Accounting Client Experience & the Transparency Revolution

PRESENTED BY KAT KOCUREK – VP of MARKETING | INAVERO

November 8, 2018

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A quick introduction

inavero®
SATISFACTION SURVEYS MADE SIMPLE.

Est. 2003

Focus on professional service providers since 2007

We believe it's **good business** to place the client experience at the heart of your growth strategy.

BEST of Accounting™
CLIENT SATISFACTION
2019

Annual award program for client service.

Recognizes firms that have demonstrated exceptional service quality based exclusively on ratings provided by their clients.

clearlyrated™
powered by inavero

Launched July 2018

Online service provider directory that translates client satisfaction scores into online ratings and testimonials.
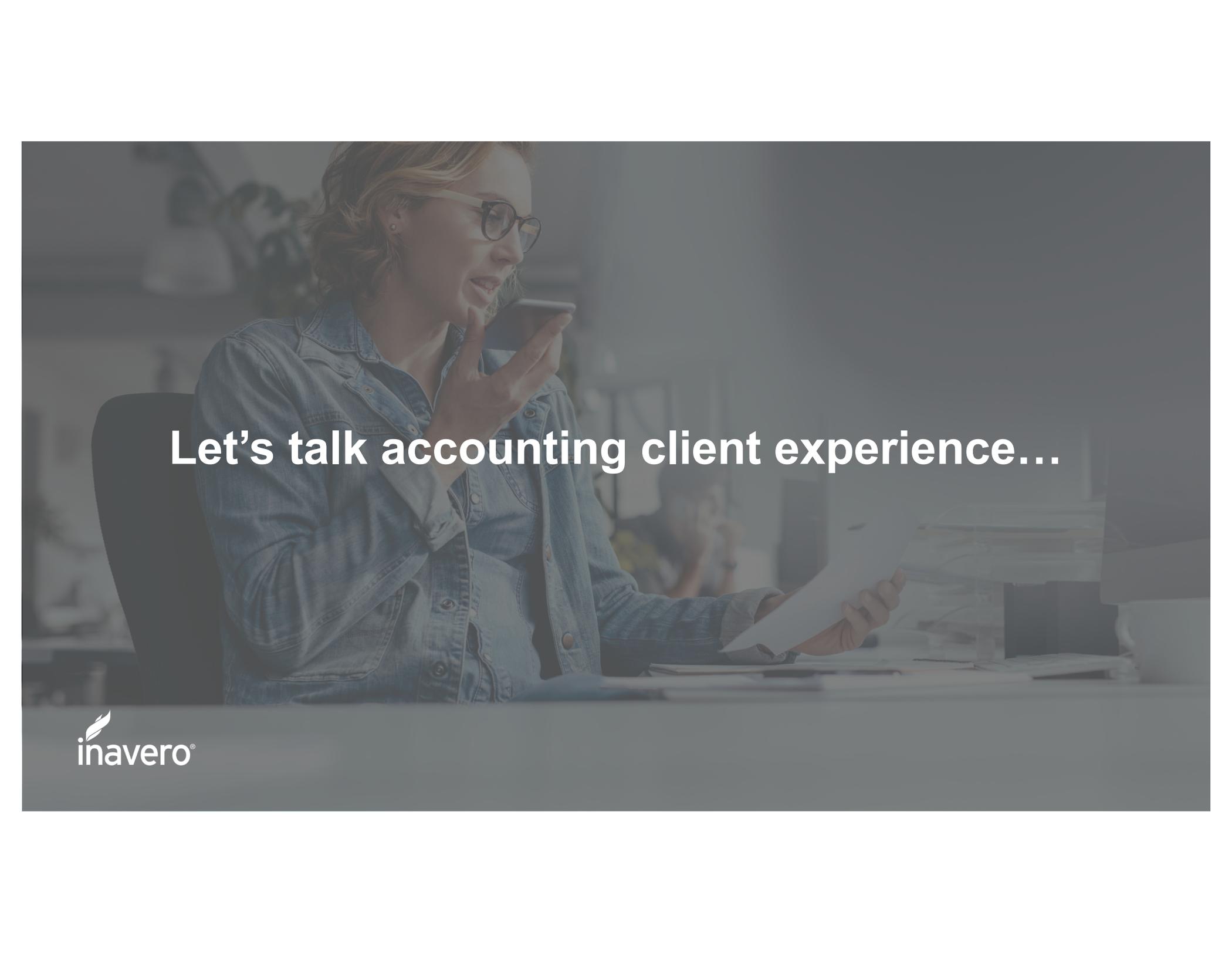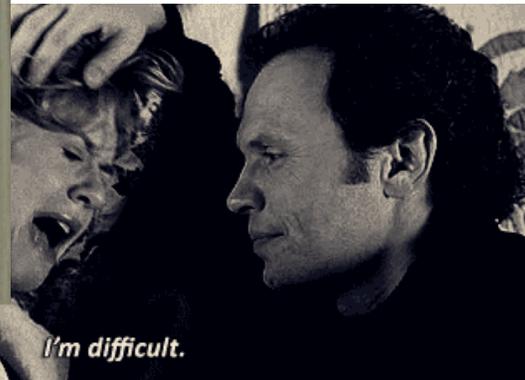
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Let's talk accounting client experience…

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FACT: We are in the business of relationships.
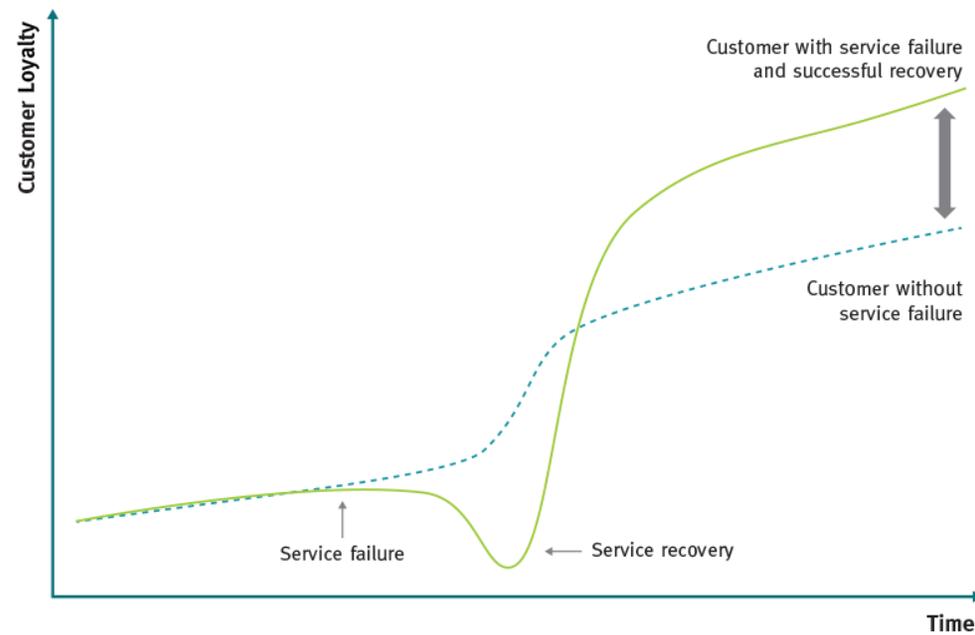
FACT: We are in the business of relationships.

I'm difficult.

