NORTHERN ILLINOIS UNIVERSITY

How to Stay Competitive as a Professional: 
The Function of Sales and Marketing 
in Public Accounting

A Thesis submitted to the
University Honors Program
in partial fulfillment of the
requirements of the Baccalaureate Degree

With University Honors
Department of Accountancy

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December, 1992
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December 8, 1992
ABSTRACT: Professionals in public accounting must meet two objectives: maintain a professional image and stay competitive within their industry. Unfortunately, sometimes these two objectives appear to work against each other. As professionals, some accountants feel that aggressive marketing techniques are not conducive to the image they are trying to uphold. However, it is possible for professionals to be aggressive and still maintain their status within the business community.

The purpose of this thesis is to present methods and techniques that accounting professionals use to effectively market their services. The scope of my research was limited to articles found in professional journals and input received from accountants that I worked with during my internship last summer.

Throughout my research, I found a number of different professional marketing techniques such as advertising, public relations, public speaking, prospecting, brochures and newsletters, and cross-selling. In addition, I discovered that most medium to large sized public accounting firms develop extensive marketing strategies to monitor and control their sales efforts.

Public accounting is constantly becoming more competitive. Accountants who want to be successful will have to integrate marketing into their daily operations. In addition, students preparing to become CPAs must realize that interpersonal skills are just as important as technical ability.
Traditionally, accountants have been viewed as introverted bean-counters wearing eye shades and pocket protectors. However, the accountant's responsibilities go way beyond preparing financial statements and filling out tax returns. In order for an accountant to be successful, he must possess not only a high level of technical competency but also a certain amount of interpersonal skills. More specifically, in order for a CPA to be successful in the public accounting profession, he must be able to effectively market his talents and services. Thus, he needs to be creative and able to communicate well with people.

Historically, aggressive marketing in the public accounting profession has been viewed as unprofessional and unethical. In the late 1800's, when the need for independent accounting services began to develop, CPAs were very competitive on an unprofessional level. The tactics used by competing firms in order to attract clients was not always consistent with the professional image that some accountants wanted for their rapidly expanding profession. Thus, in 1907, a code of professional ethics was developed by the American Association of Professional Accountants. The original codes included a rule prohibiting members from trying to win new clients from other members (Backof 101).

The American Institute of Certified Public Accountants (AICPA) and state societies continued to add more rules to the code of ethics regulating the marketing efforts of member firms throughout the first half of the twentieth century. By 1957, most state societies had prohibited competitive bidding practices. However the Antitrust Division of the Department of Justice became concerned that the professional ethics rules might be violating antitrust legislation. A court decree abolished the AICPA's rule against competitive bidding in 1972. Ever since then, the government has been very influential in the AICPA's development of its Code of Professional Ethics (Backof 107).

In 1981, the AICPA, responding to pressure from the Department of Justice and the FTC, began reviewing its rules and eventually established the Special Committee on Standards of Professional Conduct for CPAs. This committee issued its report, "Restructuring Professional Standards to Achieve Professional Excellence in a Changing Environment," in July of 1986. This led to the new code which was passed by the AICPA in January of 1988. The new code included a
rule amending Rule 502 of the 1973 Code of Professional Ethics which prohibited all advertising by CPAs. The amended rule only prohibits false, deceptive, or misleading advertising (Backof 107).

Thus, the environment had been created in the public accounting profession for aggressive and competitive marketing. Philip B. Chenok, current president of the AICPA and chairman of the strategic planning committee, recently released a committee report entitled Strategic Thrusts for the Future. The report acknowledges that the industry will become much more competitive as time goes on and firms continue to provide a greater range of nonaccounting services. However, the report also stresses that there will be pressure on firms to maintain a professional image. Aggressively marketing new products and services could have a negative affect on the public’s view of the integrity and objectivity of CPAs (Chenok 76).

Consequently, a dilemma has developed within public accounting. In order to stay competitive, firms must actively market their services. However, aggressive marketing by professionals is viewed by many to be unethical and unprofessional. Thus, accountants have developed their own style of selling professional services which utilizes marketing strategies and techniques that will meet both objectives of staying competitive and maintaining a professional image. The purpose of this report is to illustrate and to explain the marketing strategies and techniques used by accountants and to present conclusions about what future CPAs must do in order to be successful in public accounting.

