

***REPLACING***  
***- THE -***  
***RAINMAKER***

***WORKSHOPS***

***TAX PLANNING***

This workbook accompanies the audio workshop. It includes speaker's notes, which summarize the content covered in the workshop. It also includes activities, which you'll complete during the workshop, and a continuing education assignment, which you'll complete after the workshop. The continuing education assignment gives you a chance to apply the theory you learned in a practical setting. At the end, there's a quiz to test what you've learned as well as space to make notes and information on where to go to learn more.

## ***SPEAKER'S NOTES***

### **Learning outcomes**

- You'll learn how to use tax planning as a tactical tool to help your clients.
- You'll learn how to use tax planning to open a broader conversation about your client's future.
- You'll learn a specific process to generate new business opportunities when preparing and reviewing tax returns.

### **Tax planning**

- Tax planning is one of the core services offered by most accountants to their clients.
- Tax planning can be used as a tactical tool to immediately minimize a client's tax liability.
- The process of preparing a tax return can be converted into a broader conversation about your client's future.

### **Look to the future**

- Tax planning often involves looking at current financials and projecting year-end taxable income.
- The accountant brainstorms how to push income into the next year and accelerate expenses or deductions this year.
- The process concludes with informing the client how much they'll end up owing in taxes.

### **Look to the future**

- Most accountants go through the tax planning process with their clients twice a year.
- Tax planning helps clients determine necessary cash outlays and avoid underpayment penalties.
- There are significant business development opportunities waiting to be uncovered as you go through this process.

### **Tactical tool**

- A productive tax planning experience should almost always lead to better outcomes for everyone.
- For clients, the value in tax planning comes from the fact that tax planning is a tactical tool.
- You review their financials and offer suggestions for how to immediately minimize their tax liability.

### **Good news opportunities**

- Tax planning helps you solidify your value with a client.
- Tax planning creates a "good news opportunity," which is the perfect time to ask for new business.
- The formula for business development success is "do good work times asking."

### **Trump the computer**

- Tax planning is a great way to differentiate yourself from do-it-yourself software programs.
- You're providing your clients with peace of mind by helping position them for the upcoming year.
- Most software programs don't do that.

### **Discover the future**

- Tax planning serves as a gateway to a broader "discovery planning" conversation.
- Discovery planning contrasts a client's current reality with their envisioned future.
- Tax planning is to tactical thinking what discovery planning is to strategic thinking.

### **Tax planning for all**

- Often with tax planning, accountants focus too much on just running the numbers.
- They don't recognize that tax planning presents a broader opportunity to serve their clients.
- They miss out on an opportunity by not extending tax planning to all their clients.

## **Make it a habit**

- Tax planning should be part of the package extended to all clients.
- Don't miss out on business opportunities just because someone doesn't speak up or pay enough in fees.
- Sit down with each client to make predictions for the coming year and to assess if they should adjust their strategy.

## **Look for immediate benefits**

- Clients like tax planning because they often see immediate results.
- Ask enough questions to uncover ways for the client to seize opportunities or minimize liabilities.
- Ask ahead about any impending changes, such as a new job or a new baby.

## **Go back to the future**

- Use tax planning to open a broader "discovery planning" conversation.
- Tax planning gives you the perfect chance to show that you're more than a commodity provider.
- With discovery planning, you're trying to understand their goals and uncover the totality of their needs.

## **Tax planning, summarized**

- Tax planning should take place regularly and in person and should be offered to all your clients.
- Focus on generating immediate benefits for your clients.
- There's a value in hiring a real live accountant and tax planning is a great way to demonstrate that.

## **Observations and ideas**

- There's another tax planning strategy to consider called "Tax Planning Observations and Ideas."
- It's a way to convert the exercise of preparing a tax return into a broader conversation with a client.
- While preparing their return, you identify specific ideas that will benefit your client.

## **Observations and ideas**

- Begin by preparing a list of observations that you might encounter while completing a tax return.
- Then prepare a list of ideas that correspond with each observation.
- Identify three relevant observations and ideas and send your suggestions in a letter to your client.

## **Formalize the follow-up**

- This process connects tax planning with a more meaningful conversation about planning for the future at large.
- You're adding formalized follow-up to the process of preparing a tax return.
- This follow-up adds real value to the client relationship by capitalizing on a routine compliance process.

## **The known and unknown**

- The goal is to start a broader conversation with your client about strengths, opportunities and fears.
- The observations and ideas process formalizes the tax planning conversation and gives it an agenda.
- You begin with a conversation about planning for the known and convert it into a conversation about preparing for the unknown.

## **List your observations and ideas**

- The first step in the process is to draft your list of observations and ideas.
- For each relevant line item, you would outline possible observations and corresponding ideas.
- For the "Wages" line, your observation might be that your client isn't contributing to a retirement plan and your idea might outline their retirement plan options.

