned follow-up dates and personnel as needed.

"When we won a new client, we captured as much information as possible. We recorded the type of industry of the new client. In this way, we were able to identify other clients served in the same industry. Coding all the entities connected to a particular client in a group allowed us to track the cumulative billings related to those particular clients. I've also provided staff with a list of new individual and corporate clients on a monthly basis so it could be reviewed for independence purposes in conjunction with Peer Review," Orr stated.

He explains the value of the tracking system. "Tracking this information has given the firm a better picture of the overall number of prospects and the number of prospects by industry/service sectors, the status of prospects and the timing and

means of follow up required, the number of new clients by entity, proposal win/loss record, engagement type or industry from year-to-year, the number of clients lost from year-to-year and any patterns as to why they left, and the identification of the firm's top 25 corporate and individual clients annually to ensure that they are getting the service they deserve. Were we more successful winning proposals from clients in certain industries? What can we learn from the proposals that we did not win?"

Orr plans to implement tracking systems at his new firm after he does a thorough audit of their client, prospect and referral programs.

At Anderson ZurMuehlen & Company, PC, the administrative operations managers at each of their six office locations are in charge of tracking information. The managers supply a monthly report to their office vice president, the firm-wide managing partner and the marketing director.

Kerry Sullivan-Lechner, marketing director at Anderson ZurMuehlen, explains, "We track new business from existing clients and new business from new clients on a monthly basis. It helps us to keep track of cross-selling opportunities, as well as opportunities in the pipeline. This tracking of information has helped us to become more focused on our revenue goals and cross-selling opportunities. To track information, we use our time and billing system supplemented with excel spreadsheets. On a monthly basis, information is

communicated to our ownership group."

Time: An obstacle to implementing tracking

The value of tracking information can pinpoint cross-selling opportunities, provide insights into future marketing programs and help identify hot targets. But not all accounting firms track data. What are the obstacles to this process?

Anna Marks, Director of Public and Client Relations at KFMR Katz Ferraro McMurtry, P.C. expresses these sentiments, "Time is the only thing holding me back, plus getting people to supply information. We are so swamped right now that some types of marketing initiatives take a back burner." Marks does prepare a weekly pipeline report. This report reviews businesses that the firm is courting so they can avoid any independence issues.

Obstacles can be overcome. Begin the process slowly with the information that will have the most impact on the firm in the shortest period of time. Use the data that is already available. Once the management team understands the value of these reports, they will be committed to allocating time and resources.

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