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What are the right questions to ask prospective clients?

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Meeting prospective clients is an integral part of the job for accountants in practice, and it's only getting more important. You need to be able to determine, through careful questioning, what they know, what they don't know and what help they need from you.

Being in a meeting with a prospect for the first time can be daunting, but, when you know what to ask them, you'll be surprised how quickly people will open up to you.

We spoke to Andrew Sullivan, director of Numbers (UK) Ltd, and Alex Falcon Huerta, founder of Soaring Falcon Accountancy, about their approach to drawing out relevant information from prospective clients.

The right questions

First of all, says Falcon Huerta, you need to find out what the client knows about their own finances and how they've been working. For example: how do they prepare their books?

"Most of the time, they won't be online yet, or they'll just be using Excel. Do they know their current financial data in detail? Nine times out of ten, they're not aware," she says.

Next, you'll want to find out more about the structure of their business: do they have any team members for support?

"For example, if the person you're speaking to is a director, do they have admin people who can assist them? That tends to help when we implement our software, as we can then liaise with those admin people – we like to move things away from the director as much as possible. Asking how they are with technology is useful too. Normally they're pretty good, or else eager to learn."

Next, you want to think about the client's aims. "What is their vision for their business? You need a sense of where they want to take it," says Falcon Huerta. "One really good idea is to ask about their personal goals, which often leads on to why they went into business in the first place."



Sullivan agrees: "I would usually open a preliminary meeting by asking the prospect for some basic information about their business. What do you do? How do you do it? How long have you been doing it for?" (That last question is important for reasons we'll explore shortly...)

Questions to avoid

Sullivan advises that you avoid asking questions such as: "How much are you looking to spend?" At first, it's best to focus on learning about the client, rather than talking about price, he says.

"But I always use the meeting to help me get a sense of what the prospect is looking to spend," he adds. "That allows me to tailor services to what they can afford. Other than that, it sounds obvious, but avoid any question that is likely to come across as offensive or stupid."

Warning signs

For Sullivan, the question 'How long have you been doing it for?' can reveal whether something might be wrong at the prospect's end. "If

the prospect's business is in a sector where we have other clients, we'll have a ballpark expectation of where their gross and net profit margins should be, based on the business' age. If they're way below that after a certain period of activity, usually there's something wrong, and we'd spot that pretty quickly."

If the client is lacking in key areas of knowledge – what their profit margin is, for example – that's another red flag, as is a lack of sales figures. And big peaks and troughs in their trading history are another sign that something is wrong.

"A common warning sign is if they say: 'I've never got enough money to pay my tax bill or my VAT,'" says Falcon Huerta. "Or if they tell you they have weak cash flow or simply don't know what to expect in terms of their cash flow. Perhaps they won't know what their bottom line is or how their sales are doing. Most business owners would have a rough idea about all of these."

After the meeting...

Once Sullivan has an overview of the business, his team works on a



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one-page overview, split into two sections: where the business is now and where it wants to end up. "That sheet then informs the scope of the service we provide for them.

"My aim is that, by the time the prospect gets back to their desk at work, they'll have an email from me in their inbox with a proposal attached. It shows that we're keen to work with them. In the email itself, I may point out gains that the prospect could enjoy: 'By doing X, you could save up to Y', for example."

Once Falcon Huerta has set up a partnership, her team starts looking at the company's books, making sure that they're up to date. Once the figures are under control, they then bring the client in to train them in cloud software.

"We use Xero, mainly, plus Receipt Bank," she says. "I document all client requirements in Practice Ignition – what they've asked for and the scope of what we've agreed. That links up with my workflow-management tool and my GoCardless system, so everything on our side is automated as much as possible." ■

How to build rapport – fast!

If you can quickly build a rapport with prospective clients, and show that you really understand everything they're trying to say, they will feel they're in safe hands. Here, career coach Orla Cahill provides some handy tips...

ASK OPEN QUESTIONS

No one sets up a business unless they are passionate about it. So, when you are meeting a potential client for the first time, start with a really open question, such as "Tell me about your venture" or "Tell me about your career and why you decided to launch your business". The client will then be talking about their baby, so you will be immediately putting them at ease.

MIRROR THEIR BODY LANGUAGE

Mirroring a prospect's body language will, again, make them feel comfortable. Body language is incredibly important. Without ever realising it, you could appear to a prospective client to be either extremely open and welcoming or remote and unavailable (think crossed arms and legs).

ASK 'WHAT' QUESTIONS

In my experience, 'what' questions are most likely to move conversations forwards. For example, if you ask, "What experience have you had with an accountant in the past?", you will quickly learn whether a potential client is either brand new to this sort of relationship or looking to leave an accountant. If they're looking to leave an accountant, what is the reason? With this sort of question, you're getting to the crux of what the client needs from you.

DON'T TAKE TOO MANY NOTES

We are tempted to take notes in meetings because we don't trust our memories. But this can be a problem, because it stops us from actively listening and can also prevent us from making good eye contact with the prospect. If you do feel you have to take notes, do so after the discussion has finished. Many of the key points will come back to you.