

HOW IT'S DONE



Creating a Flow of Business

One of your best referral sources may be CPAs.

Picture this...

You are sitting at your desk and the phone rings. It is Art Goebel, a CPA you have been keeping in touch with over the past couple of years. ***"This is Art. I have a client, Chester Chase, who runs a small service company with 23 employees. I have been reviewing his personal tax return and balance sheet. He has about \$12,000,000 in investable assets. I told him that you would be calling to give him some financial advice and I told him that he should do whatever you tell him."***

Calls like this one actually do happen, but they don't happen by accident. Let's take a deeper look at this phone call. What are the underlying elements that have gone into Art's referral?

- He has an "A" client who has substantial assets.
- In Art's opinion, Mr. Chase has not gotten the best advice on how to invest these assets.
- Art believes you can provide that "best" advice.
- He has a strong relationship with Mr. Chase.
- Art trusts you enough so that he is confident his relationship with Mr. Chase will not be affected in a negative way.
- In fact, it should be a win/win/win scenario, having a positive impact on all three relationships.

To put it in best practices parlance, Art is an advocate for you.

Creating advocates, whether they are clients or centers of influence is an important part of any client acquisition system.

Most advisors know that the best way to prospect is through referrals. If you need proof, analyze your book, you will probably find that very few of your best clients were cold calls. It is a safe bet that most of them were referred to you by your clients, friends or centers of influence.

This article will focus on developing centers of influence, specifically CPAs. A center of influence is anyone with influence in a network that you are interested in penetrating. They are willing to help you with introductions and insight into that network. Think about the network of an established CPA for a moment. How many clients and other professionals do they interact with that fit your Ideal Profile? How many assets do you think that CPA has under Tax Management? What if you could find three CPAs who had \$100,000,000 of assets under tax management and they trusted you enough to recommend their clients to you. What would that be worth to you AND the CPA?

Ok so you buy the idea, how do you make it happen? How do you develop productive CPA relationships?

Before you approach a new CPA prospect **learn about the business of being a CPA**

- Learn the lingo of the business. What roles do CPAs play?
- Understand the income tax forms – know where the problems and opportunities are on the tax form.
- Take a look at www.AICPA.com and [AICPA PFP Practice Portal](#) which is a resource

center to start or grow a CPAs business and cover client's personal financial planning needs. Here is the link:

<http://pfp.aicpa.org/Resources/PFP+Practice+Management/Practice+Portal.htm>

Start with CPAs that you know or have as clients. Have a cup of coffee with them to learn about CPAs and what they do. Learn about their problems. Talk with them as one business owner to another. You want to learn about their strengths, weaknesses, opportunities and threats. As a business owner you will find that you have much in common:

- They may need more good clients. They may have either too few clients or too many of the wrong kind of clients.
- They may be concerned about client attrition or client attraction. They may want to protect their relationship with their clients from the competition.
- They may be concerned about their competition and the number of services available through other firms.
- They may be concerned about technology and the increased use of self-help programs like TurboTax or other online technology.
- They may not have a focus on marketing.
- They may be spread too thin and have trouble blending their personal and business life.

What you need to do when meeting with CPAs

- Create some good questions such as:
 - Tell me about yourself: where did you grow up and where did you go to school...
 - Tell me what you like most about being a CPA.
 - Tell me what you like least about being a CPA.

- What do you see as the biggest threats to your business or profession?
- What are some of your concerns today?
- What do you think your practice will look like in five years?
- Have you considered adding financial planning to your list of services?
- Tell me about your business plan for this year.

- Share your business plan with the CPA. Talk with them about the questions above and how you have the same issues and concerns in your business.
- Demonstrate that you have experience and work with the type of client they have and are seeking.
- Have samples of your work and your sales process. In particular, focus on your fact finding (discovery) process. Demonstrate that you are client-centered, thorough and knowledgeable.
- Stay focused on the CPA's business; don't give the impression that you are there solely to increase your business.

