

# Practical Accountant

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## Perfecting YOUR *Proposal*

Sam Patrick  
Director of Marketing  
Elliott Davis

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Ken Holcomb, marketing partner  
(l.) and Sam Patrick, director of  
marketing (r.) of Elliott Davis.



# Perfecting Your Proposal

You know your firm is perfect for the engagement.  
How do you convince the potential client?

*By Howard W. Wolosky*

When competing for an engagement, many accounting firms have a similar belief. “They believe all they have to do is show their qualifications; a sort of meritocracy. A belief that the cream will rise to the top and the intrinsic value of the services that they provide will be seen. What they don’t realize is there are five other firms who believe the exact same thing about themselves.” This reflects the experience with professional service proposals of Dan Safford, CEO of PS Associates, a proposal development, consulting, and training company located at Vashon Island, Wash.

Erinn Keserica, director of marketing with the Atlanta accounting firm of Frazier & Deeter indicates proposals are often boilerplate giving an overview of the firm and its qualifications, rather than going into its unique differentiating factors or addressing the clients’ needs and concerns.

Saying “I’m great for you” is not enough, and the smart firms are changing their proposal process both in form and substance.

## **Firm to Client Centric**

Lisa Tierney, director of marketing for the Bala Cynwyd, Pa. accounting firm of

Margolis & Company indicates in the physical sense that their proposals were presented in a dull green folder as a simple Word document. Now she indicates the proposals are in clear folders with both the firm’s and prospect’s logos, and graphics being widely used.

However, the biggest difference that Tierney sees is the actual focus of the proposal. It is no longer firm centric, but now concentrates on the prospective client. In her firm’s case, the beginning of every presentation now focuses on what the client needs and its hot buttons—where they want to be in five years; its reasons for changing accountants; what keeps its people up at night; industry issues, etc, indicates Tierney.

Sam Patrick, director of marketing for the regional accounting firm of Elliott Davis headquartered in Greenville, S.C., also sees a significant change. “When I arrived, proposals were typewritten, very dry technical types of responses. What we have today—having rebranded our firm with an emphasis on conveying our capabilities with the personal touch we bring to the table for our clients—is we have reorganized our proposal to put our best foot forward. We have standardized the look and feel of those so they reflect the Elliott Davis brand and the

strengths and benefits, and have taken pains to customize the information not just as to staff and price.”

### **Closer Scrutiny**

There are also significant changes in the process. Julie Tucek, marketing director of the accounting firm of Legacy Professionals, headquartered in Chicago, reports that partners used to handle requests for proposals setting the fees without really investigating the situations. Now each proposal opportunity goes through an evaluation team comprised of herself and two partners. Before any proposal is made, partners must sign a cost sheet detailing what they think the engagement will cost, how many hours will be involved, as well as any expected write-off.

In evaluating each opportunity, Tucek indicates the team decides, “Does it make sense to bid? What do we need to price it at to win?” The firm specializes in nonprofits, benefit plans and labor organizations and work that is inappropriate is declined and referred to other Chicago firms.

### **Branding**

Lyne Noella, president of Lyne Noella Marketing, a Minneapolis-based marketing strategy and consulting firm serving accounting firms nationwide, indicates it is important that the proposal material reflect the firm’s brand. “A prospect should be able to identify your firm’s brand without looking too closely,” she concludes. She does caution about automatically using a client’s logo in a proposal as she indicates, “some companies are very proprietary about using their brand or logo.”

Keserica also believes in the importance of branding. “In terms of brand

images, we try to use elements consistently throughout all of our pieces whether in the first folder with the marketing collateral piece, in the firm brochure, or in the firm proposal,” she says.