Dynamic Model of Customer Satisfaction

aka The Kano Model

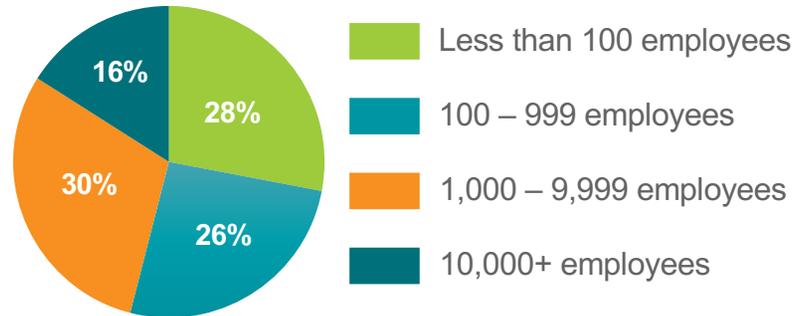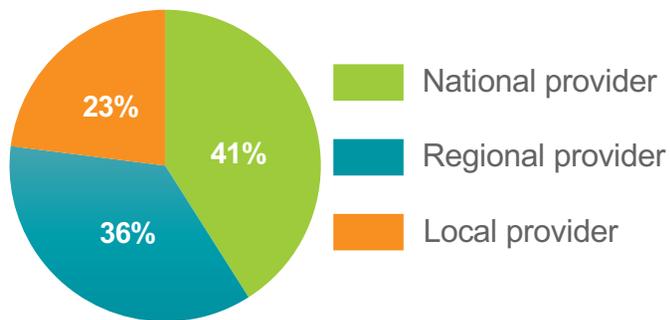http://www.pdsaconsulting.com/dynamic-model-of-customer-satisfaction/
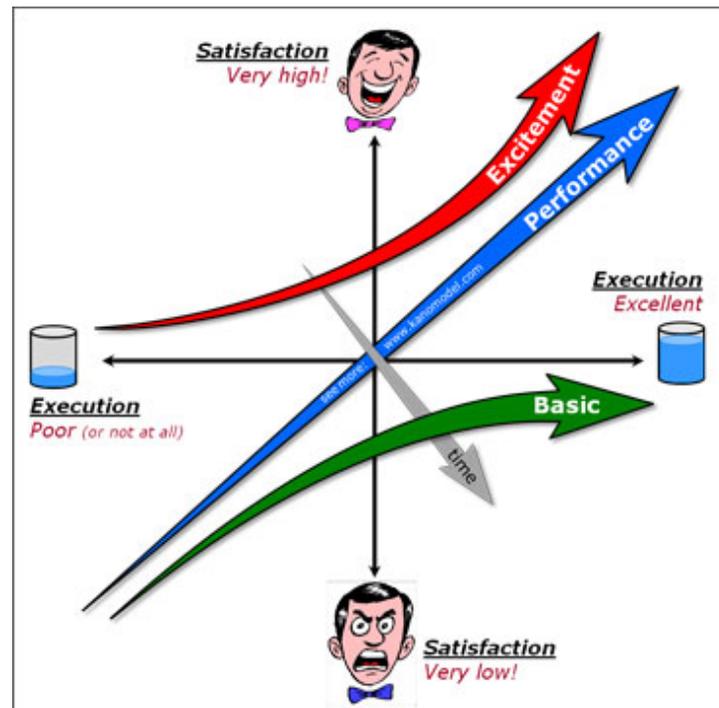
Service Recovery Paradox

Inavero's 2018 Accounting Industry Benchmark Study

681 buyers and clients of accounting firms

Size of Respondents' Organization

- 28% — Less than 100 employees
- 26% — 100 – 999 employees
- 30% — 1,000 – 9,999 employees
- 16% — 10,000+ employees

Type of Accounting Provider

- 41% — National provider
- 36% — Regional provider
- 23% — Local provider

Respondents by Job Title

- 44% — Manager
- 21% — Director
- 35% — C-Suite

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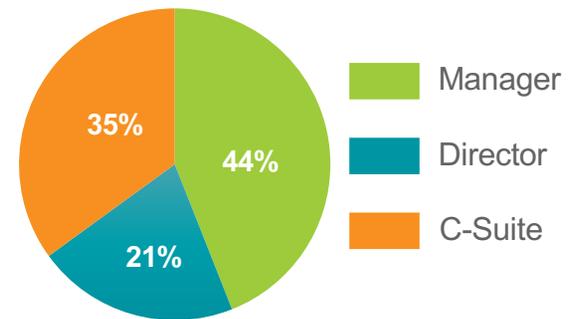
Remarkable client experiences <u>protect revenue</u>
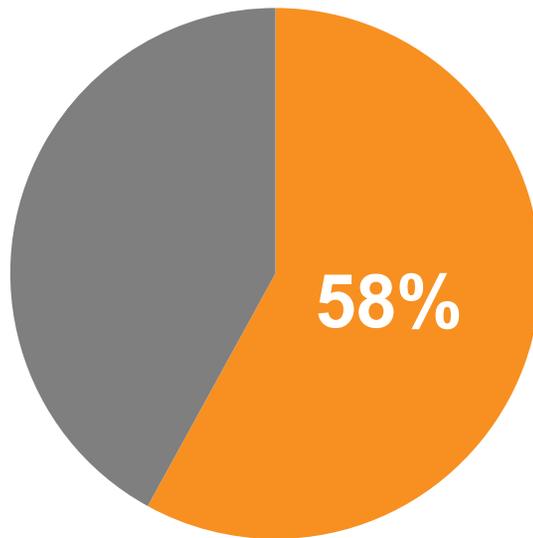
58% of accounting clients are "satisfied" with their current provider, but are open to exploring new firms to work with.
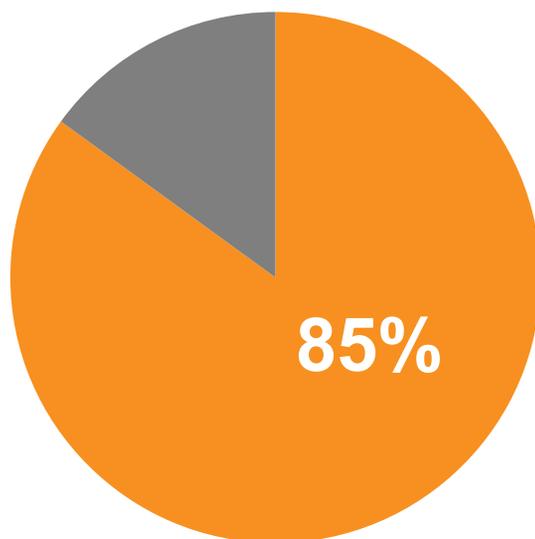
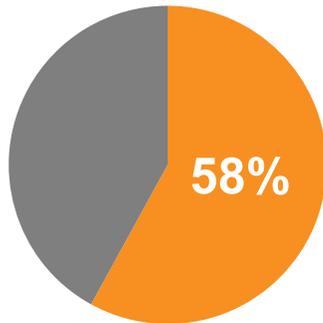Source: 2018 Accounting Industry Benchmark Study

Remarkable client experiences <u>create new opportunities</u>
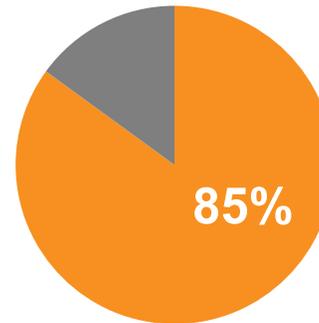
85%

85% of clients would consider leaving their existing firm if they received a referral from their personal or professional networks.

Source: 2018 Accounting Industry Benchmark Study

Remarkable client experiences <u>are not the norm</u>

58% of accounting clients are "satisfied" with their current provider, but are open to exploring new firms to work with.

85% of clients would consider leaving their existing firm if they received a referral from their personal or professional networks.

Just over 2 in 5 clients are likely to recommend their accounting firm to a friend or colleague.

Source: 2018 Accounting Industry Benchmark Study

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Measure the client experience.
Build online reputation.
Differentiate on service quality.

