

**CPAPlus Network**  
presents

# **Tax Season Sanity: 7 Minute Coaching**

**2019**

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# Introduction

The role of the CPA has been quietly in flux for nearly two decades now. The mindset and practices of the traditional CPA are no longer perceived as being valuable the way they once were—the core work is now commoditized. As a result, the traditionalist CPA is guaranteed one thing: he or she will have to work harder and harder every year.

## Service Provider vs. Navigator

Being a service provider for clients is no longer enough, given the speed of change, amount of choice and abundance of information in today's society.

The only way for the CPA to decommoditize is to redefine his/her role to that of a navigator. This is done in part by shifting away from the service provider role and into a coaching-centric role with clients.

Tax Season provides the best opportunity of the entire year to set the wheels in motion for all of this, and it can be started by taking only an additional 5-10 minutes with a client during a tax meeting. When done properly, this accomplishes several things:

- Repositions you as a leader to the client (no longer just the “tax person”)
- Gives you an idea of which clients are in need of more help / guidance
- Tees up expanded engagements for after tax season
  - Consulting projects
  - Tax planning
  - Professional Service Agreements (PSAs)
  - Financial oversight
  - Increased core services fees
- Sets up expanded revenue

# Mindset vs. System

7 Minute Coaching is a mindset more than anything else. As a starting point in understanding the mindset, the most important question to ask yourself is: *When a client comes in, what am I thinking about?*

- *Is this just an engagement / work to be completed?*
- *Is my job to take care of the taxes?*

or

- *Is it my goal to improve my clients' businesses and lives better (I just happen to take care of the taxes)?*

# Standard Industry Approach to Tax Season Meetings

## Interview Meeting

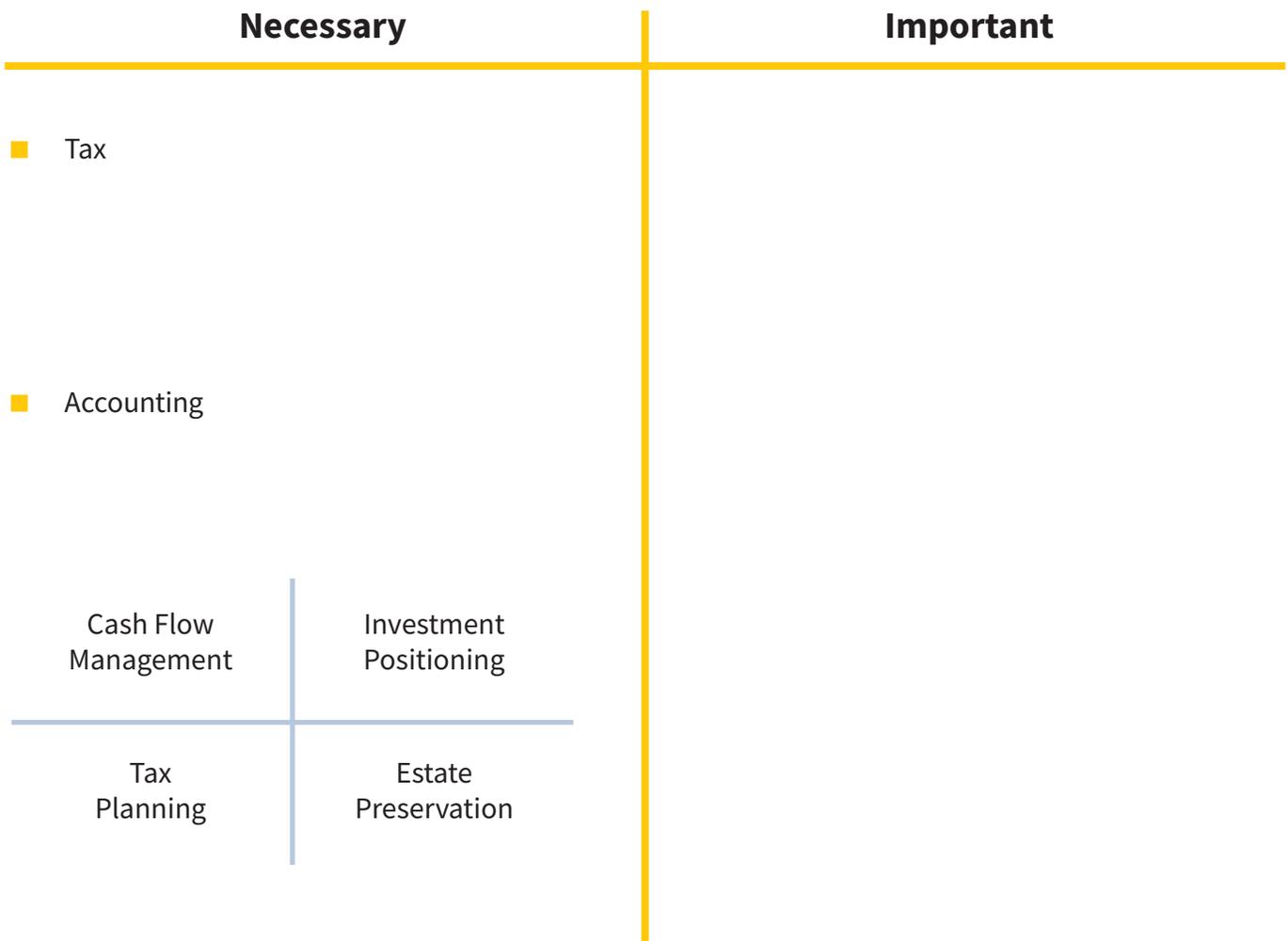
- Collecting Needed Information
- Standard interview questions – any changes, etc.
- Small talk
- Educating clients on any pertinent changes in tax law, etc.

