

REPLACING
- THE -
RAINMAKER

WORKSHOPS

WHY NICHE AND WHICH NICHE

This workbook accompanies the audio workshop. It includes speaker's notes, which summarize the content covered in the workshop. It also includes activities, which you'll complete during the workshop, and a continuing education assignment, which you'll complete after the workshop. The continuing education assignment gives you a chance to apply the theory you learned in a practical setting. At the end, there's a quiz to test what you've learned as well as space to make notes and information on where to go to learn more.

SPEAKER'S NOTES

Learning outcomes

- You'll learn about the benefits of developing a niche.
- You'll learn how to choose your niche.
- You'll learn a process to help you decide where to specialize.

Building a niche

- A niche can be a service, in which case your firm would focus on a single service that appeals to multiple industries.
- A niche can be an industry, in which case your firm would offer an array of services to clients in a specific industry.
- Developing a niche allows you to cater to a specific set of clients.

Service the whole market

- A lot of firms position their business to meet everyone's needs.
- They figure the more services they offer, the more clients they'll win.
- They're trying to capture all segments of the market.

A sea of uniformity

- These generalist firms end up competing against every other firm in their area.
- Clients can't differentiate among all the generalist firms.
- As a result, they make a decision based on price.

Avoid the money trap

- You don't want price to be the determining factor for your clients.
- If price is the determining factor, you'll have to be the lowest-cost provider to win work.
- That means lower margins and less profit for you.

Choose to specialize

- Niche marketing has gained significant traction in the accounting industry over the past decade.
- Niche marketing is about defining categories of people to whom you'll target your business.
- Any firm that is serious about future growth needs to invest in niches.

Give them what they want

- By delivering niche expertise, you're giving clients what they want.
- Clients care about expertise and specialization.
- Clients want to trust that their accountant will give them accurate and authoritative information.

Focus your marketing

- Developing a niche allows your marketing efforts to become more focused.
- If you have a niche, you have a clearly defined target audience.
- You're speaking to a narrow segment of the market with very specific needs.

Deliver superior service

- Developing a niche allows you to become superior at meeting the needs of the niche.
- When you build a niche, you create a dedicated team that delivers a specific service.
- You develop a deep expertise in your chosen area.

Get the word out

- Developing a niche allows you to generate more referral traffic.
- If you can demonstrate your value to a client, chances are that client can refer you to new clients.
- It will be easier to develop referral sources if you can target your efforts.

More work, less time

- Your conversion ratio increases when you develop a niche.
- You gain experience in identifying client needs in your area of expertise.
- You become skilled at presenting a convincing case for your solutions.

Set your own price

- Developing a niche allows you to command higher pricing and compete on price less often.
- You should be able to clearly articulate what you offer that's different from the competition.
- You won't have to lower your price to compete; instead your expertise is your value proposition.

Replicate your success

- You don't have to limit yourself to one niche.
- Once you've built one niche, you can replicate your success to build other niches.
- You expand and diversify your client base while still retaining the benefits of specialization.

Reap the benefits

- As you develop a niche, don't give up on your generalist clientele.
- But your focus should be on becoming superior in a niche.
- It takes a lot of time to build and ultimately conquer a niche but it's well worth your while to do it right.

There's more to it

- Often a firm will think that just because they have industry expertise, they already have a niche practice.
- The two aren't the same and don't fall into the trap of thinking they are.
- A successful niche practice demands a lot more than industry expertise.

Quantify the investment

- Successful niche development will require investing in messaging.
- Successful niche development will require a significant investment in marketing.
- Successful niche development will require establishing yourself as an expert in your field.

Get your name out

- Successful niche development will require taking an active role in niche-specific associations and networking groups.
- Succeeding in a niche will depend on getting your name out there.
- When you're just starting out, you'll have to be aggressive about marketing yourself and finding clients.

Eyes wide open

- Invest in developing your expertise.
- Seek out opportunities to take niche-specific training courses.
- Perfect your unique service specialties and customize industry-specific software.

A lot of variables

- It's not uncommon for firms to pick a niche based on the number of clients they have in a particular service or industry.
- While there's some logic to that strategy, there are many more variables to consider.
- Variables to consider include profit and growth potential, the competitive landscape, your skills and contacts.