You are not (and never will be) perfect

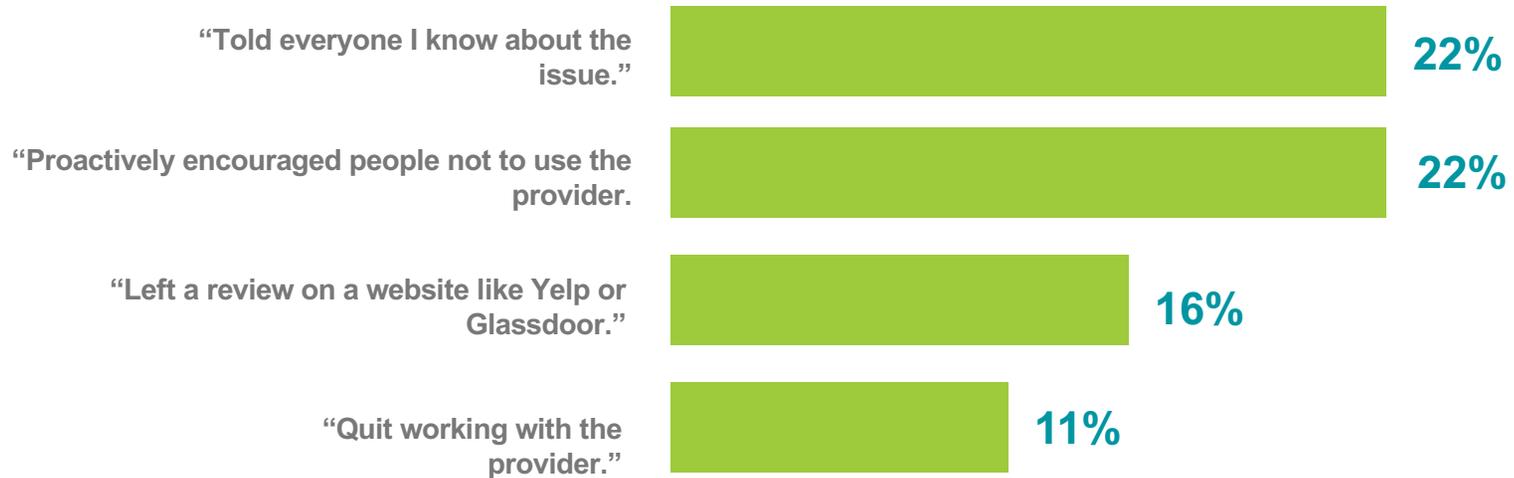Nearly **1 in 5** clients report they have experienced a service issue with their accounting firm.

Source: 2018 Accounting Industry Benchmark Study

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Understand what's at risk with service issues.

"Due to the issue you experienced, which of the following did you do?"

Response	Percentage
"Told everyone I know about the issue."	22%
"Proactively encouraged people not to use the provider.	22%
"Left a review on a website like Yelp or Glassdoor."	16%
"Quit working with the provider."	11%

Source: 2018 Accounting Industry Benchmark Study

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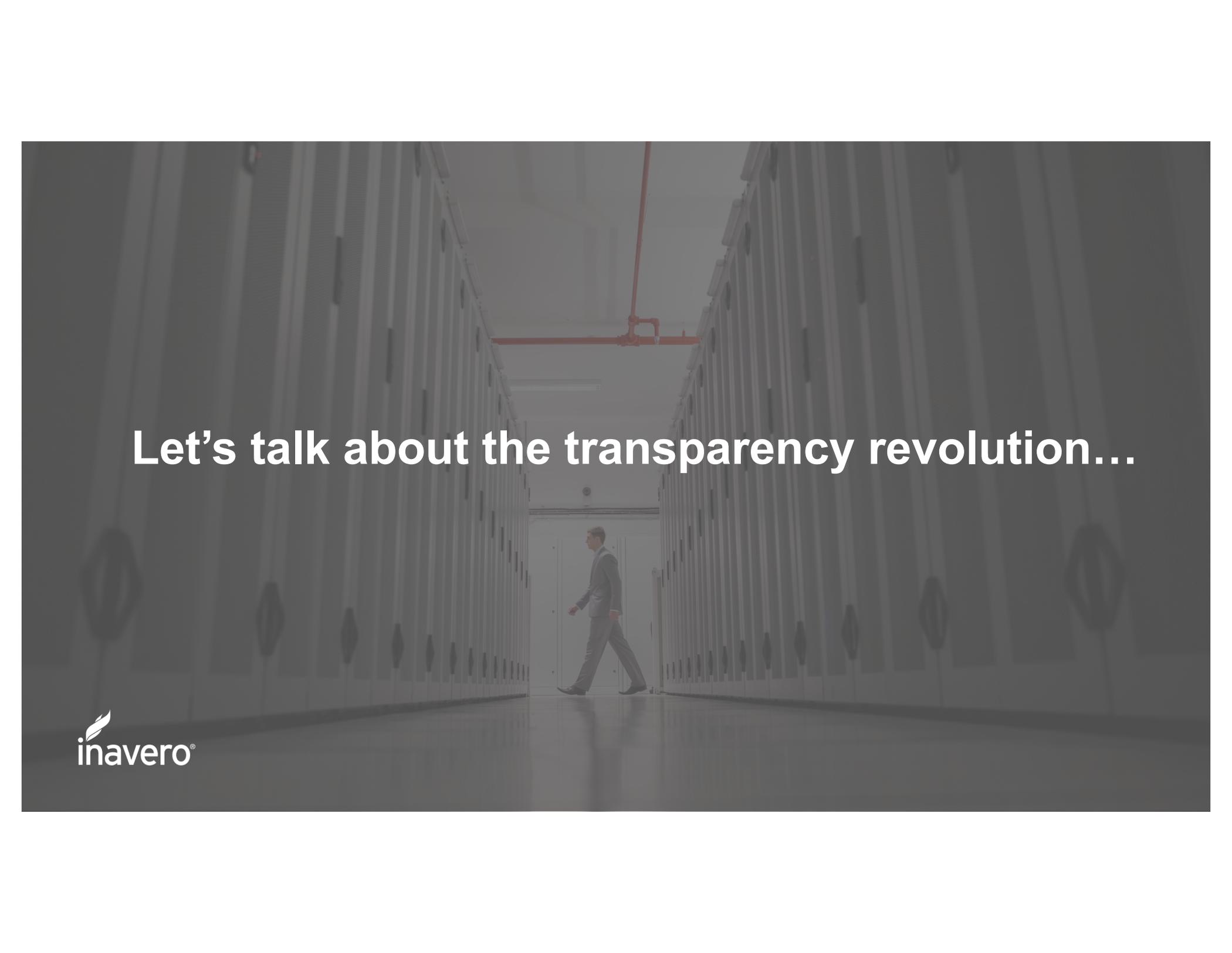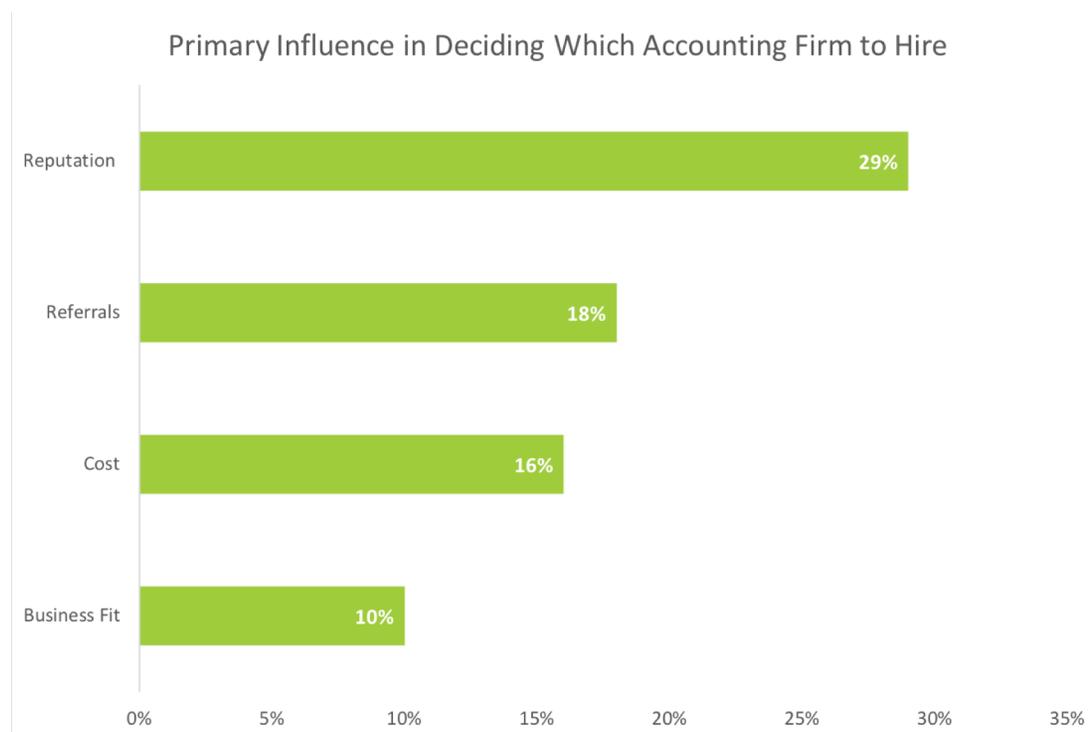
Let's talk about the transparency revolution…

