

# **NATIONAL ASSOCIATION OF PERSONNEL SERVICES**

## **Independent Study Course Number 7**

This is the seventh in a series of independent study courses offered to certificate holders and members of the National Association of Personnel Services (NAPS). By completing this independent study course, individuals can earn Continuing Education Units (CEUs) that can be applied toward the maintenance requirement that NAPS has instituted for individuals receiving the Certified personnel Consultant (CPC) and Certified Temporary Staffing Specialist (CTS) designations after January 1, 1995. All individuals will be required to complete the examination section of this independent study course to receive credit. Those achieving a passing score on the examination will receive the .2 continuing education units (CEUs) associated with this particular course. Refer to the registration instructions on the last page of this study course for additional instructions. Future issues of *Inside NAPS* will include additional independent study courses.

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### **ACCOUNT ANALYSIS**

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The account, or client, is the lifeblood of the personnel services business. Yet, how often do you analyze your account base? Do you understand how you captured your accounts? Do you know which of your accounts are short-term and which are long-term clients? Are there accounts you should terminate or accounts who have terminated their relationship with you? Why?

Analyzing your account base takes time, critical thinking, and honesty. It may be a difficult process but the information you gather can assist you in focusing your energy and talents on those clients that are or will become long-term accounts.

Account analysis begins with your business plan. This plan identifies the volume and type of sales you need annually to maintain your production as well as your target for sales growth. Your personal business plan is often expressed in quarterly volume quotas and annual sales goals. Your business plan defines what you will achieve – account analysis defines how you will achieve it.

Current and potential accounts can be split into two categories: short and long-term accounts. The ideal account is the long-term account where you have a solid relationship with the client and you are their first source for staffing requirements. You have formed a partnership with the account and can annually identify the amount of business you will transfer.

Short-term accounts are those that have an occasional or one-time need for your services. You do not have a strong relationship with them and the long-term potential may be negligible. There is nothing wrong with doing business with a short-term account as long as

you recognize it as such and do not devote the same resources to this account as a long-term account. Categorize your current client base. Do you have a strong base of long-term clients that will provide sufficient business to maintain your volume? Do you have a mix of short- and long-term clients? What percentage does each category represent? You cannot count on an over-supply of short-term accounts to provide a sufficient production base to achieve your annual goals.

Once you have categorized your accounts, you need to turn your attention to account maintenance. Do you want to maintain a close relationship with your short-term accounts? Do those clients have the potential of becoming long-term accounts? If a short-term account seems to have long-term potential, how will you develop the relationship? Will the cost in time, effort, and resources pay off in increased business? If yes, when? Will it take a quarter, six months, a year? Does this account represent sufficient value to merit this attention? Remember, the resources you devote to developing short-term into long-term accounts will not be available to use with other accounts.

Long-term account maintenance requires outstanding customer service, creativity, and education. Each long-term account demonstrates that you provide the appropriate staffing solutions to meet the account's needs and deliver great customer service. That's why you are their primary staffing source.

Your creativity comes into play as you add value to the relationship through additional services. Do you provide salary surveys to your client without being asked? Are you one of their primary sources for market information in their industry? Do you alert the client to potential new business for their company? Are you as savvy as your client in the use of technology, making it easier for you both to do business?

There are many ways to add value to a relationship. If you know your client well, adding value will not require a monumental effort but will be simply responding to the partnership. Adding value to an account where you are developing a partnership will require a little more effort through such steps as gathering information about the account, learning their business plans, and finding out what types of additional services they would value.

Education is the third element in account maintenance. That means continually upgrading your skills and knowledge of the personnel services industry, as well as your knowledge of the personnel services industry, as well as your knowledge and understanding of the markets you serve. Sophisticated, educated clients do not have to partner with personnel services firms that do not match their level of sophistication. You need to be able to grow with your client and education is the key to this growth.

Termination is the third component in account analysis. No one likes to stop doing business with an account or have the account decide to terminate the relationship. But, whether we like it or not, it is a fact of doing business. Analyzing why you should terminate an account – or why you were terminated – will improve your account management skills.

The decision to terminate an account should be based on the analysis you complete. Most decision to terminate applies to short-term accounts. Most probably you have decided there is no long-term potential and the cost to develop the account outweighs the benefits.

Deciding to terminate or being terminated by a long-term account is much more difficult. You once categorized this account as long-term for a reason. What was that reason? Why and how did that reason change? Can you salvage the relationship or is it permanently damaged? Who, if anyone, made mistakes?

The answers may be economic. The account may have experienced an economic downturn and may have replaced you as the primary vendor with another firm who is delivering the same service at less cost. You yourself may have determined that the relationship is not profitable.

The answers could be business conditions. The client may have been acquired by or merged with another company and the primary staffing source is no longer your client's decision. Maybe the client is downsizing and has placed an indefinite hold on using your service. Or maybe you decided the industry your client is in has no long-term viability and the costs to serve him outweigh the benefits and rewards. The answers could be in the relationship. Perhaps you have outgrown the account or the client has outgrown you. Someone made a mistake and the relationship suffered. Or, possibly, your key contacts have moved on and you have not been able to establish rapport with their replacements.

Analyzing long-term account termination, while difficult, will assist you in maintaining your remaining accounts. You will learn to identify and solve deeper problems before they become insurmountable.

As you have seen, account analysis takes time, critical thinking, and honesty. However, the analysis will assist your future account development. You will become more sophisticated in the way you transact business beginning with the initial sales call and the allocation of resources. Account analysis will become your annual road map to achieving your goals.

## CONTINUING EDUCATION UNIT (CEU) REGISTRATION

Complete the registration information below and forward this page, continuing the independent study examination and your answers, plus payment to NAPS, 3133 Mount Vernon Avenue, Alexandria, VA 22305. The processing fee for the continuing education units for each NAPS independent study course is \$10 for members and \$20 for non-members. Feel free to reproduce the registration and examination page to allow additional individuals to apply for CEUs. Following receipt, each examination will be scored and CEU certificates will be issued to those who successfully pass the examination. Allow 3 to 4 weeks for examination scoring and CEU certificate processing.

Name: \_\_\_\_\_ Phone: (     ) \_\_\_\_\_  
Firm Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Current NAPS member \$10  Non-member \$20

## EXAMINATION QUESTIONS

Circle the letter of the response you believe to be correct.  
Be certain to answer all of the questions.

- 1. Account analysis is:**
  - a. making a list of clients
  - b. a road map to achieve annual goals
  - c. a list of potential clients
  - d. none of the above
  
- 2. Long-term account maintenance requires:**
  - a. filling orders
  - b. marketing calls
  - c. outstanding customer service, creativity, and education
  - d. sending newsletters and other information
  
- 3. Current and potential accounts can be identified as:**
  - a. active and inactive accounts
  - b. large and small accounts
  - c. key accounts
  - d. short and long term accounts
  
- 4. Adding value to your client relationship is achieved by:**
  - a. providing good customer service
  - b. providing qualified candidates
  - c. providing additional services
  - d. providing marketing information

5. **Analyzing long-term account termination will assist you in maintaining your account:**
- a. true
  - b. false
6. **An over-supply of short-term accounts will not provide sufficient production base to achieve your annual goals:**
- a. true
  - b. false
7. **Your business plan defines what you will achieve, your account analysis defines how you will achieve it:**
- a. true
  - b. false

### **Extra Credit Assignment**

Do a brief analysis of your accounts. Without identifying the client, discuss how you will turn a short-term account into a long-term account and why.