Client Onboarding

The Definitive Guide for Accounting Firms

KARBON

Contents

Introduction

The most critical stage of the client relationship

There is nothing more important in your entire relationship with a client than those critical first few months.

This moment of transitioning from a proposal to a new client is when you create a lasting impression. It's your best chance to lay out ground rules for how your team works and expects to be communicated with. And it's a perfect opportunity to identify any other services your firm can offer your new client, that will genuinely help them.

Do this efficiently and effectively, and your client will stay with your firm longer, be more profitable for you, and more enjoyable to work with. You'll quickly progress to recurring work with them, and be able to onboard the next client.

If your firm focuses on mastering one single process across your entire firm, it needs to be client onboarding.

Download our free best practice client onboarding template to put these lessons into action.

What is client onboarding?

Client onboarding is the process of welcoming new clients into your accounting firm and progressing as efficiently as possible to a rhythmic working relationship.

The onboarding process is your opportunity—and responsibility—to get a clear understanding of your client's concerns, uncover needs the sales team hasn't identified, and clearly communicate how your services will assist them. Furthermore, this is your time to understand how your client likes to work, communicate and collaborate, and set expectations for how your team does the same.

Why is client onboarding so important?

Think about why your clients sign up for services. They want the burden of accounting taken off their plate. They want to reduce their stress and gain clarity. They want a smooth experience, and a polished set of reports every month. They want to grow their business and be better off, so they can enjoy more time with their family, have more holidays, and enjoy a better quality of life.

By providing a first-class onboarding experience, you reduce the gap between starting the relationship and those meaningful improvements for your client.

Onboarding sets the tone for the entire client relationship. It's an opportunity to make expectations clear, understand communication styles, gather all necessary information, and train the client on your systems.

All of these steps are much more difficult, and time-consuming, to complete further down the road. By establishing your onboarding system, you are providing peace of mind and confidence to your client. This not only gives a solid first impression but quickly moves the relationship toward the monthly deliverable your client signed up for.

“Client onboarding sets the tone for your client’s experience. If you don’t have a seamless and high-touch onboarding, you risk purchase remorse and the potential loss of a client. Onboarding is the most important part of the sales funnel.”

— Ashley Ryan, Envolta

Providing this type of experience is also a source of additional profit for your firm. If you're able to satisfy your clients from the start of your relationship and do it efficiently, you can set a framework that allows you to increase profits by:

- Adding additional services
- Generating referrals (77% of clients will recommend to others after an excellent experience)
- Reducing client churn (59% of consumers walk away from brands based on poor experiences)
- Increasing the overall client lifetime value

On the other hand, when onboarding is inefficient, a host of problems emerge:

- Wasting time and resources
- A bad experience at the time when it's easiest for the client to leave
- Lengthening lag between the start and monthly services
- Associate growth with pain and fear expansion

What is included in this guide?

This guide includes everything you need to provide an excellent onboarding experience for everyone involved.

You will learn:

- ✓ What the ideal client onboarding process looks like
- ✓ Common challenges accounting firms face during onboarding
- ✓ How to streamline your onboarding process to make it more efficient
- ✓ Everything that should be covered in your own client onboarding checklist
- ✓ The steps to take today

Challenges

When firms get client onboarding wrong

Spelling out what a client onboarding process should look like is easy enough, but putting it into action can be difficult. Let's look at some of the common pitfalls that accounting firms fall victim to, which impedes their onboarding process.

1. Not taking the first step fast enough

The best time to get started with a new client is now. If your client agrees to work with you and signs a contract, that's when you want them to take the next action. When you have a client's attention, you want to help them move forward. If you allow the transaction to occur, then part ways, you run the risk of distractions coming up and further delaying the first step.

Delays prohibit growth because a backlog in onboarding causes internal chaos. When your team is forced to react, rather than having the capability to be proactive, resources become imbalanced.