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Evolution of accounting firm evaluation / selection

Timeline

| 2009 | 2018 | 2020 |

Selection Process

Sales-Driven
Experience Blind

Service-Driven
Experience Sharing

Service-Obsessed
Experience Transparency

SERVICE
BLACK
BOX

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Buyers rank firm reputation as the #1 influence in their decision to hire

Primary Influence in Deciding Which Accounting Firm to Hire

Category	Percentage
Reputation	29%
Referrals	18%
Cost	16%
Business Fit	10%

Source: 2018 Accounting Industry Benchmark Study

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Your most credible marketing opportunity involves *what your clients have to say* about working with you

How likely are you to recommend our company to a friend or colleague?

Not likely — Extremely likely

0 1 2 3 4 5 6 7 8 9 10

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Buyer data:

| 2017 B2B Demand Gen Report	Inavero's 2018 Accounting Industry Benchmark Study
97% of B2B buyers find **user-generated content** (such as ratings, reviews, and testimonials) **more credible** than content produced by the provider they were researching.	Accounting buyers rate **online reviews or testimonials as the top resources** in helping judge a potential vendor fit (even while 3 out of 4 buyers visit your firm's website during their purchasing journey).

There's a global shift happening – access to information is changing the way we perceive + navigate the world
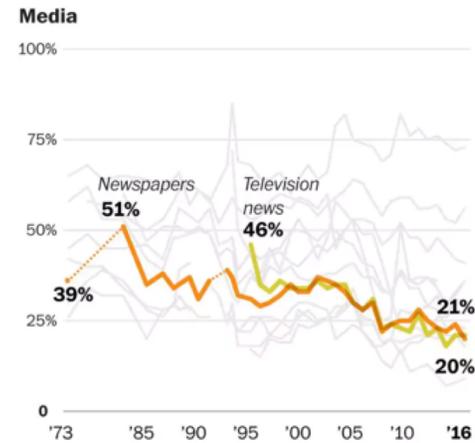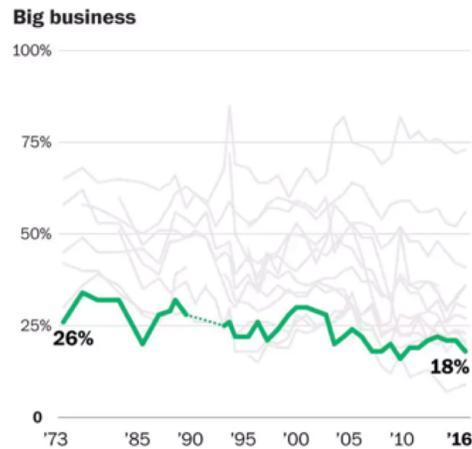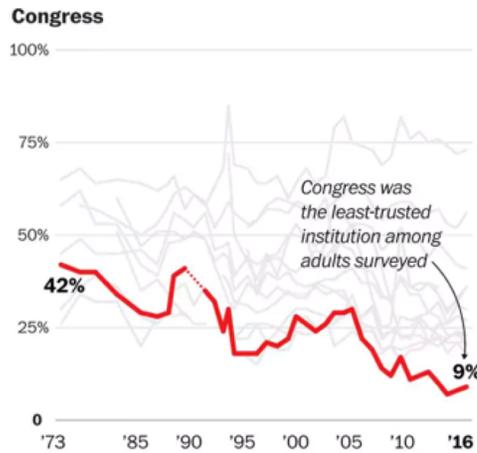
Source: Gallup Organization

Access to information is changing the way we perceive and navigate the world

1998

- Don't get into strangers' cars.

- Don't meet up with people from the internet.

- Don't let someone you don't know into your home.

- Don't trust the advice of strangers.

2018

- Literally summon strangers from the internet to get into your car.

- Invite someone you've never met to stay in your home.

- **Only** trust the advice of strangers.

Access to information is changing the way we perceive and navigate the world

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Measure the client experience.
Build online reputation.
Differentiate on service quality.

Buyer Influences

Transparency Revolution
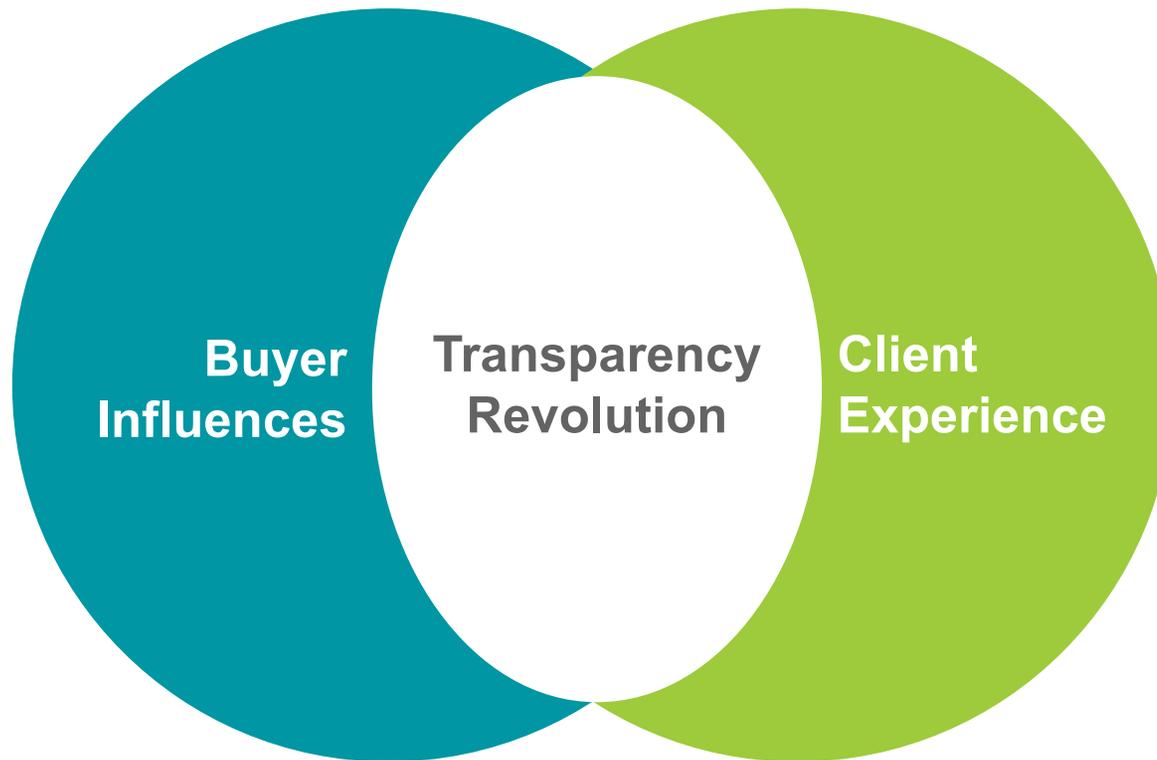
Client Experience

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"What can we do?"