Networking with CPAs

After you have learned a little about the business from CPAs that you already know, you may want to approach CPAs in your neighborhood. Do you know the other professionals in your building or building complex? You could even find CPAs the old fashioned way by looking them up in the Yellow Pages or by using: www.cpadirectory.com.

A most effective way to prospect among CPAs is to start with your best clients' CPAs. It is a great way to connect with the CPA because you are talking with him/her about your mutual client. It gives you an opportunity to show your work and demonstrate how good you are at what you

do. Before a CPA can refer you, he/she must trust you and value what you do. There is no better way to do this than by partnering with your client's CPA. Perhaps you could ask your client to set up a breakfast or lunch meeting with the CPA.

Creating a Partnership

In a few cases you may be able to talk with a CPA about the possibility of working together and splitting business. In many situations CPAs have found that doing both tax work and financial planning work is too time consuming and prevents the CPA from doing either job well. Another issue that may arise is the transition time to be viewed as an investment expert as well as a tax expert.

Check with your broker/dealer before you pursue this idea. There may be some restrictions with regard to splitting business. To avoid any possible conflict of interest issues, make sure that all of your dealings with the CPA and clients is fully transparent including the issue of compensation.

It Takes Time

Patience is required before you can get to the point where Art can easily and confidently refer top clients to you. By some estimates, grooming a CPA to this level of confidence is a three-year journey. During that time, you might consider offering some of the following.

- Approved one-hour seminars that provide continuing education credit for the CPA.

- Sharing quarterly advanced marketing newsletters or market briefs that you have access to.
- Inviting the CPA to business events or recreational outings sponsored by you, your firm or your company.
- Consider setting up a client teleconference with the CPA as the guest presenter. The topics may include tax planning for this year; or common items overlooked by taxpayers.
- Putting the CPA on your birthday and holiday card list.
- Being aware of any recognition the CPA receives in the media.

There are no shortcuts to earning the trust of a CPA or other gatekeeper, such as an attorney. Keep a clean, clear professional image, consistently demonstrate the value you can provide for their clients, and be persistent.

Eventually, you'll get a call like Art's.

Action Plan

1. Meet with your own CPA and discuss this article with them
2. Set up a marketing plan to meet other CPA in your neighborhood
3. Meet with your clients and ask them to set up a lunch or breakfast meeting with their CPA.
4. Uncover two or three CPAs who may be willing to partner with you and share business.

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Ed Howat has been a sales trainer and coach for the past 13 years. His primary focus is coaching financial advisors and sales managers. Ed started his career with Northwestern Mutual as a Special Agent and then moved to sales management as a District Agent. Ed then joined Manulife Financial, holding positions as an Agency Manager, Wholesaler and Sales Training Director. He later moved to Nationwide Financial as Field Training Manager and worked with wholesalers and sales managers.

Ed believes that it is important for experienced, successful people to mentor the next generation of financial planners by passing on knowledge and skills.

Experienced people need to take on the role of "elder" and help people succeed. It is up to those who have enjoyed and prospered from their careers as financial professionals to pass on their wisdom, knowledge, experiences and insights.

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Al is a graduate of the University of Notre Dame After graduation, Al combined his Liberal Arts studies with 10 years of management experience in the McDonald's Corporation (including a BH degree from "Hamburger University") to enter the financial services world 25 years ago. Since then, Al has evolved from an award-winning sales rep into a full-time consultant specializing in helping advisors engineer their business practices to the proverbial "next level" through the use of transferable systems.

Al is the author of "**How To Build Your Financial Advisory Business And Sell It At A Profit**" (McGraw-Hill, 2009) and is the creator of "**The Practice Management Assessment**" diagnostic tool and best-practices resource materials. He has authored numerous articles in professional and mass-market publications, most recently Horseshoeth, Wealth Manager and GAMA International. He writes a popular monthly column for "Mitch Anthony's Intuitive Advisor" newsletter where he offers practice management insight to financial advisors. Al also serves as the national Practice Management Consultant for Securian (Minnesota Life). He has also worked with advisors from Waddell & Reed, Morgan Stanley, LPL, State Farm, Prudential, NY Life, Wachovia, and many independents across the country.

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