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Push Client E-Newsletter Penetration

By Jeff Stimpson

As the profession once believed Web sites would replace firms' brochures, the debate rages now about "e-newsletters," frequent, e-mailed communications to clients that some believe may one day replace a firm's paper newsletter.

Allan D. Koltin, president of the Chicago-based Practice Development Institute (PDI), a management consulting firm, estimates that as much as five percent of the profession has some e-marketing initiative. Joel Shiffrin, president and CEO of the Chicago-based professional services firm consultancy Pencor, adds that a survey of Pencor clients revealed that about 75 percent were drawn to using e-mail in their marketing communications.

The time is right for some in the profession to try this. The principals of the Boca Raton, Fla., firm Daszkal Bolton, for example, "grew up with e-mail professionally, and the people we tend to get referrals from are those most comfortable with e-mail, maybe even more comfortable than with the phone," notes Jeff Bolton, partner.

He stresses that the information in DB's "value-added e-mail" is free to recipients, but that it can still produce profits for the firm. "If you give them something of value, few people will take that information and execute it on their own," he notes. "Ultimately, some of the actionable things will be things that the client asks you to do."

Jim Dee, director of marketing and business development with the Pittsburgh firm Case | Sabatini, says that after losing two recent proposals, Dee de-briefed the two would-be clients and mentioned that the firm would simply like to stay in touch. Readership tracking reports, however, have revealed that those two "lost" clients are now active readers of CS's e-newsletter. "Sooner or later, I'll turn this lemon into lemonade," Dee says. "You can turn what wasn't a win situation into a viable prospect for the future."

Step by Step

Firms must bear in mind many details before even sending the first e-newsletter, such as finding out if there is even a demand among clients for such a publication, advises Jennifer L. Deters, director of marketing with Chicago-based Rome Associates. "Call a few dozen clients and ask if they would be interested in receiving periodic messages tailored to their interests. Start small and build the program carefully. Consider sending recipients a very short survey after three or six months to gauge the response to your program."

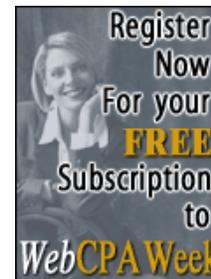
Bolton says his firm's research into targeting its e-mail newsletter, which was launched about a year ago, included talking to executives. "We

Best Practices

Some of the best practices in enewslettering are borrowed from print newsletters.

Here are tips from BizActions' David Ross:

Distribute using permissionbased marketing, whether opt-in or opt-out permission. Let readers



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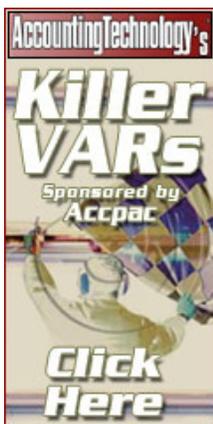
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have found that what they read is not fancy, with no graphics, is coming from a trusted source, and is something they can understand quickly," he notes.

Building an e-mailing mailing list is the next step. Don Phillips says his Orlando, Fla., firm Vestal & Wiler built its e-newsletter database by him collecting contact business cards from staffers. CS built its database by tapping staff for business contacts. Dee notes that few readers have opted out of receiving the e-newsletter, citing an avoidance of "force-subscribing," or adding a reader's e-mail address without their knowledge. "We also called clients and asked if we could add them to the database," he says. "This kind of pre-screening is important."

Deters reports that her firm "'self-selected' participants we believed would be most receptive to receiving our messages. We include an e-mail address in each broadcast to which participants can send the name and e-mail address of someone they believe could benefit from receiving our messages, and any visitor to our site can sign up for a subscription."

Effective Uses

Gary Kravitz, CEO of BizActions, a vendor of template e-newsletters to some 200 accounting firms, says firms that use e-newsletters include those aggressively growing and marketing, and those more in a "maintenance mode" who don't want to do a lot of work on their e-newsletter and "just want to keep their name in front of their clients."

Kravitz says firms using his service report "e-mail open rates" of as high as 92 percent. "But 'CPA' or 'trusted advisor' works as an opening device only the first time," he warns. "To keep people coming back, you have to have consistent, high-quality, interesting content." BizActions Reports also allows firms using BizActions to track who is receiving the newsletters, who opens the newsletters, and which articles are read and by whom.