**Developing a Marketing Strategy**

The marketing techniques that will be discussed below are effective in generating business for the accountant. However, these methods need to be controlled by an overall plan in order for the entire marketing effort to be a success. Thus, the accountant must possess management and leadership skills in order to develop and implement a marketing strategy.

Some accounting firms employ the services of a marketing director. The marketing director's job is not necessarily to market the firm and its services, but instead is to help the firm market itself. The marketing director can bring professional insight and experience to the
accounting firm and help its members become oriented towards marketing. As the leader in the department of marketing, the director can assist the firm with issues such as business development bonuses, sales training, and participation in marketing campaigns. Most importantly, the marketing director can assist the accountant in developing a successful marketing strategy (Hamberg 89).

The first step the accountant must take in order to develop his marketing strategy is to define the four P's of marketing: promotion, product, price, and place. Promotional techniques will be discussed later in this paper, and the accountant will need to use judgement when deciding which forms of promotion he will use to implement his strategy.

The most important of the four P's is the product. According to a survey done by The Practical Accountant, when CFOs select an accounting firm, the primary consideration is the quality of the product. The survey also includes what CFOs consider when evaluating the quality of the product. Most of the CFOs responding cited the following characteristics as indicators of high quality accounting services: knowledge of the industry, easy access to the lead partner, speed, use of a management letter and management advisement, availability of other services, and the education and training level of staff members. Thus, the accountant must have a high quality product in order to be competitive. Moreover, the accountant will experience increased success in his marketing efforts if he can effectively promote the high quality of his service to his prospects (Carson 75).

As far as price is concerned, CFOs ranked it fifth overall in selection criteria. Although the accountant wants his product to be competitively priced, he also wants to cover his costs and make a profit. One pitfall the accountant needs to look out for in competitive bidding is "low-balling," or submitting an artificially low bid in order to obtain a client. This practice causes the accountant to appear unprofessional and is a disservice to the profession (Carson 77).

On the other hand, accountants do not want clients to think that their service is overpriced. The survey mentioned above also asked CFOs if they felt that services were overpriced. The results are included in Figure 1 on the following page. It is interesting that CFOs who do seek competitive
bids feel that services are overpriced more often than CFOs who do not seek competitive bids.

As Figure 1 illustrates, a slim majority of CFOs who seek competitive bids do not believe auditing services are overpriced, but they do consider tax and consulting services overpriced. The CFOs who do not seek competitive bids think that audit and tax services are fairly priced, but they also think that consulting services are overpriced. Thus, it is up to the accountant to persuade his prospect to believe that the cost of his service is consistent with its quality (Carson 77).

Finally, the last P to be considered is place. The CFO survey results showed that proximity of the accountant ranked seventh on the list of selection criteria. Two-thirds of the responding CFOs use accounting firms within 25 miles of their own location. Selecting an accounting firm close by is a decision that depends on many factors such as staff availability, competition, the local economy, and the other marketing considerations. The accountant needs to be careful in defining his target market so that he can effectively serve all of his clients. Thus, when developing his marketing strategy, he needs to be aware of his resources and capabilities, and he needs to be able to communicate those abilities to his prospects (Carson 77).

Once the accountant has defined the four P's, he must then develop his marketing strategy. There are three steps in developing a marketing strategy. The first is a situation analysis that lets the accountant answer the question "Where am I now?" The second step is to answer the question,
"Where would I like to be?" Lastly, the accountant must decide what the most effective method is to get from where he is now to where he would like to be.

To perform a situation analysis, the accountant must first evaluate other accountants with whom he competes. In evaluating the competition, he should first look at how he compares with other accountants. This is done so that the accountant can avoid direct competition with others' strengths and take advantage of their weaknesses. In addition, the accountant needs to identify the unique selling points that his competitors possess. These points are considered strengths that only other accountants have, and they give the accountant a good focus on what he needs to improve or develop. Finally, the accountant needs to identify opportunities. This type of analysis will identify areas in which competitors are already successful and will help the accountant determine if there is still opportunity for growth in those areas. Opportunity analysis should also try to identify areas of opportunities that competitors have missed and that the accountant can pursue (Ahmed 54).