Choose the right people

- The first step in building a niche is appointing a niche champion.
- The niche champion corrals the group, sets targets and makes sure everyone stays on topic.
- When choosing a niche, consider whether you have a staff member who would do well as niche champion.

Choose the right people

- Everyone on your niche team should have demonstrated an interest in the chosen service or industry.
- When choosing a niche, consider whether you have enough staff members to fill out your team.
- You can't successfully build a niche if you aren't starting with the right people.

'Tis the season

- Another factor to consider is seasonality.
- Choose a niche where you can perform the bulk of the work during the non-busy season.
- You're complementing your generalist clientele, not replacing it.

Name your price

- Another factor to consider is profitability.
- Ask yourself: Does the type of work or absence of competition support higher margins?
- Consider your costs, breakeven point and margins as you assess the profitability of a potential niche.

Work your connections

- Another factor to consider is your strategic alliance partners.
- Ask yourself: Can we draw on existing alliances to network relevant contacts?
- You want your strategic alliance partners to introduce you to prospective clients and referral sources in your niche.

Work your connections

- When building a niche, you won't be able to rely on some of your typical sources of new business.
- Instead, you'll spend a lot of time networking professional contacts.
- Ask yourself: Do I have any existing professional relationships I can draw on to network relevant contacts?

Study the competition

- Another factor to consider is the competition.
- Ask yourself: Is there an absence of relevant competition in this space?
- It will be easier to get a foothold in a niche without much competition.

Analyze the market

- Another factor to consider is your target market.
- You want to understand how big the opportunity is.
- Consider how much demand there will be for the services you're offering.

Expand your offerings

- Another factor to consider is what other services you can sell to your niche clients.
- The best niches are those where your generalist clientele and your niche clientele are aligned.
- In these cases, your niche clients will become clients for the other products and services you offer.

Examine your client roster

- Another factor to consider is your client roster.
- It's always easier to start a niche if you already have clients in that area.
- Prioritize niches where you have the most "A" clients.

Which niche

- Armed with this information, you'll be in a position to choose your niche.
- Building a niche is an endeavor.
- Don't make a bad decision starting out.

Summary

- Developing a niche will allow you to close more business, command higher prices and face less competition.
- You'll be able to focus your efforts, as you'll be catering to a select group of clients.
- Do your homework when choosing a niche to understand the opportunities.

ACTIVITIES

If you're completing these activities on your own, please write down your answers in your workbook. If you're completing these activities in a group, please write down your answers individually. Then share your responses with up to two other people. Look for commonalities among everyone's responses and discuss any differences.

Activity 1

Which industry or service niches does your firm currently tout? What criteria has your firm used to separate niches from areas of "industry expertise"?

Activity 2

Propose a niche that your firm doesn't currently tout expertise in. Using the "X factor exercise" form located in the top right corner of your screen, score your firm on a scale of 1 to 10 in each of the categories listed for that niche.

CONTINUING EDUCATION

Do some additional research to substantiate the analysis you began in activity 2. If there's sufficient validity to your concept, share the idea and supporting research with your business development champion.

QUIZ

1. It makes sense to position your business to meet everyone's needs in an effort to capture more work, the rationale being that the broader you position your services, the more business you'll ultimately win.
2. Developing a niche allows you to cater to a specific set of clients who are interested in a particular suite of products or services.
3. If clients can't differentiate your services from everyone else's, more often than not you'll have to be the lowest-cost provider to win work.
4. One benefit of developing a niche is that your conversion ratio of prospects to clients increases significantly.
5. By developing a niche, you become an expert in your chosen field, generate more referrals, refine your marketing and attract clients from a wider geographic region.
6. A firm that already has industry expertise has a niche practice.
7. The best way to pick a niche is to choose the industry in which you have the most clients or to choose the service that you provide to the most clients.
8. The niche champion should corral the group, set targets and make sure everyone stays on topic.
9. It will be easier to get a foothold in a niche without much competition, so analyze who is currently in the space you're considering.
10. Personnel, seasonality, profitability, strategic alliances, competition, target market, other services and current clients are all factors for you to consider when choosing a niche.

NOTES

FOR MORE INFORMATION

For more information about additional workshops, or other Replacing the Rainmaker products and services, please visit ReplacingTheRainmaker.com.