That appears to be e-newsletters' big advantage over their print counterparts. Notes Dee, whose firm has been sending out a weekly e-newsletter to some 250 client CFOs, controllers, and other decision-makers using BizActions's service since last December, "When you're

decide if they want to receive the newsletters. With optin, the firm obtains the reader's permission prior to sending the first issue, Ross explains, and with opt-out, the reader receives the first issue and may unsubscribe at any time.

Personalize the e-letter's salutation and subject line to the individual reader, he adds, and use information personalized from the firm, such as firm events, deadlines, and articles written by firm members.

Wayne Schulz, senior consultant with Schulz Consulting in Glastonbury, Conn., offers these tips:

Be consistent. "Very few CPA firms have the discipline to consistently send these newsletters, so you'll stand out."

Be "fanatical" about adding the e-mail addresses of prospective clients. "Even if you don't get the business the first time around, we've seen quite a few prospects come back to us after having selected another reseller.

Have an "editor" responsible for sending



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sending a printed newsletter out the door, you have little idea of what your readers are finding truly interesting."

He adds that CS typically runs articles to tout such specialized services as estate planning, employee benefits plans, IT consulting, internal audit services, and business valuations. Dee has also spiced up the e-newsletter with such features as a Pittsburgh Pirates trivia contest.

the newsletter. "Do not send the newsletter around to all partners in your firm, or it will never go out."

Declining to estimate the monetary advantages for e-mailing his firm's newsletter, he does say, "The main thing for a firm like ours, of 40 professionals, is the time savings. We found the e-newsletter system to be competitively priced compared with what we would pay for design, printing, and postage, not to mention the time." He also recommends that firms have a staffer "with a bit of marketing flair" produce in-house e-newsletter articles.

"Coming up with different monthly articles gets difficult," admits Wayne Schulz, senior consultant with Schulz Consulting in Glastonbury, Conn., "but using canned articles gives you the same look as your competitors."

Accounting firms using e-newsletters most effectively are using their own articles, says Kravitz. "It shows a personal touch to give information about your firm. These can include invitations to seminars, descriptions of products or services you want to promote, kudos to a professional who had an accomplishment, a tax tip: any way to demonstrate professional smarts."

Phillips's firm started distributing a weekly BizActions newsletter to some 500 clients, prospects, and friends of the firm in February, and has a 75 percent open rate. V&W takes three or four BA articles for each edition, and adds one of its own. HR articles get the most attention from V&W readers, Phillips adds, on such HR subjects as interviewing procedures and benefits questions.

DB e-mails its e-newsletter every two or three weeks to a database of some 2,500 names. "It's two or three paragraphs max, with the focus always on creating and enhancing profitability, controlling or reducing the cost of operations, or creating something in the life of the client that will make their life easier," Bolton says, adding that, typically, the first paragraph allows recipients "to make a decision on whether they want to read forward and take an action."

The balance of the e-mail, which is never more than a page, allows the recipient to take action by clicking. "It's just a single, actionable concept written from my desk in plain English, hard-hitting information that will make my clients money," he says. For example, Bolton sent an e-mail on sources of unclaimed funds. "We gave links to the sources of money. A few hundred of the 2,500 recovered money for their company or their loved ones." Another DB e-newsletter warned clients some 90 days ahead of the imminent rise of life-insurance rates. "We sold 50 policies because of that," Bolton says.

Additional Options

David Ross, with the Los Angeles office of BizActions, says some firms send their newsletters via e-mail (push technology), while the majority simply publish on the firm's Web site. Kravitz adds that, though many firms are using e-mail to some degree to communicate with clients, "it's an education process to teach CPAs that e-mail technology, when done right, can be a very cost-effective and measurable way of marketing. They might have the impression that clients don't want e-mail. But the reality is that the more sophisticated client, the client they're more likely to sell more services to, are more likely to be using e-mail."

Firms have a few choices in delivering e-newsletters. Schulz created an e-

newsletter using the ASP of a service called Constant Contact (www.constantcontact.com) for about \$20 per month. He says the service is simple, and contains templates to format an e-newsletter in HTML, AOL, and TEXT e-mail. "We send the e-mail at least twice per month. I have 825 subscribers, and it grows by about 20 per month," Schulz adds.

He sees firms' options as primarily an online service versus "make-it-yourself in MS Outlook or a similar e-mail program. Online services have a huge benefit. You can send an e-newsletter on the spur of the moment by logging in from any Internet-connected PC. You don't have to worry about tracking the e-mails bounced because of bad addresses, and you eliminate having to load yet another piece of 'bloatware' on your computer."

