

CPA System Manual



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What could be better than referrals from CPAs and accountants?

Pretty much... NOTHING!

It ends up that getting in front of CPAs and accountants is easy *(more on that later)*

Yet, how many advisors have cracked the code to getting accountants to refer to them? Woefully few. Why is this the case? It seems like a match made in heaven doesn't it? Well it certainly does from an advisor's point of view... but let's look at the accountant's point of view.

Accountants have several characteristics that make them hesitant to refer to us (Caution: the below statements are generalizations and may not apply to all accountants... but if they didn't apply to the VAST majority of them... why don't we get more referrals from them?):

- According to many surveys... accountants are the most trusted of all professionals
- Accountants hold that trust sacrosanct
- Accountants generally look at all financial advisors... not as advisors... but instead as salespeople looking to make a profit off their clients
- They look at themselves as professionals and don't feel right in being compensated for referring their clients
- Even if they are interested in being compensated... they are afraid of having to tell their clients that they are getting paid for the referral. It makes them feel cheap and unprofessional.
- It's a Catch-22—because they don't feel right about being compensated, they have no reason to refer...
 - No monetary reason since they don't want to feel “dirty” by getting paid for the referral
 - No reason to “help us help their client”—because they look at us as salespeople vs. advisors
- It has taken them years to build their practice and this allows a predictable stream of returns... (thus income each year). They DO NOT want to screw that up.

These characteristics can be broken down into 3 basic objections CPAs have to referring:

1. Don't trust us as advisors to do the right thing for their clients
2. Don't want to feel “dirty” being compensated for the referral
3. Don't want to screw up the predictable stream of income that comes from doing their clients' taxes every year

These three objections are why every other CPA Referral program has failed. They don't address all three of these objections!

What if you could overcome all 3 of these objections...with just a few questions?

It is an unbelievably easy script to use with CPAs and accountants. It takes maybe 5-minutes, and it uses the 5Q, tried and true, technique of asking logical questions that lead the CPA or accountant to the conclusion that they should work with us.

But before going into the exact script... let's talk about HOW the script overcomes those big 3 objections (and possible 4th and 5th objections as well):

① They don't trust advisors to do the right thing for their clients

What is the easiest way to gain somebody's trust? To say, "Trust me"?

Nope. That does not warrant trust. Do Things that Create Trust BEFORE You Ask For Trust. How do we do that with the 5Q system? We use the NON-financial portion of the 21-Point Checklist to demonstrate that we care about the client **before** we even talk about the money.

We help them with many things we don't get paid to do... This is what develops trust with the clients.

How do we develop trust with the CPA or accountant? The 1st step is to walk them through the 21-Point Checklist. Show them all the things we do for the client that puts the client in a better position for which we receive NO financial compensation.

We will then use this when we ask our 9 questions.

② Accountants don't want to feel "dirty" by getting paid for making the referral

Accountants and CPAs don't want to:

1. Get paid on a commission split because that makes them feel unprofessional
2. They are afraid a client will ask them if they are getting paid for the referral

There is a simple solution to this... change the framing of the compensation. Turn it from something they aren't comfortable with... into something they do every day—charge a set fee or charge as billable hours.

So, instead of the hassle of getting them licensed... commission splits... dragging their feet because they don't want to be viewed as being a salesperson or taking advantage of their client... we simply have the CPA charge a fee. And WE pay the fee.

You'll see exactly how we do this in the script later.

An example of how you could set the fee structure up would be:

- Accounts less than \$250,000, the CPA would get compensated \$1,500
- \$250,001 to \$500,000, the CPA would get compensated \$3,000
- Accounts greater than \$500,000, the CPA would get compensated \$6,000

Again, you'll see how this is framed in the script.

③ They don't want to screw up the predictable stream of income that comes from doing their clients' taxes every year

When most advisors approach CPAs... they want the CPA to refer a great client to them. Well, if they are a great client, chances are they provide the CPA or accountant a reliable source of income (fees) every year. They do NOT want to put that at risk so hence the CPA is not interested in pursuing a joint venture.

We do the opposite (what else would you expect from 5Q?☺). We want them to refer a horrible client... or a client that is a pain-in-the-rear for the CPA. Why would we do this?