2. Misaligned expectations

During any sales cycle, it's easy to make big promises. Your clients will remember these, so for a seamless onboarding process, it's critical that communication is aligned across your team. To prevent misaligned expectations and under-delivering, you should have templates for your sales processes, just like your other workflows. For example, your intake calls should walk through a series of black-and-white questions to help determine service levels and pricing. Your entire team and the client should be on the same page on what services will be provided, how many accounts the client has, and the various software systems being integrated.

3. Scope creep

Have you ever worked with a client who seems to demand more and more each time you connect? Scope creep is a common problem for firms that haven't set clear boundaries and expectations about services from the beginning. The creep becomes more severe each time you give in to these requests, no matter how small.

For example, you may have agreed to a standard reporting package including P&L, balance sheet, cash flows, and AP/AR delivered 21 days after the close of a month. You would also need to communicate what's needed from the client in order to meet that objective.

A few months later, what if your client starts asking for a 12-month rolling cash forecast every month? This type of scope creep is less likely when you have a strong onboarding process with transparent communication. You will also have communication to refer back to in the event that a client expects more. You can gently remind the client of what has been agreed to, and let them know if they want additional services, those are available too at an additional price.

Communication

The pillar of your client experience

Client onboarding commonly takes at least 6-8 weeks for accounting firms. But for firms that have developed a great process, it can be much quicker than that. The key component for these firms is communication. To improve communication, consider the following tips.

Eliminate silos

Onboarding should be a seamless transition from sales to accounting. Avoid creating the feeling that your business operates in separate silos. You don't want the client to feel like they are being "handed off" from sales to onboarding and starting all over again. And you don't want anyone in your team wasting time searching in the wrong places for information.

To make the experience flow, your sales team should be equipped with templated questions they need to ask of every prospect. When that prospect signs, these questions will be read and understood by the onboarding team so that they jump right in with the client to keep things moving.

To make sure everyone is on the same page, use a workflow management tool that centralizes communication. With Karbon, you are able to see the history of client communications and all relevant notes associated with the client relationship. Communication is often about context. Your accounting staff should be able to walk into any conversation with the proper context, which will provide confidence to the client that your team is working together.

Maintain a consistent experience

If you've bought an Apple product, you know it's more of an experience than a purpose. Every step, from their marketing to packaging to the initial steps with your device is a unified experience.

Your accounting firm has to also consider the experience of clients. From marketing to sales, to onboarding and their ongoing interaction. Take the time to define how your firm will communicate and evaluate whether the experience holds up to expectations.

Everyone loves a consistent experience, one that meets their expectations each and every time. Finding ways that you can offer the same level of excellence to your clients, with every account, every interaction is the best way to continue to build your brand reputation and client trust.

“Prior to taking an active look into our onboarding, it felt like it took forever, for everyone. Today, we can onboard a new customer within two weeks. We have a clear system that involves multiple team members working in the background to make things as easy as possible.”

— W. Michael Hsu, DeepSky

Streamlining

Making your client onboarding more efficient

For every common issue in the onboarding process, there is an effective solution. These techniques will improve the efficiency and effectiveness of your firm's client onboarding.

Make it a priority

It's all-too-common for client onboarding to be put on the backburner. Often a firm's focus is on two things: Getting new clients and serving them well. But none of that can happen without a streamlined onboarding process.

In order to succeed, you need to devote the resources—time and people—necessary to onboard clients smoothly. You need to have a strategy and team focused appropriately on something that is a critical function for your firm.

Develop and document a process

Develop a process that is easy to replicate, easy to understand, and easy to adopt internally.

This means you have a documented process that is accessible for the entire team. In Karbon you can document your onboarding process in a template, laying out every step in the process, who is responsible for carrying it out, and when.

For every new client, it's as simple as creating a new onboarding work item from that template, so that everyone is held accountable for what they're responsible for, and no task slips through the cracks. As the process gets refined and improved, the template can be updated, ensuring consistency and efficiency across your firm.

"Onboarding is more about project management than accounting. So if we can bifurcate a lot of the lower tasks and allocate them to lower-level people, our project managers can have 10% more time to focus and can take on an extra project." — Bruce Phillips, Aprio

Set proper expectations

Make sure that when the deal is closed, your client knows exactly what you can offer. This requires sales and account management to be on the same page.