Step 1 = engage with clients to understand their experience

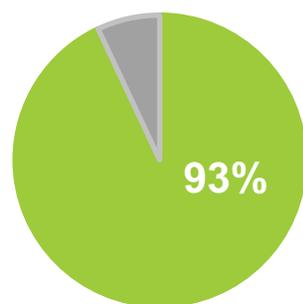# Hard Truth

Your clients'
perception
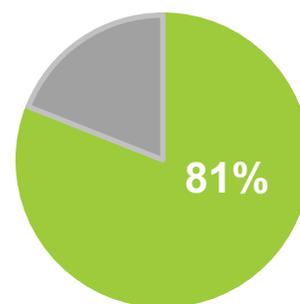<u>IS</u> their
reality

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Clients want to be asked for feedback
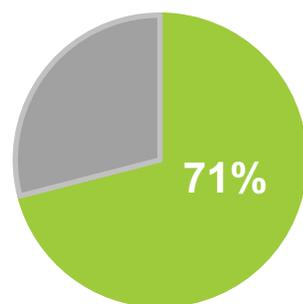
93%

81%

93% of accounting firm clients say it's important to have an open channel of communication to provide feedback to their firm.

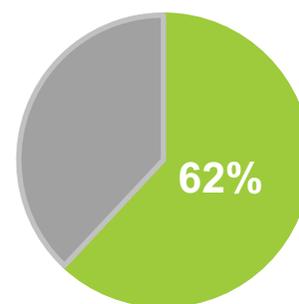**81%** say that when asked for feedback, their perception of their accounting firm is positively impacted.

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Method matters

71% of accounting clients say they are more likely to take the time to provide feedback through a survey than in-person.

62% of accounting clients say they are more likely to be candid with their feedback in an online survey than in-person.

Net Promoter Score (NPS®)

How likely are you to recommend our firm to a friend or colleague?

Not at all likely

Extremely likely

| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

DETRACTORS   PASSIVES   PROMOTERS

Net Promoter® Score = **% Promoters** − **% Detractors**

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Why Net Promoter® Score?

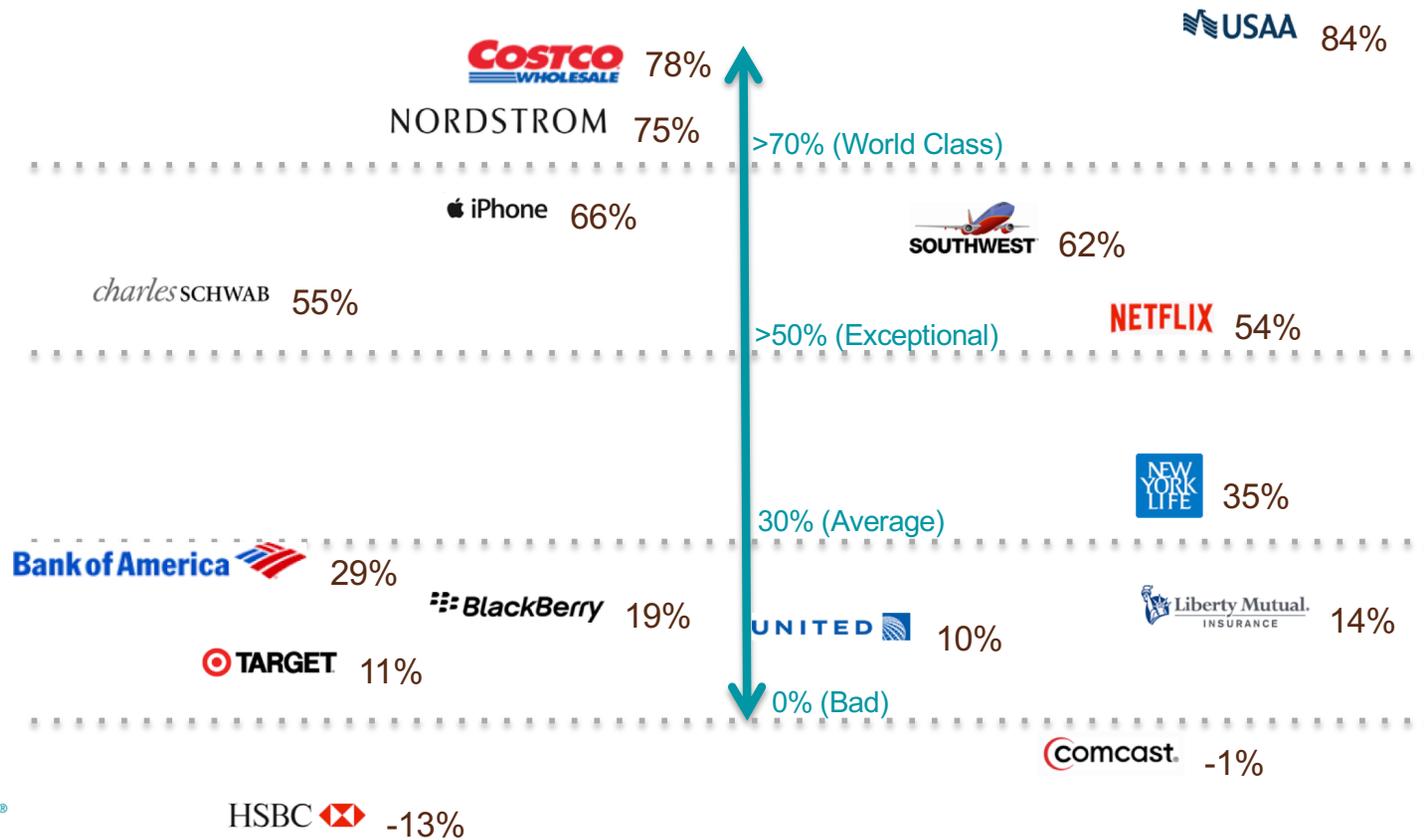- Directly tied to growth strategy for service firms – **referrals**.

- Single metric to **benchmark** against the industry and across other world-class service quality organizations.

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Global NPS Standards

>70% (World Class)

>50% (Exceptional)

30% (Average)

0% (Bad)

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NPS Across Industries

	NPS
USAA	84%
COSTCO WHOLESALE	78%
NORDSTROM	75%
— >70% (World Class) —	
iPhone	66%
SOUTHWEST	62%
charles SCHWAB	55%
NETFLIX	54%
— >50% (Exceptional) —	
NEW YORK LIFE	35%
30% (Average)	
Bank of America	29%
BlackBerry	19%
Liberty Mutual INSURANCE	14%
TARGET	11%
UNITED	10%
0% (Bad)	
Comcast	-1%
HSBC	-13%