## Delivery Meeting

- Explaining client's tax situation
- Educating the client on possible future strategies
- Small talk

*Why is this not enough anymore?*

# What is Necessary & What is Important?



*Why me, the CPA?*

# Positioning

Positioning sets the context for conversation—it helps to direct the client’s thinking. In the case of a 7 minute coaching approach, positioning will explain to the client why you are expanding dialogue beyond the client’s tax situation. This also helps to redefine who you are in the client’s eyes.

Examples:

*“I am expanding the scope of my oversight from a CPA perspective...”*

*“In order to make sure I’m helping you in every way possible, I need to know what’s going on in some other areas...”*

*“Because of the uncertainty in today’s economy, and due to requests from clients, we are expanding the scope of our oversight and guidance...”*

*“As a CPA, I’m responsible to know what is going on in other areas...”*

**What if it’s a long term client and all of this is new to them?** The approach is basically the same:

*“My responsibility as a CPA has expanded recently – I’ve seen many situations where clients are surprised by the negative impact of decisions they’ve made in other areas, and I need to make sure to avoid this happening to you as well. I have to ask you some questions...”*

*“I need to know about other areas of your life that may impact you from a tax and financial standpoint. I don’t want either of us to have any surprises going forward.”*

# Dialogue

Now that you've positioned the conversation, you can begin asking more substantial questions of the client. The goal here is to learn more about the client's life, and in turn, identify one or two areas where he/she might need more help. This is what leads to an action item or follow-up after tax season.

Consider using the **Client Discovery Sheet** as a support tool. This can be used to guide dialogue within a client meeting. Too often, we will end a meeting and think, "I really should've asked that person about \_\_\_\_\_."

This tool covers a series of questions that fall into several broad categories:

- Personal
- Business
- Estate Planning
- Lifestyle Changes
- Misc.

This is NOT a survey or an interview sheet and should never be treated as such. Instead, it helps to bridge the gap between accounting and tax issues and the client's life.

## Keys to making this work:

Understand and be able to articulate how certain questions are relevant to your role with the client.

When necessary, be able to drive client conversations through open-ended and bridge questions.

**Example:** *Can you tell me more about that? What would that look like?*

Do not pressure yourself to have immediate answers. Clients won't care.