Think about it. If one of the CPA's fears is losing a paying client... don't ask for a client they don't want to lose, instead ask for a client they would want to get rid of! This provides a Win-Win for the CPA:

- Either #1—we change a problem client into a great client using the 21-Point Checklist.
 - This is a Win for the CPA because he/she gets paid AND now has a nice client instead of a pain for a client.
- Or #2—the client gets mad about the 21-Point Checklist (right, like that is going to happen) and decides to leave the CPA.
 - This is a Win for the CPA because now the problematic client no longer wants to work with the CPA and hence leaves.

Obviously, #2 is not going to occur, but the CPA has never experienced how clients react to a 21-Point Checklist. Now we've removed the worry of hurting their book of business, and thus their ongoing income.

This is how we begin the relationship, but after some success the CPA will begin referring us to their better clients.

④ (Possible 4th objection) CPAs and Accountants Hate Rejection

Some CPAs and accountants find it difficult to call up their clients to schedule an introduction meeting with you. We can overcome this reluctance in one of two ways.

1. Ask the CPA when they last did a client appreciation event for their clients. What will they answer? NEVER. Then walk them through the Outside the Box presentation so that they can

see it is both fun and informative... but NOT a sales pitch. Show them the template for the Lunch & Learn (LNL) Warm List Letter and the LNL flyer. They will see the whole approach is very low key and fun.

2. Ask the CPA to send a letter to their client to get them to come in and meet with you (*you can find this letter in the addendum*).

Either way, the CPA does NOT have to pick up the phone and call... and their clients that come in self-select themselves.

⑤ (Possible 5th objection) They Don't Have Time

Let them know that you'll pay for the mailing costs, food costs, etc. It would be best if you could arrange these in his/her office. By doing this, the time commitment for the CPA will be minimal. They can simply introduce you and go back to work if they wish... or they can join you and their clients for lunch. Hey! They gotta eat, right?

The Pre-script

You will use the outline below AFTER you have walked the CPA or Accountant through the 21-Point Checklist. You will want to use an actual printed copy of the 21-Point Checklist to walk them through the points and the consequences of the client not having each of these items done.

Relate as many of the topics as possible on how that topic makes the CPA's life easier (think Survivor's Guide)!

Emphasize that you are the ONLY person authorized to use the 21 in your county or immediate area (or however people think of their region i.e. Tri-City area... Lakes Region... Southeast Minnesota... etc.)

You want to make sure the Tax Professional is on board with the value of the 21 prior to utilizing the script. They need to understand the ramifications of someone not having these 21 separate issues done... and the fact that you address those issues without getting paid.

Once you are certain they understand the value of the 21... then, launch into the script.

The Script

Keep in mind this is only an outline for the script (*you can find the full scripted conversation on the 5Q Members website*).

Outline of Questions:

1. *Do your clients ever move their investments from one advisor to another?*
2. *Have you ever seen any other advisor do the things you see here in the 21?*

3. *Does moving their investments (whether tax ramifications or not) require more oversight on your part?*
 - a. *Ensure rollovers are truly direct*
 - b. *Not more than one rollover occurred*
 - c. *Are gains taxable or not*
 - i. *Could there have been tax loss harvesting?*
 - d. *Etc.*
4. *Do other advisors pay you for your time in performing this oversight?*
5. *They make the money and you make what?*
6. *That's why I pay my new client's accountant a 1-year retainer fee to compensate them for their oversight*
 - a. *My clients rarely see tax ramifications... but do you still have to do the oversight to make sure all the documentation is correct?*
 - b. *It's only fair that you get compensated to do your job, right?*
 - c. *Consider:*
 - *Accounts less than \$250,000, CPA would get a 1-year retainer (or oversight fee) of \$1,500*
 - *\$250,001 to \$500,000, CPA would get an oversight fee of \$3,000*
 - *Accounts greater than \$500,000, CPA would get an oversight fee of \$6,000*
7. *Clients will, at one point or another, move advisors so...*
 - a. *Would you want them to move it to an advisor that cares enough to do the 21 Point Checklist?*
 - b. *Would you want to get paid for the oversight that you will inevitably do when they move to another advisor?*
8. *How long did it take you to build your practice?*
9. *Should you risk the work you put into it?*
10. *Do you have "pain-in-the- behind" clients?*
11. *What would the risk to you be if we tried this out on your "Pain-in- the-behind" clients?*
12. *Would it be easier to call these clients (or just send them a letter) and no harm, no foul?*
13. *Why would this be a Win-Win?*

If they balk at your suggestion (use this follow up script)...