### **No Stone Unturned**

Because proposals now tend to focus more on the prospects, a great deal more investigative work should precede their preparation. Both Tierney’s and Tucek’s firms, have a list of questions that they try to have the partner or a staff person

## **Preliminary Questions**

Here are some of the typical questions that Julie Tucek, marketing director of the accounting firm of Legacy Professionals, headquartered in Chicago, wants prospects to answer before her firm prepares a formal proposal:

1. What are you currently paying?
2. Can we meet to review your accounting records/systems?
3. How much time does your firm currently spend auditing on the site?
4. Any prior management letters?
5. What are your needs?
6. Are you in need of any services that your current auditor isn’t providing?
7. Why are you considering changing auditors?
8. What type of format would you like us to use for the proposal—e.g., e-mail, hard copy?
9. When is the decision going to be made?
10. What other firms are bidding on the job?

pose to a potential client. Similarly, Roger Lusby, III, partner with the Atlanta accounting firm of Frazier & Deeter, indicates, “Most of our face time is spent up-front asking questions and gathering information.”

Another resource comes from those who know the prospect. “You want to get in touch with referral sources that may know the prospect and ask them for advice, feedback, introductions, and recommendations,” advises Noella. In that regard, Elliott Davis networks within the community and within the firm to gain intelligence. “By doing this we are able to gain the off-record intelligence of who is really the decision maker and what business factors are going to most dramatically impact the decision,” says Patrick.

Most firms widely use the Internet for research, especially with regard to the industry issues. Substantial information about the prospect can often also be found on the Internet.

Lusby indicates his firm likes to find out which other firms are proposing. His reasoning is, “Within our differentiating factors, we will address why we are stronger than the other firms without mentioning them by name. And we know they will be pitching a particular strength, we want to be able to counter that in our proposal as well.”

Tierney, and other marketing personnel, spend time helping presenters prepare and rehearse their presentations, and always remind the presenter not to criticize the potential client’s current accountant.

### **The Proposal and its Presentation**

A proposal can sometimes simply be a written one or involve an actual presentation before the prospect.

The accounting firm usually does not get a choice as the prospect usually decides. Tucek says her firm often submits a written 12-page proposal when four or five firms are being considered and then is asked to do a summary actual presentation when the prospect gets down to choosing between two firms.

Proposals tend to be shorter now and customized. “In a proposal you definitely want to show industry expertise because that is a big concern among prospects. But the other thing that you want to show is that you are good listeners. A lot of firms are too quick to run to a template when putting together a proposal. What I have found is that less is more. Prospects are tired of fat proposals filled with meaningless propaganda.

What they want is shorter, more meaningful proposals that show that the firm listened to them," says Noella.

Safford believes the key to writing a proposal is to keep the reader in mind. He points out, "It is not necessarily the decision maker, as not every proposal will be read by the person that is making the decision. They are usually read by someone in the trenches that will be making recommendations to the top." He also observes that "initially, a reader of a proposal is looking to eliminate losers, not select winners."

He indicates that firms just can't trot out their strengths, as they will appear no different than the other firms presenting. He also adds that the prospect wants to make its decision on what the firm specifically has to offer them, not what the firm has to offer the world in general. Therefore, Safford believes it is important to understand what the potential client wants and needs including what he refers to as their "hidden concerns."

Safford believes the first thing in every proposal should be a one-page executive summary followed by the proposals. "Don't say how great you are. Instead focus on why you should get the job. Clearly give a sympathetic and detailed explanation of their problem. What comes next is specifically how you can help. We will do 'X' that will give you 'Y', and here is why it is important to you." One reason that first page is so important is because Safford believes the decision maker is likely to read only that page.

Lusby also favors a summary. "We now try to include a one-page executive summary that really talks more about the client and why Frazier & Deeter might be uniquely qualified to handle their work." Interestingly, Patrick has indicated in one case, Elliott Davis customized each of the executive summaries for the five individuals to whom a presentation was being made. Although there were some common elements, each summary was different based on due diligence work, which found out that each of the individuals had different concerns.

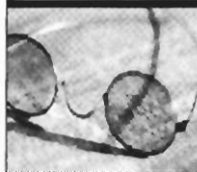
Lusby reports that his firm always tries to figure out why they are best suited to handle the engagement, and explain that in a clear manner in the proposal. He also loves to tantalize the prospect by including one or two ideas that can save the prospect significant dollars. The pro-

posal also always addresses the ease in making the transition to Frazier & Deeter.