You need to understand the client's goals and preferred style of communication. Do they prefer phone? Email? A certain day of the week?

At the same time, you also need to make it explicit what the client needs to provide to ensure a successful relationship. You are the expert, and your client is looking for guidance every step of the way to ensure a successful relationship.

Establishing the expectations right at the beginning will allow for an easier transition and potentially prevent miscommunication down the road.

Provide a roadmap to the client

Don't set expectations and forget them. Provide your client with a way to hold you accountable for your promises, and make it clear that they will need to be accountable too. For everyone, it's helpful to know where things are going. When you communicate with the client, don't just focus on the current step. Give them a view of where this is going.

It's useful to list out in bullet points the stages of the onboarding process. Give them a visual, like a checklist, of the steps that need to happen in order for onboarding to complete.

This checklist makes the steps manageable and keeps everyone on task. This also allows you something to refer to, in the event communication starts to break down. Rather than simply following up about the next step, you can approach the client in context—pointing out how close you are to completion.

Providing this roadmap is not only necessary for a successful onboarding experience, but it also demonstrates you are organized and prepared. You are showing you have done this with clients before and have the steps under control. These simple steps help you instill complete confidence in your clients.

Automate processes where you can

Many aspects of your onboarding process will be the same from client to client. You'll need to collect the same type of information and internally delegate similarly on each account. Creating a system that automates these common tasks and requirements can lead to huge time-savings. Additionally, it leaves less risk of human error.

Make use of a solution such as GoProposal or Practice Ignition to send your proposals and first engagements with clients. Integrate that system with Karbon so that the correct workflows are triggered automatically the moment your client signs their agreement. The first steps will already be underway and your team notified, without you needing to do a thing.

While rolling out a new system for automation, keep everyone on your team involved with the process and make sure they understand the benefits of the software.

"Nothing outranks the importance of clear and timely internal and client communications, but a close second is our relentless adoption of automated, paperless, cloud-based technologies and our continuous streamlining of the workflows that surround them." — Bill Mosca, Acocuntiful

Collaborative communication with proper context

As you interact with a client, you should be able to quickly identify the latest conversations that have already happened with them. Karbon consolidates your email conversations and allows the entire client team to see what's been discussed.

This keeps everyone on the same page, prevents you from making the client repeat themselves, and removes any chance that someone misses an important piece of context.

> **“The client is becoming part of your firm, so they need to know how to work within your processes. Every interaction with the client is a chance to show them how to work within your framework.”**

— Carla Caldwell, Caldwell Consulting & Training

Process

Your client onboarding checklist

1. Sales conversation

Your onboarding success starts before you even get there. The sales conversation is where you will begin extracting key information about the client's business that will help for a smooth onboarding.

2. Sales agreement

The proposal or agreement outlines what you will deliver to your client. When signed and agreed to, you have the green light to get started with your onboarding process. Tools such as Practice Ignition or GoProposal are ideal for this step. Starting prior to receiving this document is ill-advised as it means you could be wasting labor costs on a client who is not legally bound to payment.

3. Start workflow

The moment your client signs their agreement, it's time to keep the momentum moving. Use your practice management or workflow management system to pull information from the proposal and create the work items for onboarding.

You should have some type of welcome letter to the client providing clear expectations on what's about to happen. Lay out every detail of what you will be doing and what is needed from the client.

In Karbon, you can create a work item from your client onboarding template. This work item will outline the roadmap of the entire process.

To create an exceptional client experience, it's critical to assign dedicated internal resources to your new client so you're able to establish accountability. While determining internal resources for the account, it's also time to start building a roadmap to present to your client:

- Project summary
- What would make this a successful project for the client
- A rough timeline of the project
- Any research you have on the client
- What is needed from the client to complete the project

This is also a good time to determine which programs, apps and systems can assist you throughout the client relationship. A good practice is to have a standardized form that the client can fill out and make sure the necessary background questions are resolved.

