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## Competition, economy prod CRM implementation

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BY LIZ GOLD

There's a perfect storm brewing in the accounting profession and it directly relates to the slow adoption of customer relationship management systems - at least according to Danny Estrada, CRM practice director at New York reseller Net@Work.

Five years ago, according to Estrada, the average accounting firm most likely kept their clients for upwards of 15 years. Today, that time period has decreased to between three and seven years, creating a greater need for the systems that track, organize and store information about current and prospective clients and customers. Add to that what he calls a "mercenary" attitude on the part of new accountants not afraid to jump ship when career milestones don't come fast enough, mixed with a greater need for talent, and that storm gets bigger.

"What accounting firms have to deal with culturally that they never even had to try to go through before is this concept of formal business development," said Estrada, whose company sells Sage product lines. "The traditional cultural view is that the more seasoned partners go out and do client acquisitions and they feed the masses. Now that's not good enough."

While many accounting firms in the last five years have used acquisitions as a growth vehicle, Estrada said, that just adds to why CRM as a concept is so difficult for firms to accept.

"Now add one more layer to this perfect storm, which is, if you interview any partners who have moved from one or two firms, they have the perception that these clients are still their clients," he explained. "If you are doing CRM and open up your client base to take on more of the identity of the acquiring firm, it's harder to make the claim of keeping your clients your clients."

Despite the slower-than-expected migration rate, more firms are gradually adopting and implementing CRM because of increased competition from their peers. However, the adoption rate among accountants is still less than that of the legal profession, according to Jeff Reade, president of Cole Valley Software, which makes ContactEase, a client relationship management and marketing automation tool. The system integrates with Microsoft Outlook, which makes it popular among professional services firms.

Jean Frohman, marketing manager at CPA and business advisory firm Citrin Cooperman & Co. in New York, said that among the middle tier of firms there is a sense that everyone is trying to increase the value of their relationships in the shaky economic climate.

"One of the things that we are doing to keep up with the complex needs of our clients is investing in a comprehensive CRM system," she said. "It's about understanding what you have addition to understanding what you don't."

The firm launched Lexis Nexis' InterAction last October, and currently just partners and upper management have access to the system - which is intentionally being rolled out slowly to more effectively manage the process and monitor key milestones.

"The goals are to make sure as we grow that all our offices stay connected, that we're able to stay informed on all business development activities," Frohman said, "and that our contact and clients feel that, even as we are growing, Citrin Cooperman is still a tight-knit firm."

Frohman also pointed out that the key to implementation is to provide as much training and information to the partners as possible.

The nearly 100 staff members at Moody, Famiglietti & Andronico have access to ContactEase, which the Tewksbury, Mass., firm has been using for six years.

"One innovative way we're using CRM is when we get a new client, we send an e-mail with a link and when they click on that link it gives them an opportunity to give us some information things we should probably know about them, such as their alma mater, interests and birth date," said Matthew Boyle, partner and chief marketing officer at the firm. "If they click on the link and they populate the field, it can automatically get popped into their record in the CRM database."

Two systems are being used at Kahn, Litwin, Renza & Co. in Providence, R.I., CCH's ProSystem fx Practice Management as a reporting system to extract client, employee, billing and project information, and CNG-Safe, Cabinet NG's Shared Access Filing Environment, for CRM functions, such as client and prospect databases.

"Our goal is to have one database that can provide all of our client relations management," explained Margaret Robicheau, the firm's audit administrative supervisor. "Internally, we hope to improve productivity by being able to extract client and prospect information quickly, while ensuring the quality out of our database."

### ONE PIPE FOR ALL

Bruce Ditman, national marketing director at UHY Advisors in Chicago, said that from his perspective in marketing and sales, the return on CRM investment is the most important thing you can manage in the marketing of a firm. But he said that the reason why purchasing and installing such a system became pressing for UHY was because of what was being created individually across departments and groups within his firm.

"Our Forensic, Litigation and Valuation Services Group had a very granular pipeline and activity-tracking process - using an existing CRM tool - and while it works for them, it did not for the other groups in the firm," he said. He added that in New England, where he is located, a different pipeline and proposal tracker was created that also worked well.

"We are designing from scratch a pipeline that is going to let us, at the push of a button, roll up all the numbers, so the CEO could wake up in the morning, push a button and see what the pipeline for the entire company is," Ditman explained.

The new CRM system is already starting to take form. Within the firm's national FLVS Group, an extremely granular focus is being created and aimed at law firms where the unit specifically does its business.

"It's not just contacts anymore, it's not just an Excel file or just a list of all the law firms, say, in New York City," Ditman explained. "It's all the firms and their information. [Listed] below are the different divisions in those law firms, below that are all the partners in those divisions and below that are all of our partners and their relationships with those partners in those divisions. It drills and drills and drills down."

Multiple practice areas with overlapping contacts prompted Nashville, Tenn.-based Lattimore Black Morgan & Cain to install Lexis Nexis' InterAction in 2002. The goal? To streamline e

organize thousands of contacts from various applications that the firm had deployed.

According to Mike Cain, the firm's co-managing partner, the system is used for mailing event newsletters, electronic newsletters, e-alerts, tracking proposals, marketing activities and sales seminars, and an active pipeline management process, to name just a few. He said that the CRM system has helped the firm "aggressively manage the business development pipeline" in a way that offers more discipline and visibility into that process.

"To start with, our biggest challenge was literally just getting all the information from all these different listings and databases scrubbed and into one," Cain said. "The truth is, it's never complete. It's a constant battle to keep it clean."

Yigal Rechtman, CPA and director for information technology, technology assurance and forensic services at Buchbinder Tunick & Co. in New York, said that CRM, in general, enables three things - the capability to keep a lot more client information above and beyond the standard contact sheet, which will allow firms to better target clients for existing and future services; the ability to increase efficiency; and the opportunity to become a better employer, since allowing people to work from home and off-site will be a perk once client business picks up again.

"It's a cultural thing you need to have," MFA's Boyle said. "I think that it would be very hard to run an accounting firm without a good CRM in place. Maybe that comes from having one and seeing how it is used and relying on it so heavily."

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