A common mistake that Safford sees is that professional firms focus on features rather than the benefits. "A feature is a characteristic of your approach while a benefit is what the feature does for the

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## The Essence

"Most professionals find it distasteful to use the term sales. The simple fact is that a proposal is not a marketing document. It is not a technical document. It is a sales document, pure 100 percent sales," according to Dan Safford, CEO of PS Associates, a proposal development, consulting, and training company located on Vashon Island in Washington.

"That is when you have to close the deal. When the prospect client issues a solicitation or call for proposals, it signals a readiness to buy. Your proposal is a sales tool. It's where you present the strongest, most compelling arguments for selecting your firm, in the form of clear and direct benefits to the client. In your proposal you present your solution to what you have learned over the marketing phase about what the client needs and wants," explains Safford.

client," he explains. He believes effective benefits statements are "conclusive, factual, quantified, brief, stimulating, and capture the readers' attention."

If there is an actual presentation and more than one presenter, Noella recommends one of the firm members act as the host. Patrick believes extreme care should be taken in selecting the number of firm members that will appear and they should be those that will be handling the engagement, and each should have a clearly defined purpose for being there.

Marketing personnel tend not to go on proposal presentations unless they have a specific role to play, although Keserica indicates she will go to initial meetings with potential clients to help pull out the drivers and motivations for why they are switching accounting firms.

Noella believes Powerpoint may be used when appropriate, but suggests "to err on the side of simplicity. Nothing is worse for a prospect than being stuck in a room for a long, boring presentation." She suggests a chart with bulleted items for use as talking points often is enough.

Safford believes in keeping charts simple. He recommends to cover (1) what the problems are, (2) critical issues that must be addressed, and (3) how the firm will deal with those critical issues to give the prospect what it needs. If Powerpoint

or charts are used with a handout, they should mirror each other and contain the same headings, suggests Safford.

Some things have not changed. For instance, bios of principals as well as other staff who will be working on an engagement are included, and the hourly fee or flat fee is shown towards the back of the handout indicates Tierney. A mistake that Noella sees over and over again is that firms don't pay enough attention to the quality of photos of staff that they include.

Margolis & Company uses both client testimonials and references in their proposals. Legacy Professionals' proposals generally have three to six client references and behind that a list of representative clients. Safford favors talking about past accomplishments, specifically relevant projects that are very similar to the one that the firm is going after, detailing problems that arose and how they were addressed, and then having a testimonial from that client saying how the firm rose to the occasion.

Patrick indicates that in some instances when the firm knows someone with a deep personal relationship with the prospect, it will ask the person to make a call to the prospect on behalf of Elliott Davis. Patrick says they are very careful and selective in utilizing that technique.

## A Preferred Route for Some

Lyne Noella, president of Lyne Noella Marketing, a Minneapolis-based marketing strategy and consulting firm, believes the best proposal is no proposal. "What I mean by that is hopefully you have the presence of mind and the skills when meeting with a prospect to meet with them and really understand their needs and to connect with them person to person. The more you have to get involved, going back, writing a proposal, and putting it down on paper, the more you invite the prospect to actually get competitive bids," explains Noella.

Roger Lusby, III, partner with the Atlanta accounting firm of Frazier & Deeter, agrees. "What we prefer is to get a nice referral into a client and go in and meet them and basically get the engagement without having to do a formal proposal."

## Appraising Aftermath

Margolis & Company reviews how every proposal fared and each is tracked. If not successful, a specific reason is attributed as to why it wasn't successful. Tucek's firm also has a formal tracking process, which includes the referral sources that provide the opportunities.

Her firm calls where they don't win the proposal saying they are sorry they didn't get the engagement, and asks why they weren't successful. When unsuccessful, Tucek's firm periodically follows up, especially when the engagement with the winning firm is about to expire, to see if they are happy with that firm. And how are firms doing? Patrick reports that Elliott Davis is successful in obtaining 60 percent of the engagements in which it submits a proposal.

## Winning the Bid

In today's competitive environment, your firm will be increasingly requested to submit proposals. Saying you are great won't cut it. The key will be how clearly you state what you uniquely offer, and how the prospect will benefit. Think of major purchases that you have made. Weren't you most happy when those from whom you made the purchase understood what you really needed? **PA**