Such as:

- Basic business information
- The main point of contact
- Logins and passwords to applicable software
- Preferred communication style

4. Kick-off call

When scheduling your kick-off call you want to create the most efficient experience possible. Use a tool like Acuity Scheduling or Calendly to provide a simple link to book time in your calendar. When the meeting is booked, try to use Zoom or another video conferencing tool to have some face to face time with the client. Meeting through video chat is a great way to build rapport with the client as you begin the relationship.

Now it's time to present your plan to the client. A kick-off call is a perfect time for you to set expectations with your client, provide a clear and detailed list of what they can expect moving forward, and build the foundation for your partnership. The more prepared you are, the stronger your foundation will be. And, generally, the sturdier you start the relationship, the more solid it will be for the years to come.

During the call, you'll want to pull out any questions or concerns that may be lingering. Most importantly, you want to provide a glimpse into where things are going. Let them know what is going to happen next and remind them of the roadmap you've shared before.

Never leave a conversation without a clear understanding of what is happening next and who is responsible.

5. Get the client connected and current

Once you've gathered all the necessary information to start services, a crucial point in the client onboarding process is to move as quickly as possible from historical data to current. If you are stuck because you are missing information, it's OK to be persistent and ask again for what you require. Make it clear that you cannot proceed with delivering their service until you have the information required. If you use Karbon, use auto-reminders to take care of the client chase for you.

Just as you want to avoid silos when moving a client from sales to onboarding, be careful to maintain consistency from the initial call to starting work. If you are providing advisory services and have a handle on your client's goals, keep those at the forefront for your team to remember as they work and communicate.

"Before Karbon, our data was all over the place and a mess. I had no idea who we were even onboarding, let alone how each client was going. Now, there is accountability that we never had before and I can see for sure how we are tracking in Karbon." — Adam Slack, Two Roads

6. Check up

Set a cadence for checking in with your client. Face-to-face or phone contact is critical, especially in the initial stages of the client relationship.

If you are progressing through historical information, update the client on your progress. In the early days of a relationship, silence can create doubt. Provide updates so the client knows you are making progress.

The end goal is usually a fully reconciled set of reports. If you have not arrived at that destination, provide a status update on what still has to happen to get there.

Clients who churn are more likely to do so within the first 90 days of service, so be proactive in your client outreach to quash negativity before it pops up.

7. Be prepared to make adjustments

While your team should have a proven process for communication and ongoing work, you need to make sure you're listening for pains from the client.

The initial sales conversation is great for extracting the scope of a situation, but you never truly know what you're getting into until you start handling transactions.

Ask yourself:

- Are you waiting on the client for anything?
- Are the reporting needs consistent with expectations?

- Does the client prefer email, phone, chat for communication?
- Are there additional services they need but didn't know to ask for?

Use the onboarding phase as an opportunity to refine the relationship between your firm and the client.

8. Begin the monthly work cycle

Onboarding is usually considered complete when you have a fully reconciled set of reports, access to everything needed for transaction data, and your client is set up and confident using any new systems they are required to. If you've reached this destination and are now moving into your monthly process for accounting, reporting and advisory services, don't stop the lessons.

Continue to keep in mind the client experience and keep communication consistent. Silos are a major source of frustration for clients who feel they are being "handed off" to someone else. Provide confidence for clients, by showing them that whoever they interact with is well-versed in the account.

9. Keep iterating and improving

In any system for your accounting firm, you should be seeking ways to improve.

Your onboarding is not a static process that never changes. You should be reviewing and adjusting based on feedback.

Try to review your onboarding every quarter and see if there is at least one small improvement that can be made. Maybe there is a step that can be automated or an email exchange that can be replaced by a simple form.

Any improvement you can make for speed or a better client experience can add up in a big way for the ongoing relationship.

"We are never satisfied to keep the same process in place if there is a better way to do something. We routinely ask our team members to tell us three things that they see that we can do in a better way." — Donna Bordeaux, Bordeaux & Bordeaux CPAs