

HARNESS THE POWER OF AN ACCOUNTING FIRM'S
ELITE WEALTH MANAGEMENT PRACTICE

Optimizing the Financial Lives of Clients



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Introduction

Have you ever lifted the hood of your car and checked the engine? It's okay to be honest; no one else is listening. The truth is, most of us have no idea what is happening under the hood. We confidently put our key in the ignition each morning, press the gas, and go.

When the check engine light comes on, sometimes we need to roll up our sleeves, take out the toolbox, and get to work. Occasionally, when we take out the toolbox, we are shocked to realize we don't have the right tools for the job at hand.

Running a business requires us to update our toolbox, because it's anything but simple. There is no check engine light. There are a lot of moving pieces under the hood that require the right time and attention to thrive.

How do you find the right tools and the right process to take your business to the next level? Well, you've already taken the first step: you've picked up the manual, this book. This book is designed for managing partners of accounting firms to help you deepen client relationships and grow their businesses by adding an elite wealth management division.

You've worked harder. Now it's time to work smarter. It's time to take your business to the next level. It's time to find the right partner, develop recurring revenue, offer more services, and uncover additional opportunities.

The time is now to follow a process to becoming elite. By following the time-tested process, we lay out in the pages ahead, you will be able to deliver a broader range of skills and services to everyone from complex business owners and family office clients to the mass affluent and retirees.

This will help contribute significant revenue to your bottom line. An elite wealth management practice regularly results in your accounting firm providing considerable additional accounting firm services to clients. You will have the confidence to approach the

most demanding and complicated clients with the knowledge that you are backed by a team of tenured specialists, tackling all challenges as one.

As an accountant, you are always at the center of everything. But now, you'll be surrounded by valuable resources and support. Dive in and see how adding to your toolbox can position your business for long-term success.

Chapter 1

This Methodology is NOT for Most Accounting Firms

Before diving into the material, take a moment to consider the following questions.

Are you a managing partner or on the management committee of an accounting firm?

Do you want to deliver significantly greater value to your clients?

Do you have or are you interested in establishing a very successful wealth management practice?

Do you want to substantially accelerate the success of your accounting firm?

Do you want more high-quality clients for not only your wealth management practice but other practices at your accounting firm?

If your answer to these questions is “yes,” then the methodology we will be explaining for building and growing an elite wealth management practice may be right for you. There is no question that if you are the managing partner at an accounting firm, and you want to do the best job possible for your clients as well as meaningfully grow your firm, a well-run wealth management practice can be foundational to getting both these outcomes.

An Elite Wealth Management Practice

Accounting firms are professional services firms. They generally provide accounting and assurance services, and certain forms of tax expertise. Many accounting firms have expanded into other areas such as consulting, valuation, and talent recruiting. An area

where a sizable and growing percentage of accounting firms are increasingly focusing on is *wealth management*.

To be clear, not all accounting firms are providing or will even consider providing wealth management. It proves to be a good fit for some firms, but not others. When it is part of a well-thought-out accounting firm's strategy, wealth management can be instrumental in delivering greater value to clients, which is the *number one objective*. The wealth management practice can also be instrumental in substantially increasing revenues and, thus, the value of the firm.

When the wealth management practice is elite—which we will explain in detail in the following chapter—your accounting firm benefits from a firm-wide multiplier effect. The promise of an elite wealth management practice includes:

- This is always the highest priority.
- These revenues are not only due to the substantial monies you earn by delivering financial strategies and products. An elite wealth management practice regularly results in your accounting firm providing considerable additional accounting firm services to clients.
- There will also be more revenue because the combination of technical expertise and the Everyone Wins Process will likely produce a pipeline of new high-quality clients.

An elite wealth management practice can—without question—be instrumental in substantially growing an accounting firm. You can become a hero to clients, the accountants at your firm, and even to other professionals, such as attorneys and bankers.

There is a caveat, and it is a big one. All the multiple advantages of an accounting firm's elite wealth management practice are a function of strategically building the appropriate version for each particular firm which includes mastering the Everyone Wins Process.

To date, while many accounting firms have established wealth management practices, only a small percentage of them have achieved anything close to their potential. Relatively speaking, very, very few of them can be considered *elite*.

Caveat

Just as an elite wealth management practice is not appropriate for all accounting firms, our methodology is NOT appropriate for all accounting firms with wealth management practices. What we will be explaining is NOT at all how most wealth management practices of any kind operate.

In our methodology:

- The client always comes first.
- The accountant and the accounting firm come second.
- The elite wealth managers and the elite wealth management practice come in a distant—far distant—third.

This ordering is a function of the core principles—the philosophical basis of the methodology—which we will discuss in the next chapter.

While our approach is completely focused on delivering greater value to clients to help optimize their financial lives, it also puts the accountant and the accounting firm center stage. Our methodology can easily give most accounting firms a serious competitive advantage, translating into considerably more business of every kind.

Again, the methodology is NOT for most accountants and accounting firms. Over the years, we have had pushback from accountants who preferred an easier, less demanding approach. We told these accountants if they find an easier approach that produces the same outcomes as the one we use, to please share it with us. We are only interested in what

works best and will happily change gears. So far, *no* accountants have been able to show us an approach that even comes close to delivering the same level of value to clients, or can help tremendously grow an accounting firm.

If, however, our methodology makes sense to you, and you devote the time and resources, your accounting firm will likely get an exponentially better set of outcomes than the efforts made by accounting firms that have attempted to establish and grow a wealth management practice.

One action you might want to consider before going forward with wealth management is an internal assessment—what we call a practice profile.

Complete a Practice Profile

By a “practice profile,” we mean a thoughtful evaluation whereby you and senior management develop an accurate understanding of your accounting firm’s current strengths, weaknesses, opportunities, and any impediments to its success when it comes to building and growing a wealth management practice. If possible, it is usually best to complete this with the full partnership involved.