After a competitive analysis has been made, the accountant needs to analyze the business environment in which he practices. The present state of the economy, demographics, values, technology, and other local changes in the community constantly need to be assessed so that the accountant can understand the attitudes and actions of prospects within his target market. With this information, the accountant is better able to adjust his marketing strategy based on the major changes affecting the business environment (Ahmed 54).

As mentioned previously, the products and services that the accountant offers are key factors in determining the accountant's level of marketing success. Moreover, the accountant needs to continually analyze his services by examining strengths and weaknesses and identifying unique selling points. This will allow the accountant to assess his ability to perform each service and to determine if each service is still profitable to offer to his clients (Ahmed 54).

After assessing his products, the accountant then needs to assess the effectiveness of past marketing efforts for those products. By collecting internal information such as sales statistics and external information through market research, the accountant is better able to understand his
business from the perspective of clients and prospects. He is also able to assess what marketing techniques are working and which ones he should use less. Through this process, the accountant can increase the effectiveness of his overall marketing strategy (Ahmed 56).

The last part of situation analysis is the evaluation of marketing opportunities. These include opportunities to introduce new services, improve existing ones, enhance a competitive advantage, increase service levels and client satisfaction, and move into new markets. Once the accountant has identified and evaluated all available opportunities, he is finished with his situation analysis and is now ready to set marketing objectives.

Setting goals and objectives helps the accountant answer the question, "Where would I like to be?" Typically, objectives should be specific and stated in quantitative terms that can be measured and achieved within a specific period of time. The accountant should not base his objectives on how he performed last year; rather, his goals should be established based on the opportunities identified in his situation analysis (Ahmed 56).

Finally, the accountant is ready to formulate his marketing strategy. The main focus of the strategy is the actions that are necessary in order to accomplish the established marketing objectives. A comprehensive strategy should ideally contain the following:

- The marketing techniques that will be used
- The roles and responsibilities of each staff person
- The funds available in the budget to be used for marketing
- A timetable for carrying out specific techniques
- A method for evaluating results and modifying the strategy, if necessary.

While putting his strategy into place, the accountant needs to realize that the strategy itself will not generate business. The accountant must not only implement the strategy but continue to work towards achieving his goals. The accountant will greatly increase his chances for success by periodically evaluating his strategy and making necessary adjustments (Ahmed 57).

**Professional Marketing Techniques**

New and creative ideas are constantly being developed for the accountant to market his services. Some of the more popular and effective techniques will be discussed in the following
paragraphs. These methods have proven to be both professional and effective, and the accountants who have developed the skills necessary to use these ideas have definitely benefitted from them.

**Advertising.** Some accountants are still unfamiliar with advertising as an effective marketing tool. However, in order to be successful, accountants must learn how to develop the skills necessary to create a need for their services. Figure 2 illustrates how many firms advertise based on a survey of 550 firms conducted by the *Journal of Accountancy* (Marts 112). This figure indicates that 33 percent of the accountants surveyed currently advertise, 22 percent plan to advertise, and 45 percent will never advertise.

![Figure 2: Accountants Who Advertise](image)

Basically, developing an effective advertising program involves three steps: analyzing the market, inventing a message, and evaluating media vehicles (Allen 33).

Typically, accountants possess great analytical skills. However, most accountants usually apply those analytical skills to facts and figures, not people. In analyzing the market, the accountant needs to answer two questions: (1) What group of people am I trying to reach? and (2) What types of needs can I service for that target market? These questions are of vital importance in order for the next two steps of advertising to take place. For instance, identifying the target market will allow the accountant to effectively evaluate the appropriate media vehicles based on the market’s location, age, income, and interests. Secondly, the accountant is better prepared to create an appropriate message that will cause the prospect to take action by figuring out what services are needed by potential clients (Allen 33).

Obviously, the advertising message must have an impact on the reader. To do that, it must be persuading, informing, and also entertaining. One popular method of persuasion is the
endorsement. Accountants who have built strong client relationships usually have no problem capitalizing on this idea because this technique relies on the cooperation of clients to give their endorsement. Prospects can better visualize how the accountant’s services can produce results for them by reading a short endorsement illustrating how the accountant was able to help a client achieve its goals. Thus, the prospect is persuaded to take action (Garrett 61).