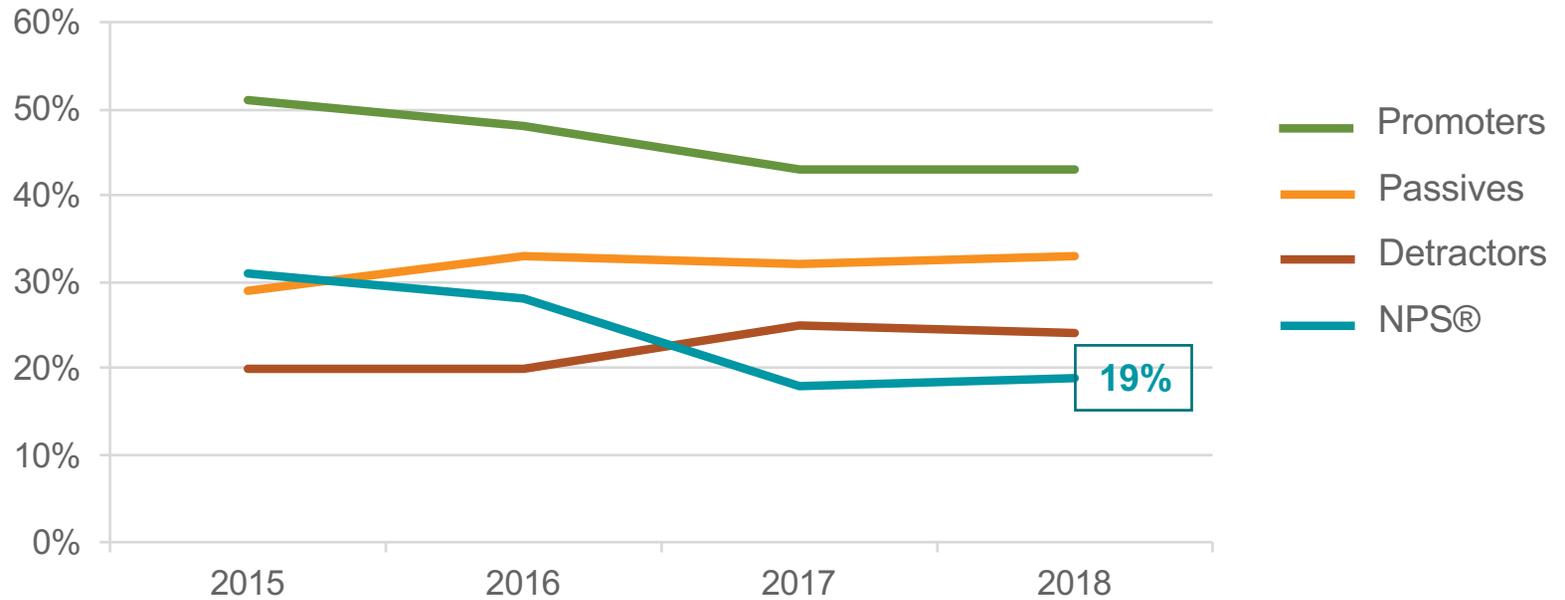inavero®

Why Net Promoter® Score?

- Directly tied to growth strategy for service firms – **referrals**.

- Single metric to **benchmark** against the industry and across other world-class service quality organizations.

- Creates service **awareness** and makes service quality an **accessible** goal across the organization.

- Measures **loyalty behavior as a proxy for client perception** – helps client remove their own bias about what constitutes "good" or "great" service.

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Accounting Industry NPS® Benchmark

Legend:
- Promoters (green)
- Passives (orange)
- Detractors (brown)
- NPS® (teal)

19%

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How "not to do" NPS®

1. **Don't** be selective about who you ask for feedback.
   The goal is 100% visibility into how your clients think and talk about your company.

2. **Don't** ask for more information than you need.
   NPS is about measuring client satisfaction and it's drivers. Over-crowded questionnaires can compromise the entire initiative.

3. **Don't** assume that a single, generic survey invite will do the trick.
   Your clients are busy, so it's important to find ways to personalize the ask. Send multiple, personalized invitations and get your team on the phone to reach out to their clients. It goes a long way towards showing how much you value the relationship!

4. **Don't** survey just once.
   NPS is a living, breathing metric that is a leading indicator of your company's growth, monitor it the same way you would financials!

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Measure the client experience.
Build online reputation.
Differentiate on service quality.

Survey frequency correlated with NPS®
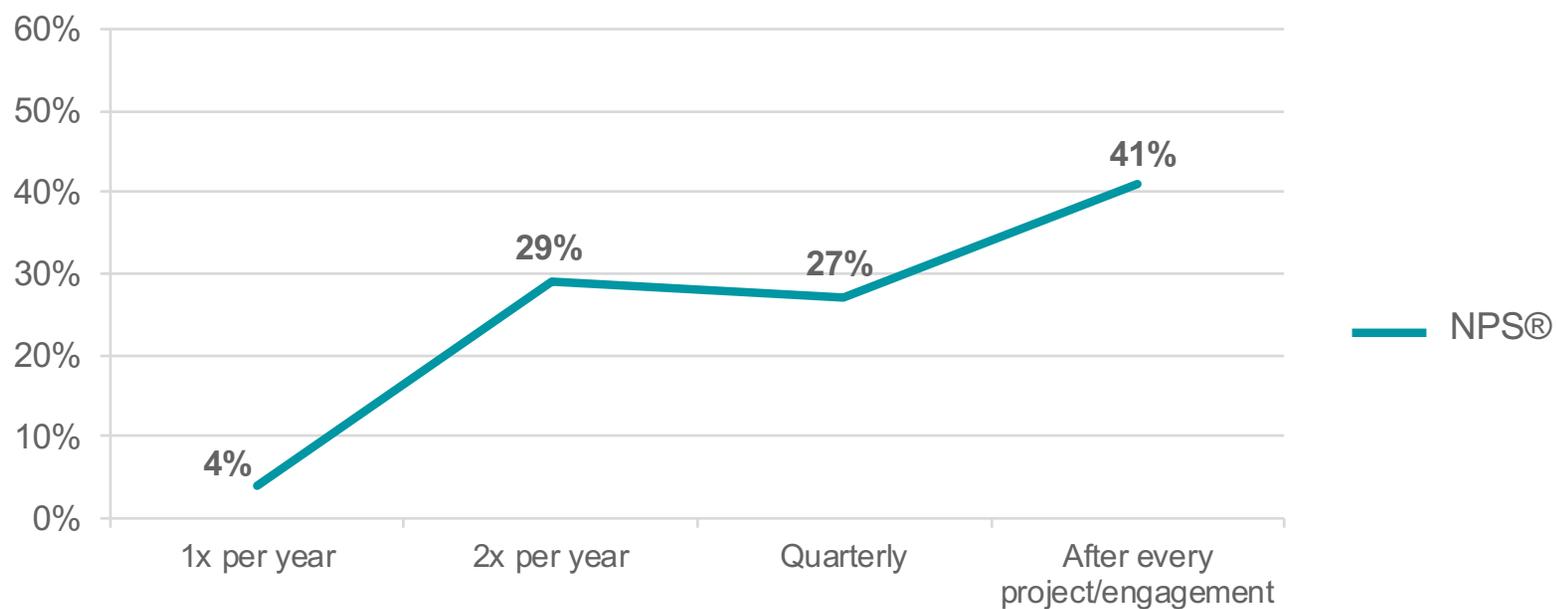
Source: 2018 Accounting Industry Benchmark Study

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Measure the client experience.
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Differentiate on service quality.

Step 2 = find opportunities to maximize the client experience, even when issues occur

NPS Drivers

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= % increase in NPS

Their services are a good value, given the cost.

47%

They deliver high quality, error-free work.

47%

They have a thorough understanding of my needs.

46%

They are proactive in their approach to helping me.

46%

My phone calls and emails are returned within 24 hours.

