

Pitch perfect

Being often more responsive, focused and faster, small firms can successfully compete against big firms for new clients – the key is not to try and do it on their terms

Big accountancy firms invest huge amounts of time and money in responding to invitations to tender, scoping meetings, researching the prospective client and preparing glossy tender documents with their firm's winning proposition. In the past, this would get them shortlisted, alongside other firms of similar size and reputation, and the buyer would pick the winner from a small pond of big fish.

Now the tender landscape has changed, the pool is much bigger and the fish more varied in size. Due to new market and economic pressures, buyers are casting their net much wider, so smaller firms are finding themselves in competition with larger firms as a matter of course, says Chris Matthews, principal at consultancy SutherlandsPugh. Many smaller contenders now make the shortlist, yet they often finish in second place, leaving them wondering if defeating financial giants is ever likely. 'But bigger firms are usually the easiest to beat,' says Matthews. You just need to know how.

Many people believe that bigger means more professional and that, therefore, bigger firms naturally

'deserve' to win, says Matthews. 'But professional skills are not the deciding factor in winning business – it's the firm who works the hardest that wins.'

You need to change people's mindset, starting with your own team. 'Go through all the bad things about big firms – expensive, partner never available, etc, and then list all the advantages your small firm has. Your people need to see that the big firm propaganda is wrong,' Matthews says. Smaller is better because you are more responsive, more focused and faster.

'You can allocate more senior individuals to lead and deliver the work too,' adds Craig McArthur, director at Venalicius Consulting. You can offer more realistic fees and flexibility when it comes to billing and collection – a real advantage when many companies still struggle with cashflow. 'Consider allowing clients to spread the cost of service over 12 months and to stage payments to coincide with their cashflow cycles,' says McArthur.

Granted, your larger competitors do have advantages over you. 'Perhaps their spread of offices matches the client's,' says Matthews. But you do not need to have the offices on the ground to do a good job. 'See if you

can pre-empt what the client might be thinking and rehearse your answers,' Matthews says.

Can't afford to wine and dine them? 'We don't focus our efforts on hospitality but let our quality of service and high client retention convey why businesses should choose us,' says Ed Gooderham, co-director at Green & Co, which has successfully pitched against larger competitors.

The right fit

Paul Boross, author of *The Pitching Bible*, believes competing on responsiveness, personalised customer care and ease of reach will get you on the shortlist, but the final appointment is decided on other factors: 'If you've been shortlisted, the buyer already feels you can do the job, so they'll make a decision based on subjective criteria such as relationships, personalities and cultural fit.'

After all, people do business with people they like, so research the influencers and decision-makers beyond their business and industry. 'Their LinkedIn profiles will show their priorities and professional interests and, sometimes, their interests away from work, which can be good



ice breakers," says Adam Gordon, managing director of Connecting Corporates. But do you connect with them at this stage? 'I'd normally suggest that you do, but you'll need to decide whether it could come across as a sneaky way of achieving influence. On the other hand, if you connect and find you have shared contacts, they may feel closer to you psychologically,' says Gordon.

Ask for a scoping meeting too and make sure you meet everyone involved in the decision-making process. 'In competitive pitches, accountants often

needs better than your competitors will not cut it – you need to back this up by demonstrating your relevant track record and expertise. 'Our research shows two out of three decision-makers review prospective suppliers' LinkedIn profiles, so it's vital that it's immediately clear you have the relevant experience,' says Gordon. 'For example, you can emphasise certain areas of your expertise by changing the order in which you list your skills.'

The smaller firm is more likely to win in competition with big firms if it has a track record of servicing a

BIG MISTAKES

- 1 Talking about yourself.
- 2 Asserting, rather than demonstrating, you understand the client's issues (show, don't tell).
- 3 Not doing your homework (insufficient research and no scoping meetings).

Chris Matthews, principal at consultancy SutherlandsPugh

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over-rely on their relationship with one person, generally the owner or the finance director, but the appointment decision is usually a collegiate process,' says Tim Prizeman, director at financial PR firm Kelso Consulting.

If you are pitching to an SME, your smaller size makes for a perfect fit, provided you can prove that you, rather than a big firm, are in touch with the kind of issues they face. 'This "we're at the same coalface" positioning should resonate with the potential client as people want to do business with people who are like them,' says McArthur.

However, simply asserting that you can meet the prospective client's

market niche. 'Many accountancy firms try desperately to be all things to all people – this isn't a strategy; it is an absence of strategy,' says Prizeman.

Green & Co, for example, has over 300 farming clients, and director Nick Park is himself an active farmer. Gooderham says: 'Going against larger firms is not a challenge for us, and we aren't just a practice with an understanding of farming accounts.'

Mistakes big firms make

Finally, exploit the mistakes that big firms make when they pitch, advises Matthews. 'Assertions of greatness are difficult for big firms to resist

but it's just background noise,' he says. Worse still for those making grandiose pronouncements is that it can backfire.

'What they're implying is this: "We are big and you would be stupid not to work with us." The client hears "you are stupid" and doesn't like it,' Matthews says. Position yourself as the logical alternative and just the kind of people they will want to work with.

'When you receive the invitation to tender, call them – big firms will email – and keep in touch throughout the tender process by calling once a week,' says Matthews. It is quite possible the other guys will not do this or do it badly. 'Also, don't assume you'll be pitching against the big firms' individual partners' towering reputations, as sometimes they put the wrong people on the pitching team,' he adds. ■

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