How to Transition Clients

There are six steps that the firm should follow when transitioning clients from one relationship owner to another. It is recommended that you transition the clients over a two to three year period in order to make sure that you have time to make adjustments in the transition plan.

1. Identify key clients

Obviously, you do not have to worry about every client, but it is important to take care of your most important clients. If you have already identified clients as "A", "B" and "C" clients, then you have done a lot of the work.

When you identify key clients, you will want to take into account the following factors:

- Audit or tax client
- Annual fees
- Services provided
- Realization and profitability of the engagement
- Client reputation in the market place
- Importance of client to your niche area
- History of client services and service peculiarities about client

2. Identify key client advisors

Care must be taken when transitioning a client to a new service provider. The ideal situation would be to transition the client to another partner or manager who already has familiarity with the client. Having more than one person in the firm serving as a relationship manager is a foundational strategy for effective client transition. The

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retiring partner and the Managing Partner/Executive Committee should approve all transfers.

When you identify key client advisors, take into consideration the following factors:

- The individual's knowledge of the client and/or the industry/niche
- The chemistry and personality of the new advisor with the client
- The existing work load of the new advisor
- The willingness and enthusiasm of the new advisors to take on the client. Never push a key client account to another service provider

3. Upfront communication

It is important to involve the client in the transition process. This is usually a multi-step approach. First, you need to inform the client that you will be retiring in the next two to three years. Second, that as an important client of the firm, you want to make sure that they continue to receive the same level of service they have been receiving. Third, you want to discuss with them the potential person who would take over the account. Fourth, introduce them to the individual so that they can become comfortable with their new service provider while you are still with the firm.

4. One-on-one meetings

Key client accounts deserve and require a face-to-face meeting. This is an important time to let the client know your retirement plans and get their input into the transition plan.

As the new partner proceeds through the grooming process, all communications should be handled by the new partner. A post-engagement review is handled by the new partner and the transitioning partner. Finally, the "new partner" is ready to handle every aspect of the client relationship while the retiring partner assumes a supervisory position.

5. Maintain fees

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During the first year of transition, you will probably want to maintain current fees for the client engagement, or raise them slightly. It is important that you do not provide the client with opportunities to look elsewhere.

6. First year follow up meeting

It is important to have a follow up meeting with the client either after 6 months or one year after the new partner takes over. This can be done by the managing partner or the firm's marketing director. This provides the client with a vehicle to voice any dissatisfaction with the service or service provider.

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