

7 Steps to 7 Figures

When I was in practice all my sole practitioner colleagues aspired to a 'Million Dollar Practice'. It was a real benchmark, an achievement of note and a mark of success.

Many years later, lots of sole practitioners are generating seven figure billings and inflation probably means \$2m in fees is the new benchmark. However, close to 90% of sole practitioners 'flat line' at billings of between \$300,000 and \$600,000 per annum. There is a multitude of reasons why this is the case including a lack of capacity, marketing, rainmaking skills and staffing issues.

It's no surprise to find that 'growth' is the number one issue facing the profession in this country. If it's any consolation, this trend is not confined to Australian accountants with a recent survey by CPA Trendlines (Marketing Trends Report 2012) in the United States suggesting 85% of sole practitioners plan to ramp up their marketing activities in 2013 and beyond.

But what are the high performing sole practitioners planning to do different in 2013? The report indicates their key tactics are all digital based. They plan to increase their social media activity, thought leadership (through blogging, publishing, speaking and white papers) and produce e-newsletters. Social media marketing is growing in importance with 80% of high-performing soloists suggesting they will be accelerating their investment in channels like Facebook, Twitter, YouTube and LinkedIn. If social media is the tactic, then thought leadership may be the strategy with some 60% of soloists saying thought leadership is a key objective for this year.

In the next 12 months, 67% of firms plan to increase their networking with prospects and referral sources, 57% plan an upgrade of their website, 52% are planning regular e-newsletters, 48% plan to increase their use of social media (LinkedIn, Facebook, Twitter, YouTube, etc.) while 45% are plotting to use thought leadership techniques. Larger firms are also looking to use online webinars, seminars, search engine optimization and internet advertising to drive their growth. What techniques are you planning to use to drive growth in your firm?

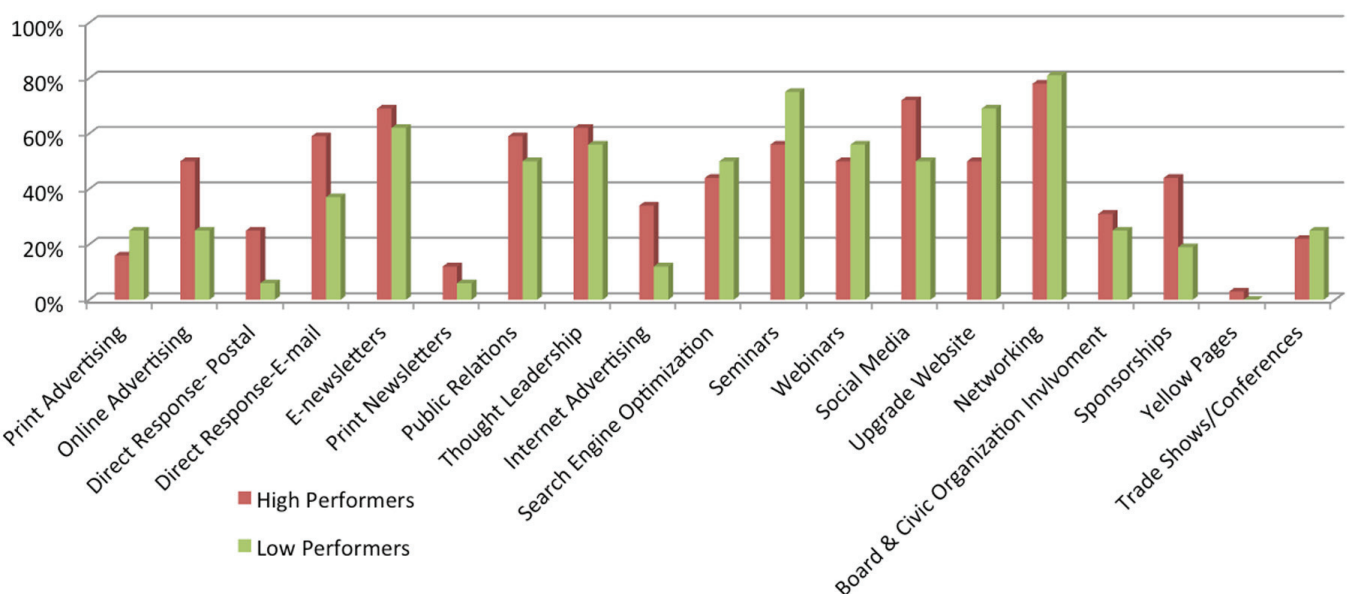
COMMON TRAITS

You'll find most seven figure soloists generally have a number of common characteristics that distinguish them from the other 90% of sole practitioners who hit the 'wall' at the \$600k mark. These traits can be summarized as follows:



1. Branding

Successful firms understand the importance of marketing and build a brand with a logo and slogan that resonates with their target market. Examine your website, logo, corporate brochure, business cards and reception area. Do they reflect the professionalism and quality of your firm and the services you offer? Does your brand look modern and likely to appeal to the next generation of business owners in their 20's and 30's?



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2. Niche Markets & Ideal Clients

It's a rhetorical question but, who makes more money - A GP or a specialist? Are you running a 'general' practice or a specialist practice? Successful firms target niche markets and know what their ideal client looks like in terms of size and shape. They might

target a range of industries including plumbers, pet shops and pharmacists but they also focus on specialist services like SMSF's and Business Start Ups. Being the industry expert or specialist lets you charge premium rates and because their marketing generally works, they can afford to be selective about the type of client they take on board. They reject clients with 'computerised shoeboxes', they cull their D grade clients who might be slow payers, fee whingers or serial pests who always question the advice and provide information on the eve of lodgement deadlines.

Basically most of these firms only work with clients that:

- Actually want and appreciate their services
- See the value in what you're doing for them
- Have the money to pay the level of fees you want to charge
- Will refer like minded business people
- Are pleasant to work with and want to grow their business and their wealth



3. Website

Successful firms recognise their website is their marketing hub. It's a marketing tool that targets their ideal type of client 24/7 and it focuses on certain niche industries and specific specialist services. Their websites generally stand out from the crowd and offer valuable information and loads of relevant content.

There are a number of key ingredients to a website that ranks above your competitors in keyword searches. Certainly, you can plough through your Google Adwords account, spend thousands on search engine placement but organic SEO is the key and 7 figure firms make this a priority. They also integrate social media channels into their websites.



4. Client Seminars

Million dollar firms generally run client seminars on topics of interest like Negative Gearing, Self Managed Superannuation and various wealth creation topics. When did you last host a client seminar? You have the opportunity to showcase your skills and position the firm as an expert in key areas. It is a point of difference to most firms and it is a vital touch point with clients and prospects.

5. Newsletters

Good firms communicate with their clients on a regular basis and a quarterly client newsletter is part of this essential strategy. They circulate the newsletter electronically and the content provides information to help clients build a better business and grow their wealth. It's not about technical tax law or recent case developments. It keeps their firm top of mind for referrals and the newsletter is available by subscription from their website.

6. Invest In Technology

While it's not technically a marketing strategy, I can't help but notice that these firms constantly upgrade their hardware and software. They fully embrace technology and don't view it as a cost, rather, it is seen as an investment in their future. They ask, "What will this do for us? What will it do for our clients? What does the cost/benefit analysis tell us? All these firms are going down the paper less trail, scanning and have dual screens on all desks. Of course, the benefits stretch beyond in-house efficiencies because adopting the technology can also make the practice more attractive to buyers down the track.

7. Marketing Plan

Another common denominator with these firms is they document their marketing plan. They outline their proposed action steps and set a time line for implementation. They prioritise the steps and appoint a person to manage the process. It is regularly updated and they monitor their performance against the plan so they identify where they failed to achieve their targets. Next, they identify the reasons why and amend their plan for the next period (usually quarterly). Where they exceed expectations they examine what went well and try to use that knowledge in other areas of the firm.

CONCLUSION

In summary, high-performing sole practitioners that achieve 7 figure billings follow a markedly different marketing path to most firms. They also display a number of other common characteristics including staff recruitment and training processes. They offer business coaching services and use value pricing. They don't rely on a single rainmaker and ask clients for referrals, track them and often reward their referral sources.

They don't look for a marketing silver bullet and adopt a 'multiple spokes on the marketing wheel' approach. They recognise marketing is a process and are consistent with their branding. They implement their marketing plan and cross sell their range of client services. They invariably offer wealth creation and financial planning services and in some instances these services are outsourced as they work hard to build a fence around their client base.

Let's not pretend that building a million dollar practice as a sole practitioner is a quick or easy process, but it's definitely possible.