A more basic objective of the advertising message is to inform. Once the target market has been identified, a message must be created that will not only persuade prospects to take action, but also inform them about the firm with which they should take action. Usually, accountants inform prospects about the industries and services in which they are specialists or have expertise. However, accountants must be cautious when trying to display their expertise that they do not tell the prospect what he already knows. Statements such as "High interest rates, excess space, and escalating occupancy costs are just some of the factors that can adversely affect business performance" are simply stating the obvious and do nothing more than patronize the potential client (Garrett 61).

Finally, the best advertising accomplishes one additional objective: it is entertaining. Research consistently shows that humorous radio and television ads for consumer goods are the ones most often remembered and talked about by consumers. Thus, it is logical that using humor in advertising for professional services would have the same or even greater effect. Although humor used by accountants may be more restrained than the humor used in beer or battery commercials, an occasional pun or one-liner used within the context of an otherwise serious advertisement can be quite effective (Garrett 61).

The last step in the advertising process is the evaluation and selection of media. Several media are traditionally used for advertising such as television, radio, newspapers, magazines, direct mailings, and outdoor displays. In the survey conducted by the Journal of Accountancy, the 550 firms were also asked what types of media they used to advertise. The results are included in Figure 3 on the following page (Marts 112).
Figure 3
Advertising Media Used

<table>
<thead>
<tr>
<th>MEDIA</th>
<th>PERCENT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow Pages (one-line)</td>
<td>73</td>
<td></td>
</tr>
<tr>
<td>Yellow Pages (block ad)</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Company Brochure</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Local Newspaper</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Professional Journalists</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Radio</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Regional Newspaper</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>National Newspaper</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Television</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Pens, Notebooks, Calendars, etc.</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>

The accountant needs to consider the following when evaluating these and other media forms:

Which medium is best suited for the message that is being conveyed? Which medium will be able to reach the most people in the target market? Which medium is most cost effective? Most importantly, which medium will be viewed as ethical and will project the professional image of public accounting? After all questions have been answered, the accountant should be ready to implement a well developed advertising program (Allen 34).

Public Relations. Before accountants were allowed to advertise, they maintained visibility through the use of public relations. Public relations is a marketing tool whose main objective is not specifically to solicit action on the part of the prospect; rather, it is used to make prospects aware of the accountant’s services. One of the most effective ways to do this is to publish articles in trade and professional journals. Publication creates a positive awareness of the accountant for potential clients and referral sources. Articles will also stimulate questions from potential clients when they see that the accountant can use his expertise to provide a needed service. Usually, the intangibility of the accountant’s services builds a barrier to effective sales and marketing. However, publishing articles in trade and professional journals can be used to overcome that barrier (Wheatley 78).
The news media is also an important source of public relations. Since most people buy magazines and newspapers to read the news and not the advertisements, getting good press from news reporters is essential to the accountant. The best way to ensure positive media exposure is to establish good working relations with news and business journalists. Once professional relationships have been established, the accountant’s chances of being featured or favorably quoted in the news dramatically increases. The accountant will also have a network of journalists established when he issues press releases and editorials (Churchill 104).

Prospecting. Prospecting is different from other marketing techniques in that it is a more proactive approach towards gaining new clients. With advertising or public relations, the accountant’s goal is for the prospective client to call him. However, when prospecting, the accountant is initiating the client contact.

The first step in prospecting is finding sources of new sales leads. One of the most effective methods used to build a list of prospects is networking. Networking involves meeting and developing relationships with people who may either become clients or provide names of prospective clients. Through relationships with current clients, previous clients, friends and relatives, bankers, lawyers, social clubs and business associates, the accountant is constantly able to add new names to his list of prospects (Smith 35).

Checking with the Secretary of State’s office or other state agencies for names of businesses that have recently been incorporated is another technique used to generate leads. This is a very inexpensive means of creating a prospect list. Although not all of these new corporations will become clients, some may be interested in at least hearing about what the accountant can do for them (Smith 35).