In our experience, the most successful accounting firms establishing wealth management practices—let alone elite wealth management practices—have aligned all the resources and support of the firm’s partnership. If everyone agrees on the strategic vision, implementation becomes comparatively straightforward.

The first task is to check on the readiness and commitment of the partners at the accounting firm to being in the wealth management business. At that point, the critical questions are:

- Should the firm be in the wealth management business?
- Do the partners want to have a wealth management practice?

- What concerns do the partners have with wealth management?
- If wealth management is the way to go, do the partners want to level up to elite wealth management?
- What is the best way to deliver elite wealth management?

The clients of the accounting firm: In helping senior management at accounting firms decide if elite wealth management makes sense in their situations, one of the places we look at is the accounting firm's client base. This is regularly where most accounting firm wealth management practices get their initial clients.

It is very important to realize that the current clientele is not the whole picture. If you have an elite wealth management practice, accountants will regularly get more referrals to new high-quality clients. After going through discovery—explained in Chapter 7—we are able to get a good sense of the short-term growth that is possible from the new high-quality clients that are likely to be referred to the elite wealth management practice.

When thinking about these clients at your accounting firm, be aware that your elite wealth management practice is most likely appropriate for specific clients:

- Usually, the greater the business complexity, the more value your elite wealth management practice can bring. Business owners, for instance, have a range of interests, from dramatically lowering income taxes to putting in place succession or exit plans. These are matters that can be adeptly handled by your elite wealth management practice.
- Not only when clients' professional lives are complicated, but when their personal lives are complicated, does your elite wealth management practice shine. Helping to deal with the intricacies of extended blended families, for example, is something that your elite wealth management practice can skillfully address.

- A very likely deliverable of your elite wealth management practice is investment management and wealth planning. These services and the Everyone Wins Process result in clients being better informed so they can make smart decisions about their money.

By evaluating the wealth management potential within your accounting firm's clientele, you can quickly approximate the possible revenues over the next one to three years from incorporating an elite wealth management practice. This can give you a good sense of the worth of an elite wealth management practice, and such information is useful when considering the main business model options described in Chapter 5.

The partners of the accounting firm: Another important aspect of the practice profile is determining the degree to which a wealth management practice or an elite wealth management practice is supported by the accounting firm's partners. The more the partners are on board, the more success you will have.

Being on board is more than agreeing that an elite wealth management practice, for example, is a good idea. Preferably, the partners have to be willing to work with the elite wealth managers to identify opportunities, and then make sure the financial lives of clients are indeed optimized to the greatest extent possible.

For many accounting firms, what is helpful is going partner by partner and systematically identifying clients who would probably benefit from elite wealth management. When elite wealth managers go through this process with accountants, new opportunities are regularly uncovered for the accountant, and—very importantly—the elite wealth management initiative is tightly aligned with the accountant's interests. We address this matter in Chapter 8. Moreover, in accordance with Core Principle #3—which we'll detail in the following chapter—they have to be willing to stay involved.

In the course of the exercise, you may discover that your accounting firm is not ready or well-suited to establish an elite wealth management practice. We just want to

reiterate...elite wealth management is NOT the right answer for most accountants and accounting firms. If you presently have a wealth management practice, you may find that it is NOT the best time to level up to elite.

If, on the other hand, your objective is to have an elite wealth management practice, there are specific steps you can take to move in that direction. To reiterate, we recommend this book for accounting firm managing partners who are strongly interested in doing a lot more than delivering financial strategies and products to clients. It is about the promises of elite wealth management:

- Optimizing the financial lives of clients
- Generating significant revenues for several accounting firm practice areas, including elite wealth management
- Having your accountants and elite wealth managers introduced to many more new high-quality clients

If you conclude that an elite wealth management practice or any type of financial services practice is NOT right for your firm, there are still very effective ways to upgrade the offerings of your accounting firm, thereby delivering greater value to clients and generating more revenues tied to financial strategies and products. Put another way...although your accounting firm would not be directly delivering the financial strategies and products, your accounting firm can still substantially generate more income and get more new high-quality clients. In effect, you can still work to optimize the financial lives of clients, which often includes restructuring your accounting firm's fee models to reflect the greater value you are providing.

Conclusions

This book is for you—a managing partner at an accounting firm—if you have or desire to establish an elite wealth management practice. We are talking about an elite wealth management practice as opposed to a wealth management practice. There is an extremely large difference between the two, which we will explain in the next chapter.

Herein, we will be detailing a mindset and a framework that—first and foremost—works to optimize the financial lives of clients. Our methodology also produces considerable revenues for most accounting firms across several different practice areas.

So there is no confusion...

- Yes, elite wealth management can be a powerful way to deliver significantly more value to clients.
- Yes, elite wealth management can easily become a 10X (or more, usually much more) revenue growth generator for many accounting firms.
- Yes, elite wealth management is NOT for most accountants and accounting firms.

You are going to have to decide if elite wealth management is a practice that makes good sense for your accounting firm. In making that decision, we recommend you take a hard look at your firm's strategy, resources, and limitations. This will probably lead you to first decide if you want to deliver financial strategies and products.

If you decide providing financial strategies and products is viable, you will still need to decide if wealth management is the right framework. One further question/decision...is elite wealth management the approach that will work well in your accounting firm?

The methodology we use has proven extremely effective. It is not what most wealth managers or your peers have likely seen. It takes commitment and work. The outcomes are exponentially greater than what most wealth managers at most any firm are producing. As

we explain the methodology, you will need to decide if it will work for you and the accountants at your firm.

Central to our methodology are four core principles—the topic of the next chapter.