**Reviewing Your Client List**

Now and then, it's a good idea to review your client list to assess whether you are still the best person or business to meet their needs. At the same time, it’s a chance to look at whether each client is someone you enjoy working with.

For each client, conduct a mini-audit and consider the following questions:

* What services are you providing?
* How much time and effort do you spend on each service?
* Are you being remunerated accordingly?
* Do you enjoy doing the work? Or do you go into interactions with this client with unease?
* Could you be offering more services to the client?
* Are you over-servicing and doing more than they need or are paying for?
* Is it a legacy client that no longer suits the niche of your business?
* Do you have an engagement letter in place? Does it need updating?
* Do you know what your client expects of you?
* Are you meeting the client’s expectations?
* Is the client meeting your expectations?
* Does the client respect your knowledge and advice?
* Does the client pay on time without dispute?
* Does the client refer business to you?
* Do you regularly have phone or face-to-face contact to check in with the business owner?

**Classifying Clients**

Doing a review like this can be instructive in objectively assessing whether you are the right person to look after the client and whether they are suitable for your business as it is now. We often feel that we have to hang on to legacy clients because they have been with us for so long, but it's not a given that just because they were a good fit once upon a time, they will remain so indefinitely.

Reviewing your client list highlights which services you provide most and allows you to analyse the time, knowledge, effort and technology required to provide those services. For example, it could be time to review your fees or invest in training or other support to deliver those services more efficiently. There are, of course, many elements that could be highlighted by doing such an audit. As another example, it could help you understand where you spend most of your time and effort and make decisions about scheduling priorities.

This process also makes it clearer to know what your ideal client is right now and, therefore, to minimise the risk of taking on a client who is not suitable for your business.

You may like to classify clients into Gold, Silver or Bronze, or Great, Okay and Bad – whatever simple classification works for you.

Then assess how many are in your bottom category and attend to those as a priority.

**Changing the Engagement**

Once you have conducted a review of your clients, it’s time to take the next step.

Congratulate yourself if you are happy with the relationship you have with all your clients! However, there will likely be at least a couple of clients you'd rather not work with or with whom you need to update the agreement.

There will be some clients that you will be happy to continue working with if they agree to an updated letter of engagement.

Communicate with your client. You may like to have a phone call or meeting initially, but follow it up with written confirmation of the outcomes of the discussion. Write a letter outlining what you require of them; for example, sign an updated letter of engagement with your new fees. For more challenging clients, you may need to spell out specific behaviours you require, such as providing documents by agreed dates, setting expectations around the timing of your work or implementing compliance requirements like paying employees correctly.

When it's clear and straightforward for clients, they will usually agree to your terms. After all, most clients do not want to find another BAS agent if they already appreciate what you do, but they may not realise that you are charging them the same fees as five years ago unless you tell them. They may not realise that they are late every month with the documentation you require unless you tell them.

Give the client a due date to accept the new engagement and terms, and be sure to follow up and thank them for their continued business.

**Ceasing the Engagement**

For some clients, you know it's time to let them go. So unless you are dependent on the income, consider letting them go to make room for new clients who better fit your business.

Although it’s natural to want to justify our decisions, it’s not a requirement that you explain your decision in detail to your client. You don’t have to get drawn into conversations about what’s wrong. Most business owners understand that there will be unexpected changes they have to accept.

There are a few general reasons you can use to let your client go easily.

* Due to changes in our business operations, we can no longer look after your business the way you need. For example, this could be reduced staff or deciding to focus on a particular niche industry.
* Due to changes in your business and bookkeeping needs, we can no longer provide you with the support you need.
* Due to implementing new systems and software in our business, we can no longer provide the services you need for your systems and software. This could relate to focusing on particular accounting software that your client does not use.

When you are giving notice to the client, specify the date you will terminate your services. Offer to conduct a handover to the new accounting technician.

**Freeing up Your Time and Energy**

If you conduct this review and realise that most of your clients no longer meet your needs, this will be draining your energy more than you realise. It will affect the way you work and potentially cause issues.

Whilst it may not be practical to have every client sitting in your ‘ideal client’ definition all the time, so long as the majority of clients are a good fit with your business, you will maintain enthusiasm and professionalism.

Allocate time within the next month (or at your next scheduled business review) to conduct your client review and free up your time and energy for new clients.

[AAT Engagement Letter Template](https://www.aat.org.au/AAT/AAT/Member_Resources/Templates.aspx)

[AAT Client Termination Letter Template](https://www.aat.org.au/AAT/AAT/Member_Resources/Templates.aspx)