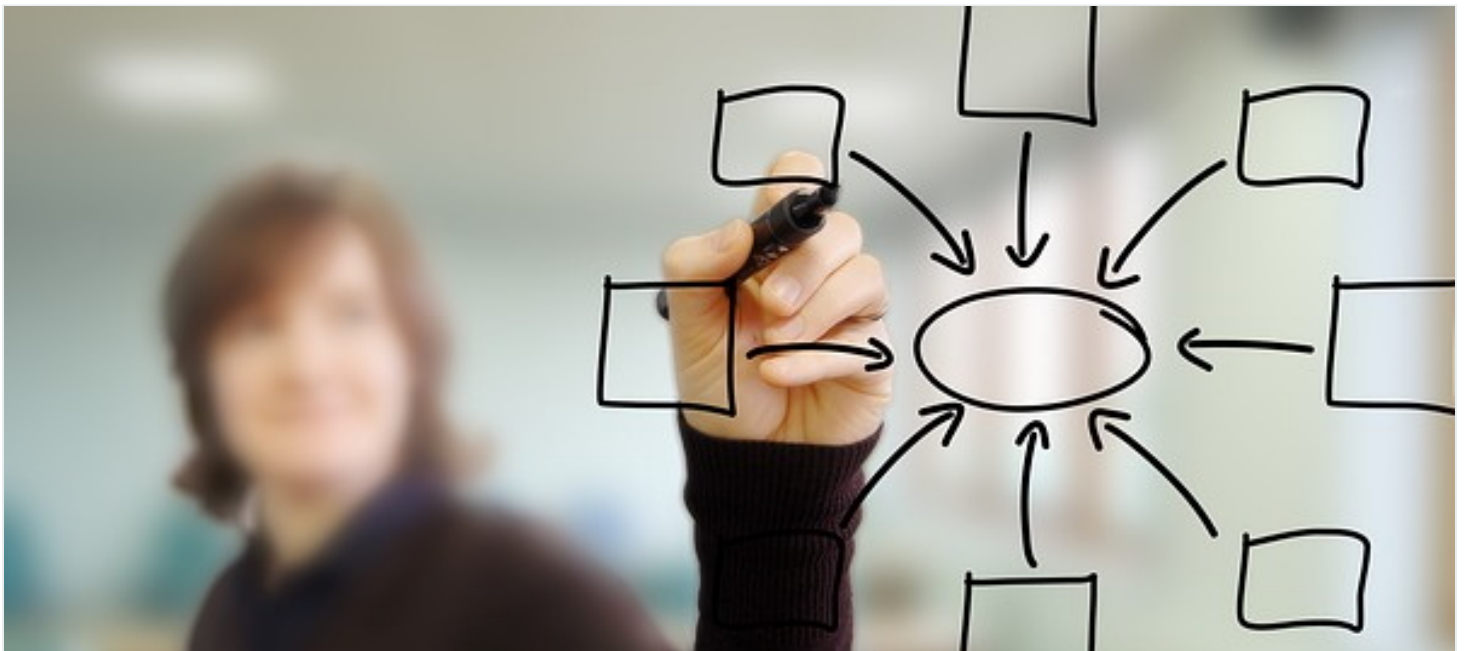


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Like your spring cleaning, it can feel like a daunting task to make significant changes to your business model. You could say "my clients wouldn't like a transition" or...

Jim Buffington • Jun. 14, 2021



Now that the 2021 tax season has ended, and after you've had a chance to take a breath, it's important to look ahead to the next year. Now is the perfect time to make those business transitions you've been putting off. Like your spring cleaning, it can feel like a daunting task to make significant changes to your business model. You could say "my clients wouldn't like a transition" or "my firm has been operating fine enough, why change," but that's a surefire way to leave potential revenue for your firm, and value for your clients, on the table.

While the concerns above are common, there are easy steps you can take to transition your business from a compliance to a tax planning and advisory services model, without compromising your business. You're closer to advisory than you think – you're likely already providing this service, and if you follow the road map

below, you can begin to transition your business model to value your knowledge and

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preferred as it allows you time to check in with your clients on any new updates they might not readily think to share. Ultimately, you and your client can work together to find a cadence that feels right. In between those meetings, check-ins via email or phone can also help in continuing to provide value. Many tax pros are likely already doing this.

It's also important to outline what you want to accomplish at each meeting. For example, getting a clear picture of their financial goals for the year at your first meeting or discussing progress made or important changes in the business during a mid-year check-in. The best question to ask of course is "what keeps you up at night?" That will help you uncover the most pressing financial worries and help you provide the right advice.

Finally, it will be critical to develop a process for answering those inevitable "i just have one quick question" emails. As any tax pro will know, there is no such thing as a "quick question." Most questions require reviewing client information, tax research, applicability, drafting communication and more. One question can easily turn into 30 minutes and then an hour or more. That is, ultimately, unbillable work in a non-advisory model. More importantly, the client might not be providing the full picture via email, leading to a potential recommendation that might not be the best fit. Instead of doing the research, you can reply with an ask for a conversation. For example, "I'd love to answer this question, but first I'd like to have a 15 or 30 minute call to chat through the question in more detail, so I can provide the best recommendation." You'll find that many clients are open and willing to chat.

Step 2: Test the transition

Once you have your system, you can begin to test it out on some of your most loyal clients. These clients are likely to understand the transition and value you're bringing, and see this as an enhancement and improvement.

Testing your process will allow you to see what's working well and what's not, and

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Step 3: Over communicate the rollout

Once you're ready to announce your advisory services model, the most critical step is communicating the change effectively, and in a way that underscores its value. Then, communicating it again and again.

Highlighting the value your clients will get with this new model – additional tax saving strategies, support for financial decisions, potentially improved financial standing or saved money, retirement and goal planning, risk management for potential future crises – will support successful buy-in from clients looking for real financial support, not just compliance work.

In fact, a 2020 Intuit survey found that 79 percent of taxpayers are willing to pay more for a tax professional's service if it will result in an improved financial outcome, like money savings and reducing tax liability. Providing examples of the ways in which you've helped other customers, or how additional planning and advisory services could make an impact to your clients at an individual level, will ensure they know this transition is only going to benefit them in the end.

In addition to communicating the benefits of the new model, it will be helpful to point out why the transition is important. Discuss with your clients that reactive tax preparation isn't helping them save the most amount of money or the best way to reach their financial goals. By connecting more often and aligning with their goals in more detail, you can not only implement more effective tax planning and tax advice, but you can also provide more business financial advice to help them realize their financial goals. from the get go, ultimately leading to the best return.

The thought of transitioning from a compliance model to tax planning and advisory services may be, understandably, nerve-wracking. Following the three steps above can help you make the change in a positive and productive way. In the end, your

clients will appreciate your expertise in helping to help them achieve the best

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