## **List your observations and ideas**

- Make an observation and idea for every relevant line in a return.
- No one individual will fit all of these scenarios.
- You're just creating a master list that you'll check off accordingly.

## **Work now, save later**

- You're doing a bit more work upfront to save yourself time later.
- Once you've made your list, everyone across the firm can take advantage of it.
- It won't take much additional work to generate each client letter.

## **Integrate an administrative process**

- It should be easy for the individual preparing the return to note the relevant observations and ideas.
- The appropriate engagement partner should review and sign off on any observations noted by the preparer.
- Forward the completed observations sheet to an administrative assistant or business development coordinator.

## **Merge the observations into a form letter**

- The administrative assistant should merge the appropriate observations and ideas into a form letter.
- You may have identified a multitude of observations, but don't include more than three here.
- Once the engagement partner or senior manager has signed the letter, send it to your client.

## **Write a letter**

- The letter should begin by explaining your firm's proactive approach to tax planning.
- List the three observations and ideas that you identified.
- Don't go into great detail, just include a brief summary.

## **Follow up with the client**

- Call the client within a week to schedule a phone appointment.
- The goal of the phone call is to get the client to come in for a face-to-face meeting.
- Discuss the observations and ideas contained in the letter in more detail.

## **Track follow-up**

- Track the dollar value of opportunities and new business generated.
- This will help you monetize the initiative and know how much value you're getting.
- As with most business development initiatives, if you can't measure it, you can't manage it.

## **Reward your team**

- Recognize, reward and compensate your staff for bringing in new business.
- Often new business from existing clients gets lost, and isn't counted as new business.
- By rewarding a job well done, you'll make it clear that your tax planning initiative is important.

## **Don't drop the ball**

- The point of sending a form letter is that it ensures that every client receives this service.
- A letter gets the process moving, which means you aren't dependent on the efforts of individual accountants.
- Not all clients will respond to the letter, but you still need to follow up.

## **Don't run from the conversation**

- Accountants need to be comfortable having an open-ended, future-oriented conversation with clients.
- To do that, they don't have to be an expert in everything.
- They just have to ask smart and insightful questions that get the client talking.

## **Don't run from the conversation**

- Provide training sessions, where accountants practice their interview techniques.
- Provide lunch n' learn sessions to help accountants learn about services outside of their areas of specialty.
- Educate your staff about all of your firm's product and service offerings.

## Observations and ideas, summarized

- By identifying more ways to serve your clients, you're demonstrating your commitment to them.
- You're taking a simple compliance process and turning it into a vehicle for business development.
- You're connecting the tactical tool of tax planning with a more strategic conversation about the future.

## Summary

- The first tax planning strategy focuses on expanding the business development value of tax planning.
- The second tax planning strategy offers a new form of tax planning centered around observations and ideas.
- In both cases, these are services you want to offer to all your clients.

## ACTIVITIES

If you're completing these activities on your own, please write down your answers in your workbook. If you're completing these activities in a group, please write down your answers individually. Then share your responses with up to two other people. Look for commonalities among everyone's responses and discuss any differences.

### Activity 1

What new business opportunities are you most likely to generate via tax planning and why? How would you go about uncovering a need for additional services?

### Activity 2

List three observations and ideas for a typical individual, entity or non-profit client. For each, explain how the client would benefit if they put those ideas into practice.

## CONTINUING EDUCATION

Participate in or lead a tax planning meeting with a client. Conduct a post-meeting review to identify positives, concerns and areas for improvement.

## QUIZ

1. Tax planning is a process that involves projecting taxable income, brainstorming how to reduce income and increase deductions and forecasting actual tax liabilities.
2. For clients, the value in tax planning comes from the fact that tax planning is a tactical tool. You review their financials and offer suggestions for immediate actions they could take to minimize their tax liability.
3. Your clients probably don't know all the ways you can help them. It's on you to start the conversation.
4. Tax planning is not a gateway to a broader "discovery planning" conversation around hopes, dreams, fears and more.
5. The observations and ideas process connects the conventional practice of tax planning with a more meaningful conversation about planning for the future at large.
6. In crafting tax planning observations and ideas, you're drawing on your knowledge to create a comprehensive list of possible liabilities or opportunities that an accountant might uncover in the course of completing a tax return.
7. It's not important to follow up a tax planning observations and ideas letter. If the client sees value in the offering, they'll call you.
8. Tracking the conversion of letters into calls into meetings into opportunities into won business helps you to monetize the initiative and know how much value you're getting out for the effort you put in.
9. Accountants have to be an expert in every aspect of planning. It's not enough that they're able to ask smart and insightful questions that get the client talking.
10. All forms of tax planning help you strengthen your client relationships and uncover new ways to serve your clients.

## ***NOTES***

## ***FOR MORE INFORMATION***

For more information about additional workshops, or other Replacing the Rainmaker products and services, please visit [ReplacingTheRainmaker.com](http://ReplacingTheRainmaker.com).