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professional tax advice that is in their best interest, so why do you keep referring your clients to another financial professional for investment services?

Roger Ochs • Jan. 03, 2012

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As a tax and accounting professional, your clients already trust you to provide professional tax advice that is in their best interest, so why do you keep referring

your clients to another financial professional for investment services? Tax

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satisfaction, more referrals, practice growth and increased revenues, personal satisfaction and diversification of revenues.

Most clients want someone to help them because taxes and investments are confusing. They want to listen to someone they trust, like their tax professional, and they know you will not risk the relationship you have built with them by recommending some fly-by-night investment. They will respect you for helping them identify a need and filling it.

According to the AICPA's 2009 Top Issues Survey (www.aicpa.org/mediacenter), client retention is currently the most challenging issue confronting CPA firms in the United States. Retention is important to your practice, because offering new services to clients who already trust you is much more efficient, and cheaper, than persuading new clients with the same old services. And according to the Maryland Association of CPAs (www.macpa.org), the more services you can offer your existing clients, the more loyal they will become. These loyal, satisfied clients will refer others to you, which is a cost-effective way to expand your business.

Incorporating investment planning services into your tax practice can increase your revenue per client and generate more income per hour. By making more per hour, you can choose to lighten your workload during tax season by handling fewer clients or working fewer hours, which puts you in better control of your business and your life.

Financial planning revenues can outweigh revenues earned from tax clients alone, while overhead costs stay relatively low. According to a study by Tiburon Strategic Advisors, the average tax practice offering financial services has more clients and earns more revenue per client than a practice offering tax services alone. The study found that the average annual income opportunity for those practices offering

comprehensive services topped \$200,000, compared to \$54,000 for practices that

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potential to make more money per client, may also allow you to service fewer clients, freeing up more time and alleviating income shortfalls when your tax business is slow.

The First Step

Are you unsure how to get started with financial services? By leveraging the knowledge gained from preparing your clients' tax returns and understanding your clients' long-term goals and other personal factors, you can develop financial solutions. Many investment areas can be explored with clients by using their 1040s as a roadmap to start the financial planning process.

A simple review of line items on their returns can open a whole world of investment planning opportunities for your clients. This is one way to identify your clients' needs and begin the dialogue to help them fulfill those needs. Tax professionals just starting out in the investment arena may find it easiest to provide three basic types of investment planning for their clients: retirement funding, educational funding and risk management.

By reviewing your clients' income, exemptions, tips, wages and other information, you can start identifying your clients' needs such as insurance to care for dependents, college education funding and retirement gaps.

Of course, there is a lot more training involved in choosing the appropriate investment to solve the issues you may uncover by examining 1040 forms of your clients. Therefore, it is important to be aligned with a financial services partner that specializes in helping tax and accounting professionals and their clients, and who can provide the proper training, technology, support and turnkey solutions that will help identify and address your clients' financial goals.

I believe tax professionals are the most appropriate, and perhaps the only,

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Roger Ochs is the President and CEO of H.D. Vest Financial Services (www.HDVest.com), which was founded in 1983 by a CPA seeking to serve more of his clients' financial needs. Today, the company supports nearly 5,000 tax and accounting professionals, helping them to integrate comprehensive financial planning solutions and investment services into their practices, including securities, insurance, money management services and banking solutions.

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