Although prospecting is a very effective sales technique, accountants are hesitant to use it for a few reasons. First, it is still viewed by some to be unprofessional because it is too aggressive. Other accountants feel that businesses do not even want to be contacted by CPAs. Finally, some
also feel that a business that already uses an independent accountant is completely satisfied with the services it is receiving (Smith 36).

In order to refute these and other common arguments against prospecting in the accounting profession, a survey was recently conducted with 100 businesses that had been incorporated within 60 days prior to the time the survey was sent out. Among those business that responded, almost all of them use an outside accounting firm. Of those who use outside services, almost all of them also responded that they had to make the initial contact with the firm for its services; the firm did not directly contact them. However, about 25 percent of the businesses responding did indicate that if an accountant were to contact them first, they would be agreeable to setting up an appointment to discuss their needs with the accountant. Thus, the survey shows that although most accountants are still not taking full advantage of prospecting, it is a very effective technique that is acceptable by potential clients, even if they already have another firm to provide accounting services (Smith 36).

**Brochures and Newsletters.** A firm brochure and client newsletter are essential tools in marketing the accountant's services. A brochure is used by the accountant to enhance his image and attract new business. By sending brochures to existing and prospective clients, the accountant is able to expose his prospects to every facet of his practice.

Typically, the brochure will begin with the accountant's mission statement which will describe his objectives and his philosophy. Secondly, a brief description of the accountant's professional history will help the reader better understand where the accountant has been and in what direction he is going. Finally, information on the types of services offered, specialties and industry expertise, and the accountant's approach to client service should be included in order to create within the reader a desire to learn more about how the accountant can serve the reader's specific needs (Argall Stover 79).

The written portion of the brochure should be very brief and concise to keep the reader's attention. Photographs should be used to balance the text and arouse the reader's interest. Photos of the accountant performing accounting services such as observing inventory, inspecting plant sites,
working with computers, and meeting with clients are excellent promotional material. In addition, using pictures of clients and their facilities emphasizes the variety of industries that the accountant serves. Thus, the accountant must be able to write clearly and persuasively as well as use pictures and illustrations in a creative and interesting fashion in order to create an effective firm brochure (Argall Stover 79).

In addition to brochures, client newsletters have also become an important tool for most accountants. By sending out a short yet informative newsletter, either monthly or quarterly, the accountant is able to keep his name and his services in front of his clients.

Some of the items included within client newsletters are: tax tips, filing and payment deadlines, new staff information, community involvement, new services, how-to tips, and explanations and updates on current developments within the accounting field. The accountant should be careful to keep most information oriented towards the readers and on items that will be of benefit to them, not the accountant. To compliment this information, the accountant may also consider using pictures, cartoons, and humor to keep the newsletter light and fun to read (Argall Stover 86).

Newsletters and brochures must be distributed properly to be effective. Obviously, clients and prospects should receive all promotional mailings. In addition, employees, banks, lawyers, and other referral sources should also receive marketing literature to maintain business relationships with members of the accountant’s professional network (Argall Stover 88).

**Public Speaking.** Public speaking is an excellent technique to inform prospects about available services as well as to attract new clients for the accountant. When the accountant has the opportunity to sponsor a seminar or guest speak for another organization, he should make sure that prospective clients are aware of the event. Usually, invitations or articles in newsletters are the best methods to promote a speaking engagement.

During the presentation, the accountant needs to demonstrate to the audience his expertise and willingness to assist those that may need his services. The accountant must also be sure to take
advantages of opportunities to network and make personal contacts during breaks. After the presentation is over, it is important to obtain a list of names of all the attenders. Using this list, the accountant can send follow-up letters inviting prospects to become clients, to set up an appointment for a free initial consultation, or to accept additional information about the accountant's services. In addition, the accountant can also add these new names to his newsletter mailing list. Thus, it is obvious that the accountant's public speaking ability can be a highly effective marketing tool (Williams 107).

**Cross-Selling.** Probably one of the most overlooked marketing tools is cross-selling to existing clients. The market for traditional accounting and auditing services is very saturated, and accountants can only increase their practices by winning audit clients from other accountants. However, since there is an increasing demand for consulting and specialty services, selling those services to current audit clients is relatively easy due to the lack of direct competition from other accountants.