More vendors are entering a market largely ruled, so far for accounting firms, by BizActions. Pencor, for instance, was slated to launch its e-mail newsletters for firms this summer. Shiffrin says the e-newsletters will contain synopses of articles with full text available with a mouse click; linkage to the firm's Web site; and quarterly e-mailings by Pencor, though the CPA firm will be able to add material and be able to use the template any time to send special supplements to their data base.

"Later this year, we'll be supplying e-flash reports, where the firm can receive regulatory, legislative, and other material from us on their particular industry or functional niches, and paste them into the newsletter template," he adds. Other features will include a feedback form for a firm's clients.

Deters says RA orders four bimonthly, industry-content-specific e-newsletters from PDI. At the beginning of each month, RA reviews the PDI library and chooses articles. "We post the full article text to the 'E-mail Archive' section of our Web site," she says. "Finally, we send a short e-mail to each of the four distribution lists (currently 25 to 50 recipients per list), with a few-sentence teaser of the article, and a link to the location of the article on our site."

Advantages

Reader reports can help drive future marketing efforts of value-added services. For instance, a CS e-newsletter report reveals that on one day, 123 of the recipients opened the e-newsletter. Of those, 27 clicked on one of the articles. Digging into the readership reports, and into client needs based on what articles they click on most, will be one foundation of CS's business development in the future, Dee says.

"If 10 percent of our readers tend to habitually click on a certain type of article, they've shown me what their business interests are, even though they haven't knowingly done so," he says.

But culling client interests from readership reports reminds Koltin of firms discovering client problems through supposedly anonymous satisfaction surveys. "Clearly, I don't think you can say to the client that you're looking over their shoulder and watching what they read," he says.

The biggest benefit to e-newsletters isn't about unearthing a client's unspoken needs, he warns. "That sounds great, but I don't think it's real scientific just because a reader clicked on an article at one moment. My driver would be client awareness, viability, staying in front of them, and letting them know you're thinking about them."

Drawbacks

The medium poses problems obvious to any businessperson who's been overloaded with e-mail, or had their desktop polluted by a virus smuggled in with an unsolicited e-mail.

Most newsletter vendor services safeguard against viruses (BizActions promises "clean" servers, for instance) as much as possible, and Bolton adds that his firm doesn't worry much about transmitting a virus. "As with

most firms, we have firewalls in place and virus-scan software," he says. "Since this is an e-mail that I write from scratch just like any other e-mail, the likelihood of sending a virus is as small as it would be with sending any other e-mail."

"Nothing could kill an e-mail broadcast program faster than spreading a virus," Deters adds. "We've addressed this issue by posting our articles on our site."

Still, "it's easier to delete an e-mail than to discard a printed newsletter," Shiffirin says. "But in all probability, an e-mail to a client will not be treated like junk."

Koltin confirms that the e-newsletter concept is "easy to use. The only concerns I've heard is that the typical executive gets 80 to 100 e-mails a day, and if you can't make the e-newsletter something they want to read, guess what happens? It's called the delete button." Frequency is also a big consideration. "Some firms have trouble writing and sending out a quarterly," Koltin points out, adding that the "depth" of material in a frequent e-newsletter can easily become too basic to hold readers. "You have to make it almost painful for the client not to open it," he says.

Most clients elevate e-mails from their professional advisors to the top of the "read" list, promises Ross, and, adds Schulz, "The only drawback I've seen is some subscribers don't remember signing up, and once in a while we'll get a nasty e-mail wondering why we are sending them a newsletter. The best way to deal with this is not to debate the subscriber, but remove their name from your list, apologize, and move on. The number of people who complain is very tiny."

Eventual Payoff?

Dee, for one, is optimistic that e-newsletters will help expand his firm's business. The big question is whether electronic will win over print for effective firm newslettering, and when?

E-newslettering is new, Koltin warns. "Maverick firms might go full on it, then backstep later. It really should be part of a three-pronged strategy. E-marketing is one. A good Web site is second, and print is a third."

Shiffirin sees e-mail communication increasing over the next few years, but not replacing printed material, adding that "anecdotal information" overwhelmingly favors a combination of print and electronic communications. "Major newspapers do have their newspapers on line, but this has not diminished the number of print copies they distribute. We'll see a similar phenomenon with e-newsletters," he says.

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