



Koltin Delivers Keynote at National Life CPA Symposium

Allan D. Koltin, CEO of Koltin Consulting Group, spoke on November 9th to CPA's who were interested in learning more about offering financial services to their clients. The symposium, held at The Mirage Hotel in Las Vegas, was sponsored by National Life, a leader in providing a turnkey solution for financial services to CPA firms around the country.

Some of the takeaways from Koltin's talk included:

- 1) Firms considering offering financial services to their clients are no longer "early adopters". CPA firms have been offering these services to their clients for over 20 years. The success rate has been staggering for many firms, who point to this offering as their fastest growing and most profitable area.
- 2) Everything we read and hear about today talks about the declining growth (and profitability) of compliance services. We all say we are our clients' "trusted business and financial advisors," but all too often we are "lost in the forest" working on their compliance work. With all the changes taking place in artificial intelligence, cognitive learning, and our traditional leverage model, now is a great time to explore offering financial services.
- 3) Too many CPA's still think there is something wrong with making money "unrelated to time". If they asked most of their clients, they would hear a different story. Clients don't care about how you get paid or what you get paid, they care about receiving value and trusted advice.
- 4) The client surveys and industry surveys (Russell Prince survey) indicate that the vast majority of clients using their CPA firm for financial services are very, very happy. More telling is the high referral rate of CPA firm clients who are referring other clients to those firms. At the end of the day, clients don't pay us for tax compliance; they pay us for integrated wealth and financial planning.
- 5) The best place to start is by figuring out if you want to partner with a third party, acquire a firm, or hire someone to build out the area. Unless you are a really large firm with a lot of capital and resources, forming a strategic alliance with a trusted third party can be a great way to launch your financial services practice. In multi-partner firms, it's critical to get buy-in and support early from the partner group – this doesn't mean a "head nod," but rather a commitment to actually refer their clients into the practice.
- 6) Once you have decided who you are interested in partnering with, a great way to explore the niche is to set up a breakfast or lunch meeting with your best high net worth clients and get their opinions. They will be flattered that you asked and they can also be a great sounding board for feedback on getting into financial services, as well as on the person/firm you are considering partnering with. Put together a plan of attack and select a "champion" –

if you will only dabble here and focus on it when an opportunity “falls in your lap,” my advice would be to take a pass on this area.

- 7) Don’t worry so much about the occasional referral you get from a financial services firm and that they might now view you as a competitor. It’s always “healthy” to give your client 2-3 options to explore and this can still be the case. I would never want to tell a client that “we” are the only option.
- 8) Let’s not forget the principles of having a client for life. Provide one service and the probability of retention is 14%; provide a second service and the probability of retention jumps to 63%; provide a third service and the probability of retention jumps to a staggering 91%! Let’s go from “renting” clients to “owning” them!
- 9) When asked what traits or characteristics the most successful firms in the country have, Koltin said it was a simple question to answer. He said the most successful firms have a strong conviction and passion that they MUST be providing this service and that no one else can do it as well. If you truly believe that you are the client’s most trusted advisor, getting into this area of business will come more naturally than you think.
- 10) Koltin closed by citing a recent industry survey that showed over 33% of CPA firms are currently offering financial services. He predicted that within the next 10 years more than 50% of firms will be offering financial services. If you were a client of a CPA firm, what would you rather buy - an audit, a tax return, or advice on how to accumulate, protect, grow, and transfer your wealth?!”