There are many advantages to cross-selling additional services to current clients. First, sales resistance is considerably reduced since the client is already familiar with the accountant and the quality of his service. Likewise, since the accountant is already knowledgeable about the client's business, he is able to provide additional services more efficiently than his competitors. In addition, by fully servicing his clients, the accountant is able to isolate his clients from competitors who also sell additional services. Finally, the accountant can use management letter comments as a foundation from which to sell additional services (Stone 69).

The management letter is used by the accountant on audit engagements to inform his client of problems discovered during the course of the audit that may require further investigation outside of the scope of a regular audit. In order for the management letter to be effective, staff must be trained to detect problems that can be converted into opportunities for cross-selling. The accountant can then show his client how his tax or consulting services can meet his client's needs by discussing comments made in the management letter. His direct contact with decision makers gives
the accountant a unique advantage over his competitors. Thus, cross-selling can be an effective tool used by the accountant to develop new business with existing clients (Stone 69).

**Case Studies**

Thus far, strategies and techniques have only been discussed in theory. In order to properly evaluate the ideas that have been presented, it is necessary to observe the activities and accomplishments of actual professionals involved in practice development. In the discussion that follows, the marketing efforts and results of three major firms will be presented to illustrate how practicing accountants are successfully marketing their services.

**McGladrey & Pullen.** Management at M & P had been noticing that as marketing in public accounting was becoming more competitive, some partners and managers were still reluctant to utilize aggressive tactics such as prospecting and networking. Thus, McGladrey & Pullen implemented a simple sales-contact marketing strategy to stimulate active marketing efforts by the leaders in the firm.

The plan they used centered around the idea that partners and managers were going to have to start accepting the responsibility for practice development and be held accountable for sales efforts and results. Thus, prospecting and sales were emphasized rather than public relations or advertising. The approach they took to prospecting was called the "calculated shotgun." Basically, this meant that partners and managers should be getting out of the office and in front of as many people as possible. The assumption was that this increase in frequency of contact with referral sources would create opportunities for new business (Dalpe 61).

The most important ingredients to the strategy were goal setting and evaluation. Each partner and manager was required to establish specific goals for numbers of contacts made and amount of new business generated. Then, each professional was evaluated using a simple contact tracking system. The tracking system recorded both the nature and frequency of contacts made and related that data to the amount of new business acquired (Dalpe 62).
In order to implement this strategy, McGladrey & Pullen followed four steps. First, managers and partners were to set attainable goals. Specific dollar amounts for gross and net profits were established for each partner and manager. In addition, contact goals, including the desired number of contacts with targeted clients, bankers, attorneys, and other influential business people, were set that were challenging yet realistic (Dalpe 62).

Secondly, professionals were required to log their contacts on a simple check-off sheet and turn this in with time reports. Administrative staff then entered this data into spreadsheets that produced reports correlating the type of contacts made with the amount of new work scheduled for that period (Dalpe 62).

The third step was to review these reports with managers and partners on a regular basis. This allowed professionals to share information and exchange ideas in order to improve prospecting techniques. In addition, by analyzing how time was spent and the most effective sources of new clients, managers and partners were able to learn which contacts were the most productive. Lastly, status checks also provided an opportunity for healthy competition and peer pressure. It was always very obvious who was not initiating contacts (Dalpe 62).

Lastly, each individual's sales effort and performance was periodically evaluated. The number of contacts made and amount of new business generated provided a foundation for these evaluations. Partners and managers would also evaluate each other's contributions in identifying prospects, making presentations, proposing on new business, and closing new engagements. Thus, both the quantitative results and peer reviews were incorporated into partner and manager performance appraisals (Dalpe 64).

As a result of this new sales program, three things happened. First, firm members experienced an increase in motivation and enthusiasm. This was due to the fact that partners and managers no longer felt overwhelmed; rather, they were pursuing long-range goals one day at a time. Secondly, prospecting became easier for the partners and managers. By forming habits of building relationships and expanding networks, the professionals were able to refine their
interpersonal skills and become more comfortable when talking with prospects and referral sources. Lastly, revenues from sales increased dramatically. In fact, there was almost a direct relationship between the number of contacts made and the amount of business generated. This is illustrated in Figure 4 (Dalpe 63).