46%

Source: 2018 Accounting Industry Benchmark Study

Speed of issue recovery is essential
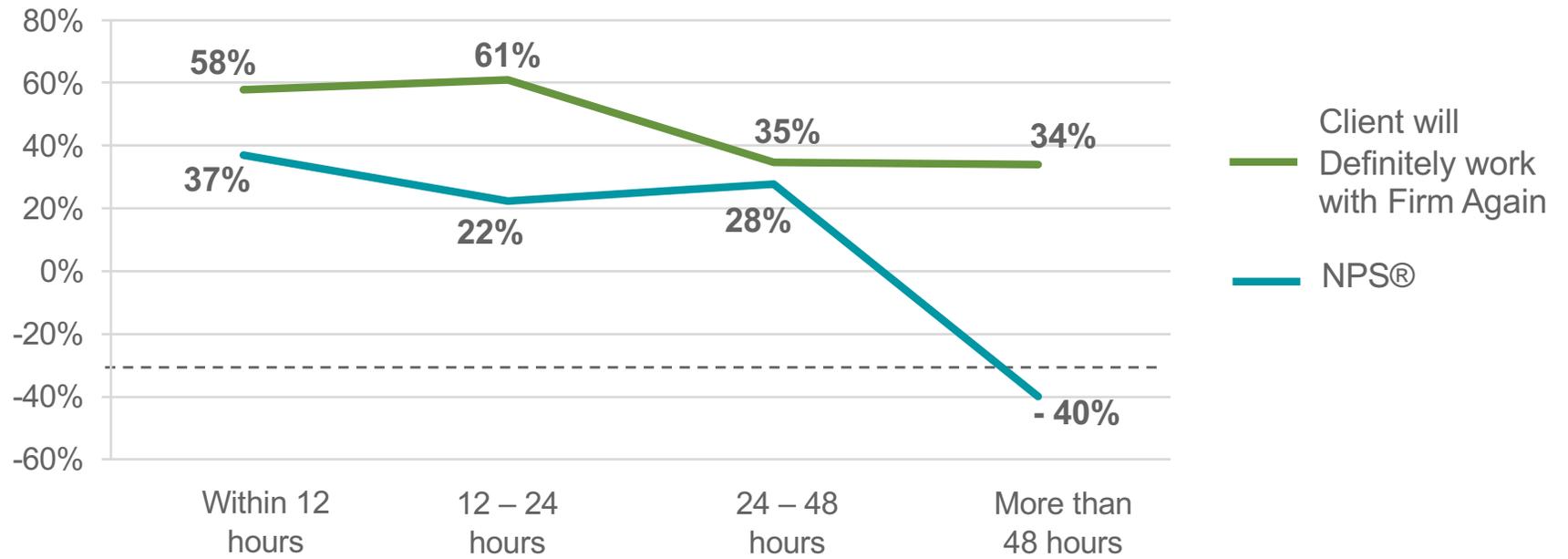
Source: 2018 Accounting Industry Benchmark Study

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Measure the client experience.
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Believe in the Service Recovery Paradox
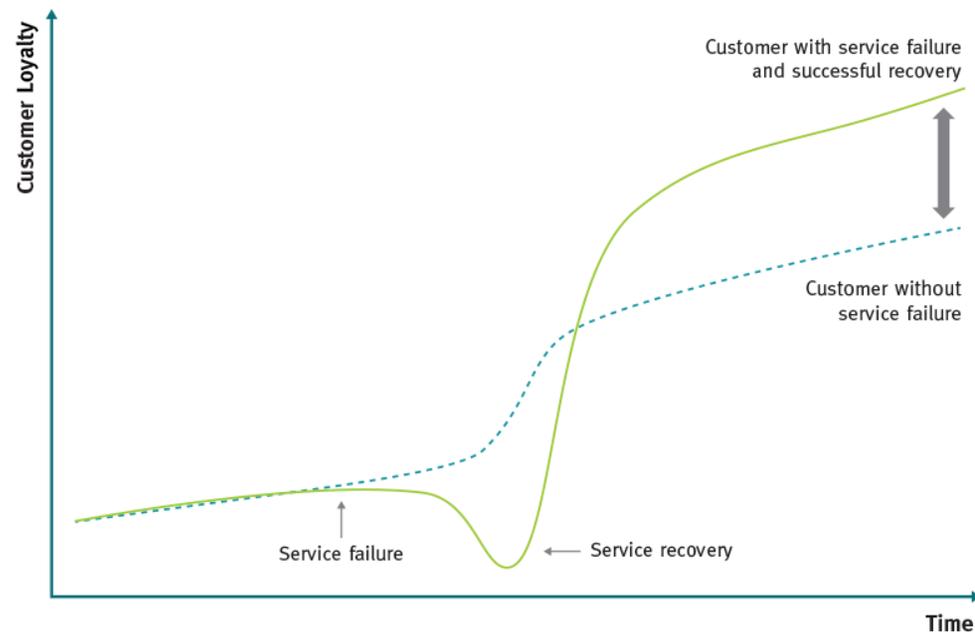
Master the art of Service Recovery

1. It's your fault.

2. Fix it.

3. Believe the service recovery paradox.

4. Time is of the essence.

5. Show empathy.

6. Don't put them on the defensive.

7. It's your fault (still).

8. Live to fight another day.

9. Recover 2x as big as mistake.

10. Recognize the human element.

Become a service recovery ninja
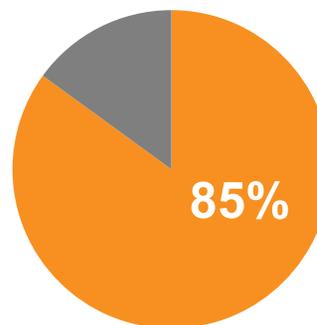
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Step 3 = ask clients to help you tell your story

Referrals still reign as the most influential resource in helping buyers vet a new accounting firm
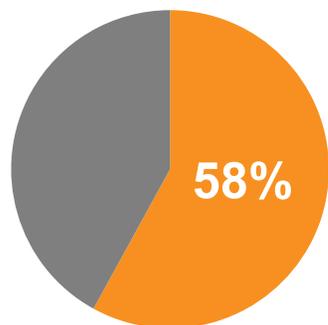
58%

58% of accounting clients are "satisfied" with their current provider, but are open to exploring new firms to work with.

85%

85% of clients would consider leaving their existing firm if they received a referral from their personal or professional networks.

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Make it easy for happy clients to praise you publicly

vs.

Passive Referrals
(they do it on their own)

Active Referrals
(you ask for it)

3 rules for asking clients to refer you

1. Know **who** to ask.

2. **Time** the ask strategically.

3. Be **genuine** (even if that means being uncomfortable).

SAMPLE EMAIL

Hi Bob,

Thank you for participating in my satisfaction survey last week. Your feedback is always very helpful and I appreciate you taking the time. I'm thrilled to hear you're so happy working together. Let me know if there is anyone else in your industry or network that you think we should be working with. I always like to keep my new clients close to home.

Enjoy the afternoon!

SAMPLE PHONE CALL/VOICE MESSAGE

"Hi Bob – I wanted to call and thank you for participating in my satisfaction survey last week. I really appreciate your feedback! You're a pleasure to work with as well. I'd love to work with more people like you, do you know anyone in your industry or network that you think I should we working with?"

Build client relationships as you ask for referrals

Helpful resource from Sue-Ella Prodnovich – available on LinkedIn:

https://www.linkedin.com/pulse/got-referral-cant-refer-back-heres-how-reciprocate-prodonovich/

Don't forget about testimonials…

Nearly **9 in 10** clients are willing to share a testimonial
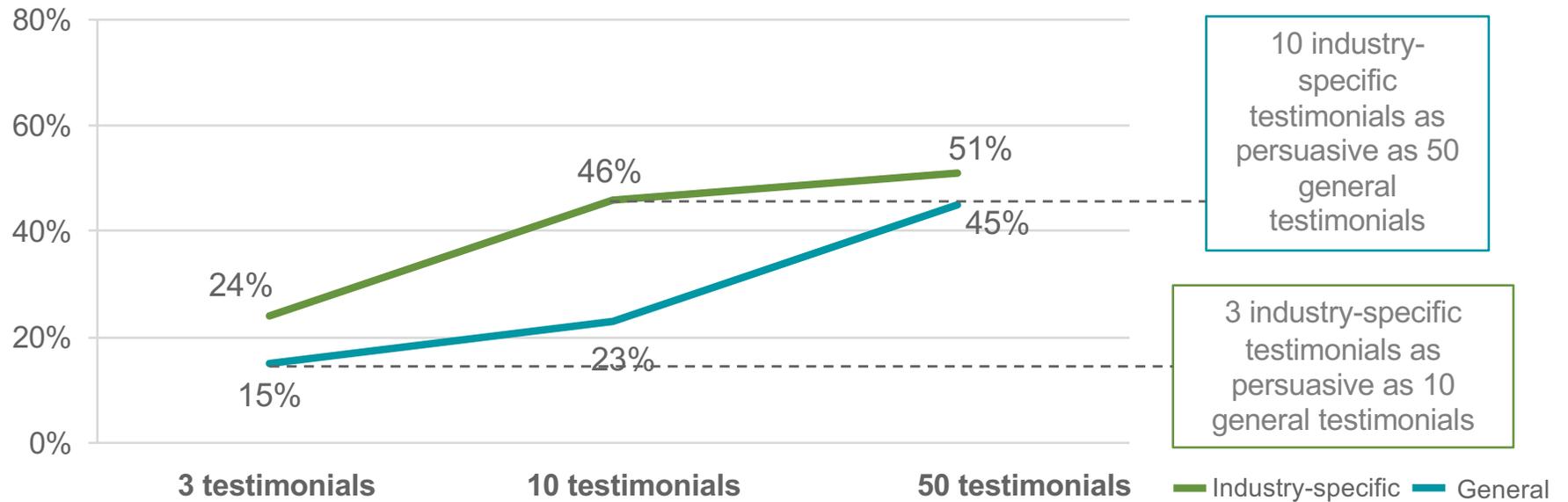
But **only 1 in 12** have been asked to do so