*"Nearly every time I've had a client come in the door and asks me about finding someone different to do their taxes, **their reason for wanting to leave their current tax preparer is the same.** Whether it's true or not.... they believe they are paying a lot of money and all they feel they are getting at the end of the day is a bill from the preparer and a voucher to pay what they owe. **All of these DIY tax programs and***

their advertisements have them believing they don't need me OR you. Simply put, there is insufficient perceived value in what they are getting for their money.

Here is how I believe that you can **easily add value for your clients** using software that costs you nothing. It's the 21-Point Checklist.

You could probably increase your fees by 50% with your existing clients by taking one more hour per engagement (or better yet have someone else do it for you) and doing some analysis to help your clients with some of the guidance they are looking for. You already have the information at your fingertips. You've just reviewed their taxes. **What if you spend an extra 20-minutes** doing some analysis on the rest of their financial situation?

Here's how the 21-Point Checklist works to do just that."

Where Do You Find the CPAs?

You should be looking for one and two-person CPA offices. You can find them a number of ways but here are the four I recommend (*in order of priority*):

1. Your CPA
2. Your friend or acquaintance, who is a CPA
3. Your client's CPA (get an intro... we'll talk about that in a second)
4. Cold call CPAs for lunch

Get an intro from your clients to their CPA

At your clients annual review, ask them whether they think it would be a good or bad idea for their professionals to know each other? Once they agree it would be a good idea, then share with them that you have found having close relationships with your clients' CPAs is invaluable. Its...

- Easier on the client
- Easier on the CPA
- Easier on you
- Provides less mistakes
- Etc.

Ask them if it would be OK for you to take their CPA out for lunch. After they agree, see if they would be willing to send a letter to their CPA letting him/her know that you will be calling them to take them to lunch. This will allow you to get to know them, so that things will go smoother for everybody in the future.

When they say yes, let them know that you have been using a standard letter for all your clients and ask if you could share that with them. Have the letter pre-printed if you know their accountants name (check the tax return copy from your 21).

Let them know that if they sign it, you would be happy to take it with you and mail it for them. *The letter template can be found in the addendum.*

Make It Easy for the CPA to Get You In Front of Their Clients

You must make it as easy as possible for your CPA to get you in front of his/her clients. Briefly talk about the two ways you could do this:

1. A client appreciation event for their clients.
 - a. Walk them through a possible presentation so that they can see it is both fun and informative... but NOT a sales pitch.
 - b. Show them the template for the invite you'd use along with a flyer. They will see the whole approach is very low key and fun.
2. The CPA sends a letter to their clients getting them to come in and meet you (*see addendum for letter*).

Either way, the CPA does NOT have to pick up the phone and call anybody... and the people that agree to meet, self-select themselves.

If the CPA chooses the Client Appreciation Event

You will use a modified Lunch & Learn approach:

- The CPA puts together a list of people that fit our demographic (60-75)
- The CPA Invitation Letter Template (*Warm List*) and the LNL Invitation Flyer are mailed together signed by CPA and mailed on **CPA's letterhead and envelope.**
- Try to get these small get-togethers in the CPA's office conference room if available (if not, use a restaurant)

Intro at the Presentation

You might be asking why I'm here today! <Accountant name> saw this presentation and thought it was both fun and covered a couple of easy, free things you can do to really put yourself in a better position. I know <accountant name> really appreciates you as clients and that's why he put together this little get together and asked me if I would be willing to do the presentation for you. So here we are! We'll have some fun... learn about a couple of easy things you can do to put yourself in the best position possible... and have a little lunch. Sound like a plan?

If your income has plateaued... if you are spending more money but seeing less people... if it's time for a change, we're interested in speaking with you. For over a decade, Mike has been quietly taking good producers to levels three and four times their income level, within three years of using the 5Q system.

Email: support@5qgroup.com \ Phone: 1-877-941-9710

ADDENDUM



CPA Invitation Letter Template

This will be mailed out on the CPA's personal Letterhead and Envelope with invite on the following page.