From this graphic, it is easy to see that the majority of contacts and sources of new business came from current clients. Contacts with prospects and referral sources generated almost the same amount of business. Obviously, marketing strategies such as McGladrey and Pullen’s are successful because they motivate CPAs to meet people and sell their professional services.

**Altshuler, Melvoin & Glasser (AM&G).** AM&G realizes that by developing professional relationships with influential business leaders such as bankers, they can effectively position themselves to benefit from referrals. Thus, in order to build these relationships, AM&G developed a service for bankers -- field investigations for commercial loans. This service is designed to help bank officers before they make a loan by evaluating available collateral and investigating borrowers without audited financial statements when credit is being granted based on internally prepared interim financial statements. Howard Stone, managing partner, explains the need for this service:

> What the loan officer is looking for is a second opinion, a level of comfort. He’s asking himself ‘Is there anything here I haven’t looked at? Is there anything here that makes me uneasy? Do the ratios look right or is there a smell test we have to get past so I can make a recommendation to the loan committee?’ (Macklin 83)
Thus, the banker hires AM&G to do a field investigation. The cost is then passed on to the prospective borrower, which makes the service attractive to the banker. The main objective, though, is not to market this new service. According to Stone,

The benefit we receive is the introduction to many bankers and their clients. There are wonderful opportunities for cross-selling. You're probably walking into an unconventional situation. If it was a conventional situation, the banker probably wouldn't call you. That may be ideal for picking up consulting work. For example, suppose you find there's an absence of inventory controls or a deficiency in the debtor's system somewhere. The borrower may say, 'OK, go ahead and design a system for me.'...If we never sold a $3,000 engagement out of this, but only ended up with 36 new audit clients from 36 banker referrals, obviously the money was well spent. (Macklin 83,87)

Therefore, the revenue from the new service is not the major benefit. Instead, the service is actually a marketing tool that can be used to develop relationships and business opportunities.

In the first three months this service was offered, AM&G did three field investigations and received three referrals from bankers for audit clients. Stone comments, "It's an opportunity to expand your network among prospective clients -- to sell traditional audit service and consulting services. And it's a way to keep the audit staff busy during the off season (Macklin 89)." In short, AM&G created a new service in order to effectively cross-sell traditional services. This illustrates the fact that accountants need to be creative when developing programs to market their services.

**Ernst & Young.** This last example illustrates that accountants have definitely diversified into all areas of marketing. Since May of 1991, Ernst & Young has produced a radio show designed to discuss the needs of entrepreneurs and business owners. E & Y claims that this form of marketing is the first of its kind to be solely conceived and produced by an accounting firm (Berton B1).

Obviously, Ernst & Young's intent is to attract new small-business clients. The show, which costs $12,000 a year to produce, features an Ernst & Young partner who interviews leading business people and consultants about topics such as selling businesses overseas, inexpensive market research, and when to go public. Currently the show is heard in about 50 cities and is getting a lot of attention. Steve Chaconas, program director of WPGC-AM in Washington, DC, testifies that,
"We're getting a lot of phone calls from our listeners about it...The show gives small business a lot of unusual but useful advice (Berton B1)."

It is evident from these three cases that accountants have become very creative and aggressive over the past 20 years. Since restrictions have been lifted from accountants, they are no longer solely relying on golf dates and referrals for new business. Instead, accountants are actively getting involved in the marketing process.

**Conclusion**

As the public accounting profession becomes more competitive, accountants and accounting firms must continue to improve the way they market their services. However, some accountants still feel that marketing efforts should be implemented conservatively to remain within the professional and ethical constraints set forth by the AICPA. It is unfortunate that some accountants question the ethics of sales techniques or wonder if those techniques are suitable for use by professionals.

Marketing does not necessarily mean high pressure sales presentations; rather, it is an understanding of what clients need and how the accountant can help them achieve their goals.

Many techniques and strategies are currently being used by professionals to sell their services. In addition, new and creative ideas are constantly being developed. In order to be successful, prospective CPAs will have to possess the skills necessary to effectively communicate with people. Students preparing to become CPAs should realize that developing their writing, speaking, and strategic planning skills is just as important as developing analytical or problem solving skills. A successful career in public accounting will be possible for those who acquire an attitude of aggressive professionalism and are willing to accept the challenge offered by marketing professional services.