Source: 2018 Accounting Industry Benchmark Study

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Step 4 = build the transparency ethos into your entire client service approach

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Identify issues and talk about them

Measure the client experience.
Build online reputation.
Differentiate on service quality.

Spotlight "wins" and service leaders internally

Congratulations, Ryen Salo!

Laura   from   gave
Ryen Salo the following shout out:

> Thank you Ryen for your help through this process. You did a wonderful job of keeping us informed on a weekly / bi-weekly basis.

Set transparent, quantifiable goals around NPS®

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"Will trade NPS® for **$$**"

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Measure the client experience.
Build online reputation.
Differentiate on service quality.

Close the loop

2-1-1 Follow Up

Thank clients for their time and input +

2 things you learned you're doing well

1 area you learned needs improvement

1 action you're taking to improve

https://www.inavero.com/2-1-1-client-survey-follow-up-for-b2b-service-providers/

Hard Truth

The client experience is an extension of your brand.

Don't get caught on your heels
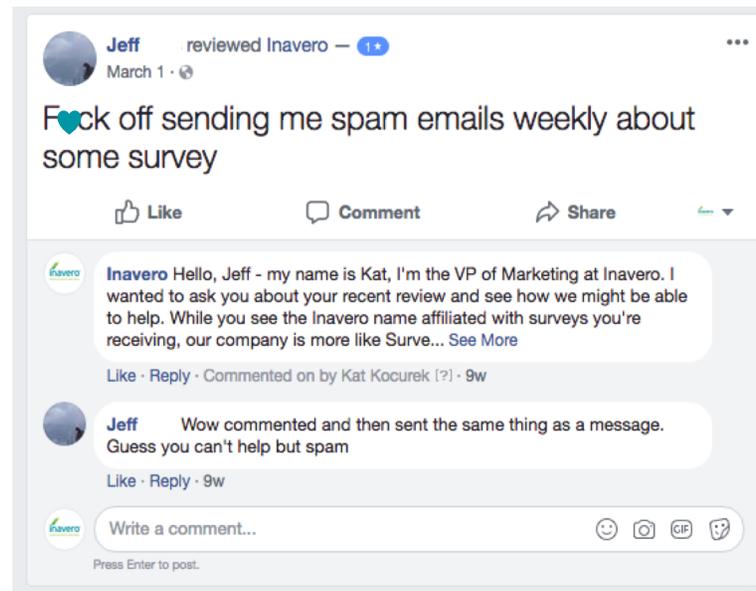
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Measure the client experience.
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Negative reviews have <u>twice</u> the impact

5 = The number of **<u>negative online reviews</u>** that will discourage a buyer from considering your company as a viable option in their decision set.

vs.

10 = The number of **<u>positive online reviews</u>** your company must have for buyers to add you to their decision set.

Source: 2018 Accounting Industry Benchmark Study

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Foundation = knowing how your clients feel about you

How likely are you to recommend our company to a friend or colleague?

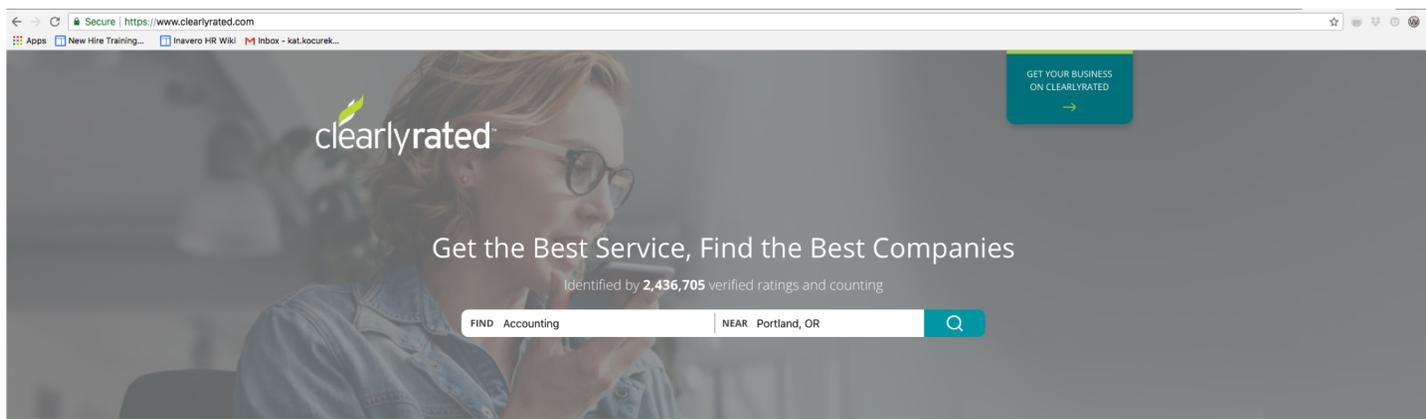Not likely   Extremely likely

○ ○ ○ ○ ○ ○ ● ○ ○ ○ ○

0   1   2   3   4   5   6   7   8   9   10

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Measure the client experience.
Build online reputation.
Differentiate on service quality.

This is why we built ClearlyRated.com

The times they are a-changin'

Both Forrester and Gartner predict that by **2020** buyers of B2B services will be **80%** of the way through their decision journey before making themselves known to the provider's sales team.

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The times they are a-changin'

Accounting buyers rate **online reviews / testimonials as a top resource** in helping judge a potential fit.

1 in 3 prospective clients will read online ratings and reviews to vet your firm.

Nearly **1/2** of accounting buyers plan on **increasing the use of online resources** in the vendor vetting process.

66% of buyers say they **trust consumer opinions** posted online.

Source: 2018 Accounting Industry Benchmark Study

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The times they are a-changin'

> "Millenials will comprise **75%** of the US workforce by **2025**"
>
> — The Brookings Institution

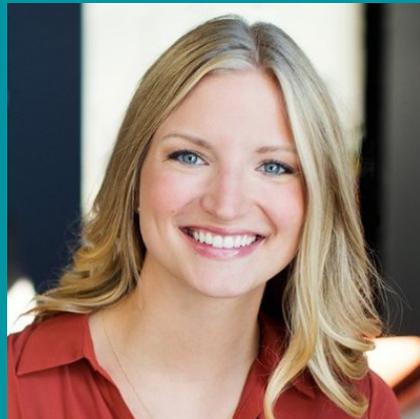> "Today, **73%** of millenials are involved in the purchasing decisions of their companies."
>
> — Forrester

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Change is hard, but your firm has what it takes…
because you care about your clients and their experience

Please don't hesitate to reach out if you have any questions or want to chat about our research!

Kat Kocurek

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linkedin.com/in/katkocurek/