

TRANSITIONING THE TAX PRACTICE

A PRACTICAL GUIDE TO FOCUSING YOUR PRACTICE TO ELIMINATE MARGINAL CLIENTS AND MAXIMIZE PROFITABILITY

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FOCUS YOUR PRACTICE

- THIS SESSION IS ABOUT FOCUSING YOUR PRACTICE FOR SUCCESS
- CAN YOU AFFORD TO “PRUNE THE TREE?”
- CAN YOU AFFORD NOT TO?

THE CURRENT LANDSCAPE

- EXPANDING SERVICE AREAS
- SHORTAGE OF QUALIFIED STAFF
- PROFESSION IS AGING AT THE TOP
- INCREASING COMPLEXITY AND REGULATION IN ALL AREAS
- EXPLOSION OF OPPORTUNITIES
- STILL 24 HOURS IN A DAY

OPTIONS

- ADD STAFF (IF YOU CAN FIND THEM) AND HOPE THE PROBLEM GOES AWAY
- STOP TAKING NEW CLIENTS
- CONTINUE TO BE ALL THINGS TO ALL PEOPLE
- DEFER RETIREMENT

BETTER OPTIONS

- TAKE CHARGE OF YOUR PRACTICE
- DEVELOP FIRM DEMOGRAPHICS
- **S**trengths, **W**eaknesses, **O**pportunities, **T**hreats
A FIRM AND PERSONAL ANALYSIS
- STOP...START...CONTINUE....
- DETERMINE YOUR PERSONAL PREFERENCES AND GOALS

TAKING CONTROL UNDERSTANDING YOUR PRACTICE

- CLIENT RELATIONSHIP GROUPINGS
- CLIENT DEMOGRAPHICS
- CLIENT RANKINGS FROM “A” TO “F”
- TIME MATTERS-TRACKING WHAT'S IMPORTANT

CLIENT RELATIONSHIP GROUPINGS

- FINDING THE 80/20
- THREADED CLIENTS
 - BUSINESS ENTITY (MAIN ACCOUNT)
 - REAL ESTATE PARTNERSHIP
 - PERSONAL RETURN
 - RELATED ENTITY
 - FAMILY MEMBERS

CLIENT RELATIONSHIP GROUPINGS

- A BUSINESS REFERRAL SOURCE
 - LAW FIRM CLIENT
 - REFERS CLIENTS
 - SPECIALIZED SERVICES
 - BUSINESS VALUATIONS
 - ESTATE PLANNING
 - EXPERT TESTIMONY

CLIENT DEMOGRAPHIC

- TRADITIONAL GROUPINGS
 - AUDIT/ATTEST
 - ENTITY TAX
 - INDIVIDUAL TAX
 - ESTATE & TRUST

CLIENT DEMOGRAPHICS

- ALTERNATIVE GROUPINGS BY CLIENT ACTIVITY
 - MANUFACTURING
 - PROFESSIONAL
 - LEGAL
 - MEDICAL
 - RETAIL
 - WHOLESALE DISTRIBUTION
 - ESTATE & TRUST

PERSONAL PLANNING

- DEVELOP A PERSONAL PLAN
- CAN YOU KNOW WHERE YOUR FIRM IS GOING IF YOU DON'T KNOW WHERE YOU ARE GOING???
- WHERE ARE YOU IN THREE YEARS?
- WHAT DO YOU LIKE TO DO?
- WHAT DO YOU DO WELL?



CLIENT RANKINGS

- AN “A” CLIENT IS USUALLY ON YOUR 80/20 LIST. WELL ESTABLISHED, BUYS EVERYTHING YOU HAVE TO SELL, TIMELY PAYS
- A “B” CLIENT IS ONE THAT IS GROWING, MAY NEED ADDITIONAL SERVICES IN THE FUTURE. FUTURE “A” CLIENT
- A “C” CLIENT WILL NEVER NEED ADDITIONAL SERVICES. COMPLIANCE ONLY, GOOD PAYER. YOU WOULD TAKE MORE JUST LIKE THEM
- A “F” COULD FALL INTO ANY OF THE ABOVE CATEGORIES. HIGH MAINTENANCE, ABUSIVE, BAD PAYER. REFUSE TO PAY WHAT YOU ARE WORTH.
- PCPS TOOLS

NOT SURE?...JUST ASK...

- YOUR SECRETARY
- YOUR STAFF
- YOUR SPOUSE
- DON'T YOU ALREADY KNOW?

UPGRADING WHAT YOU HAVE

- CHEAPER TO UPGRADE THAN REPLACE
- DIAGNOSING THE PROBLEM
- SETTING STANDARDS
- PUT YOUR CLIENT ON YOUR TEAM
- RAISING THE FEES

STRATEGIC ALLIANCES

- OPTION FOR MOVING CLIENTS
- USING BOTH UPSTREAM AND DOWNSTREAM ALLIANCES
- FINDING THE RIGHT PARTNERS
- RULES OF ENGAGEMENT

A WORD ABOUT COMPENSATION

- IF YOUR COMPENSATION FORMULA STILL VALUES A BAD CLIENT...IT IS TIME TO CHANGE THE FORMULA
- PEOPLE WILL DO WHAT YOU PAY THEM TO DO
- NO ONE SHOULD LOSE FOR DOING THE RIGHT THING

DELIVERING THE NEWS

- PERSONAL APPROACH
- MAKE IT ABOUT YOU
- FOLLOW UP LETTER (PCPS TOOLS)
- TIMELINESS
- LEGAL ISSUES

CLIENT ACCEPTANCE FILTERS

- DO I WANT THIS WORK?
- DOES IT FIT? CAN I STAFF IT?
- DO I UNDERSTAND IT?
- EXERCISE COMMON SENSE
- USING FEES AS A FILTER
- ENGAGEMENT LETTERS
- GETTING OFF TO A GOOD START

**THANK YOU FOR BEING HERE AND
REMEMBER.....**

**ONLY WET
BABIES LIKE TO
BE CHANGED!!!**