# Client Discovery Sheet

## Personal

- Has your family been experiencing any health issues?
- Do you have health concerns?
- Do you have a family history of dementia?
- Longer longevity than most families?
- Are you trying to have kids now or planning for any in the future?
- Do any of your family members rely on you for support?
- Do you plan to assist your parents or family financially?
- Do you have any grandchildren?
- Do you think your kids may have children in the future?
- Do you track household spending / cash flow?
- How are you setting money aside currently?
- Are you saving for anything fun or exciting?
- Do you know what your mortgage rate is, or how much longer you'll be paying on the house?
- Are you anticipating any significant purchases in the near future?
- If life were ideal, what freedoms would you most like to enjoy without guilt?
- What do you do for work?
  - Do you enjoy it?
  - Is it stable?
  - Do you plan to stay, or are you thinking about a career change?

## Business

- Are you planning to start a business?
- Tell me about what's fueling the growth/ causing the lack of growth within your business?
- Is your industry growing or struggling in the current economic climate?
- What are you doing to try to promote growth?
- Are you considering making any significant purchases for the business?
- Have you looked into a cost segregation analysis for your building?
- What is your eventual succession plan?
- Are your employees showing signs of satisfaction?
- Do you have plans to hire or fire any employees?

## Lifestyle Changes

- When would you like to make work optional?
- How will you fill your time?
- What would you most like to enjoy?
- Are you confident you will have enough money to meet your needs and live without pressure?
- Do you have any concerns related to your marital status?
- Do you have any philanthropic causes you like to support?
- Do you plan on volunteering when retired? Where?
- Do you and your family want to take special trips? Where? How often?

## Estate Planning

- When were your wills last reviewed?
- Who holds your power of attorney?
- When were your beneficiaries last reviewed for life insurance, bank, and retirement accounts?
- Does anyone in your family have special needs?

## Miscellaneous / Ending

- Is there anything that's making you feel overwhelmed?
- What would give you a stronger sense of control over everything?
- Are there any other areas of financial pressure?

# Guidance: Action Steps

Of course, specific action steps will differ from client to client. The nature of the action step will differ as well. Some clients may not need help beyond taking care of something before they come in next year. For others, the action step itself may be that they need to talk with you in May or June.

Potential action steps may include:

- Meet after tax season
- Additional tax planning later in the year
- Create / update will (attorney involved under CPA oversight)
- Debt analysis / reduction plan
- Business consulting
- Household spending plan
- College planning
- Review savings vehicles (advisor involved under CPA oversight)
- Quantify freedoms
- Retirement lifestyle planning
- Succession planning

# Quick Assessment Sheet

Oversight for Decisions which can Affect a Client's Lifestyle Financially

QUICK ASSESSMENT SHEET

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CLIENT NAME: \_\_\_\_\_ SPOUSE: \_\_\_\_\_ Date: \_\_\_\_\_

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*Oversight*

**Are the major areas of planning coordinated?**

Cash Flow Management	Investment Positioning
Tax Planning	Estate Preservation

**What are the risk levels in each planning area? (1=LOW / 3=HIGH)**

Cash Flow Management	1	2	3
Investment Positioning	1	2	3
Tax Planning	1	2	3
Estate Preservation	1	2	3

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*Action*

**Specific Risks to be Addressed:**

**Recommended Action Steps**

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*Coaching*

Occupation	Life Passions
Personal Finance	Meaning, Significance
Marriage / Family	Impacting Others
Fitness / Nutrition	White Space

**NOTES:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Client Action Sheet

Accounting/CPA name

**CLIENT ACTION SHEET**

Date: \_\_\_\_\_

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*These four areas **must** be coordinated. Failure to do so can result in unanticipated consequences.*



**NOTES:**

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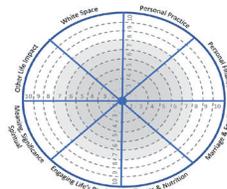
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*Balance*



Occupation	Life Passions
Personal Finance	Meaning, Significance
Marriage / Family	Impacting Others
Fitness / Nutrition	White Space

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*Action Needed*

**ITEM:**

**ACTION:**

**DEADLINE:**

**REASON:**

**REMEMBER:** Any time you have a decision to make that will affect you and/or your family financially, make sure you talk to us first.