



## ConvergenceCoaching, LLC

### What Grade Would Your Clients Earn?

The succession of Baby Boomer professionals is a topic on the minds of most firm leaders today. A significant component of the succession process for many is the transition of clients. There are many best practices when transitioning clients, including those covered by my colleague in this [CPA Insider blog](#).

What I find, however, is that most people planning for client transition picture transitioning every single client over to a new service provider in their firm. We don't believe that's appropriate. Instead, **when creating your client transition plan, we recommend you ask yourselves "As this service provider retires, which of his/her clients should we transition outside of our firm?"**

Most firms have clients that would be labeled as more "challenging" than others and **may not make sense to continue serving**. We explored this concept in our recent webinar, "[Navigating Challenging Client Relationships](#)," and there are a number of ways that a client can be "challenging," including when they:

- Don't appreciate you and your team or value your contributions
- Yell or act rudely to your people
- Drag their feet or don't get you their information by the agreed-upon timing, putting undue pressure on the service team
- Are highly demanding
- Are vague with expectations and then disappointed with results
- Regularly question their bills and the value received
- Lack competence in certain financial areas needed to manage risk
- Don't respond or communicate, leading to miscommunications or inefficient communications
- Have internal political issues that inhibit your ability to be successful with them

**There are also those clients who may not make sense to continue serving from a profitability perspective.** They are likely low-realization clients and while they may have been great to serve, your firm's bottom line has been suffering.

**An upcoming retirement creates the opportunity to cull lower performing clients** because you already have the difficult job of advising them of the "loss" of their provider – so it is nearly as easy to transition them to an external provider as it can be to transition them to another internal provider. Culling your "D" and maybe "C" clients opens up opportunities for engaging new "A" and "B" clients that your firm doesn't currently have the capacity to pursue and serve. And when it's a particularly challenging client that gets culled, your people become happier, too, which means they'll be even better client servers and advisors in their roles. And, culling difficult clients causes your staff to have more respect for you, too, because you made the tough decisions when they were warranted.

While planning for succession, it's helpful to rank the clients to guide the transitioning partner on which clients to transition and when, and which clients to put a lot of time in on the transition – your A clients – and which may need less time, too.



## **ConvergenceCoaching, LLC**

### **What Grade Would Your Clients Earn?**

When you rank your clients, **consider using a tool such as our [Client Analysis Grid](#) to help.** To use our analysis grid

- Input the names of your clients as the rows populating the first column.
- Assign a value between 1 (lowest/worst) and 4 (highest/best) for each client and how well they do on the remaining of the attributes (columns) in the grid. We've provided a variety of factors that you might consider important to your firm, but you'll want to determine if there are any that you want to remove from or add to the grid.
- Once you've completed the grid, you'll be able to sort your clients based on the total scores, with the highest scoring clients being your "most valuable" or "A" clients and your lowest scoring clients being candidates for remediation, including transitioning them to an outside provider.

While succession is a great time to rank clients and determine which will be transitioned and which will be referred to another firm, you don't have to wait until a retirement happens to "gift" poor performing or behaving clients to your competitors. **This is a process that should happen annually and independent of upcoming retirements, too.** Doing so will help you maintain a strategic perspective when you can see your list of clients in one place and where they fall in comparison to one another. For example, you might realize that you have a number of clients that don't fit within your ideal target profile. **This process allows you to identify areas for change so that your firm can create goals around those needed changes and achieve greater success.**

**Remember that each person will have their own perspectives related to ranking their own clients and the clients of others.** When your goal is to remove poor behaving or performing clients to make room for better work, it will work best if you and your "culling" team agrees on a percentage or number that will be transitioned out of the firm. That way, you're more likely to think about the overarching goal for the exercise and focus less on the personal reasons that you think your firm should keep each client.