[CPA LETTERHEAD]

Dear [Mr. & Mrs. Smith],

I know that [summer] can be a busy time of the year, but I have some really essential information that I need to share with you. "Essential information" may sound a little boring, but I promise, we have packaged it in a fun way. You can sit back, laugh a little, meet some new people and enjoy a catered complimentary lunch. I believe it will be worth your time and you'll be happy you joined us.

Please call my office and let us know which of the two dates works best for you. I'm looking forward to spending a small part of an afternoon with you.

Best Regards,

[CPA's Name]

Invitation

This will be folded like a greeting card and included with the CPA Invitation Letter.



CPA'S LOGO

Join us for FREE fun and laughter

...and don't be surprised if you learn a thing or two!

Keeping mentally active and getting social interaction are 2 of the most important things you can do to stay young.

Join us for a couple hours of brain-boosting fun! We'll learn a bit, have some laughs, and wrap it up with lunch. What better way to spend the afternoon?

This informative event is by invitation only for adults age 55+. Feel free to bring your spouse and two adult guests age 55+.

Here's some of the fun... and brain-boosting we'll do:

The Fun

We'll do 6 quick puzzles that will get you thinking and laughing.

You'll take home some optical illusions that you can use to amaze your friends, kids & grandkids.

See the trick to moving a John Deere tractor with one hand... no matter how weak or strong you are! And, the little trick FedEx plays on you every day!

You'll see 3 short videos that have amazed thousands of people. You'll be laughing and talking about it for days. It's the #1 reason people keep coming back with their friends!

Take a 30-second sight test that can detect problems with blindness

There are plenty of prizes and surprises that will keep your brain-hopping and you laughing throughout



The Brain-boosting

You'll learn 3 easy ways to make your brain "younger" almost instantly

Holy Moly! Virtually everyone is putting themselves, their spouses, and their kids in danger because they don't have this one piece of paper filled out correctly! Find out what the piece of paper is and how to fix it in just 5 minutes!

The simple solution that makes you and your family a winner if you don't need long-term or in-home care...but more importantly, makes you a winner if you DO need long-term or in-home care! You can't miss this!

Join us for this FREE fun event and a Complimentary Lunch.

Space is limited. To reserve your seat, please call [CPA]:

(xxx) xxx-xxxx

Tuesday
Month Date
00:00 pm

Catered By:
Restaurant or
Cater Logo
(if applicable)

Wednesday
Month Date
00:00 pm

CPA'S LOGO

Location:
Street Address | City, State Zip

Client Intro Letter to their CPA

Company Name

[Date]

Dear [CPA's Name],

We just wanted you to know that we value you and what you do for us for us each year at tax time. We have complete trust in you.

We know you are busy, but we have a request of you. In an effort to streamline and make our overall financial picture work more efficiently, we would ask that you let our financial advisor <advisor's name> take you out to lunch. Of course, this would be at your convenience.

We would like all of our professionals to have met, so it is easier for them to work together on our financial affairs. When we and our financial advisor talked about this, he actually volunteered to pay for your lunch!

Thank you very much for your consideration on this. <Advisor's name> said he would reach out to you to see when it would be convenient for you two to meet.

Thanks! Be well,

[Client's name and Contact Info]

STREET ADDRESS, CITY, ST ZIP CODE | (123) 456-7890 | WWW.COMPANY.COM

CPA Attorney New Client Intro Letter

Company Name

[Date]

[Name]
[Street Address]
[City], [State] [Zip Code]

Hello [Mr./Ms. CPA or Attorney Last Name],

Your clients [Mr. and Ms. Client] recently became a client of mine as well. They spoke very highly of you and the work you've done for them.

Please let me know if there is any way that I can assist you in your work with [Mr. and Ms. Client]. I believe their transition to me went smoothly and I want to make sure that anything we do, dovetails with the work you've already done for them.

If you have any questions or concerns, please feel free to give me a call at <your number> or email me at [your email]. I've also enclosed a card. With your permission I will drop you a note occasionally with matters of interest, just to keep the lines of communication open.

Best regards,

[Advisor Name and contact info]

STREET ADDRESS, CITY, ST ZIP CODE | (123) 456-7890 | WWW.COMPANY.COM