

Welcome to

# PARTNER SUMMIT 2013



THOMSON REUTERS





ARE YOU READY TO SHIFT?

# Thomson Reuters' Presenters...

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**Therese M. Witherow**  
Senior Technical Trainer



**Andrew W. McCracken, CPA**  
Technical Consultant

## Practitioner / Entrepreneur Presenter...

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Paul Miller  
Business by Design



REVIEWING  
PHONE CALLS  
SCANNING  
MEETINGS  
TAX PLANNING  
CIVIC RESPONSIBILITIES  
EXERCISE  
HOBBIES  
PAYROLL  
AUDITS  
VACATION  
FAMILY TIME  
RETIREMENT PLANNING  
INTERRUPTIONS  
SPIRITUAL TIME  
YOUR PASSIONS

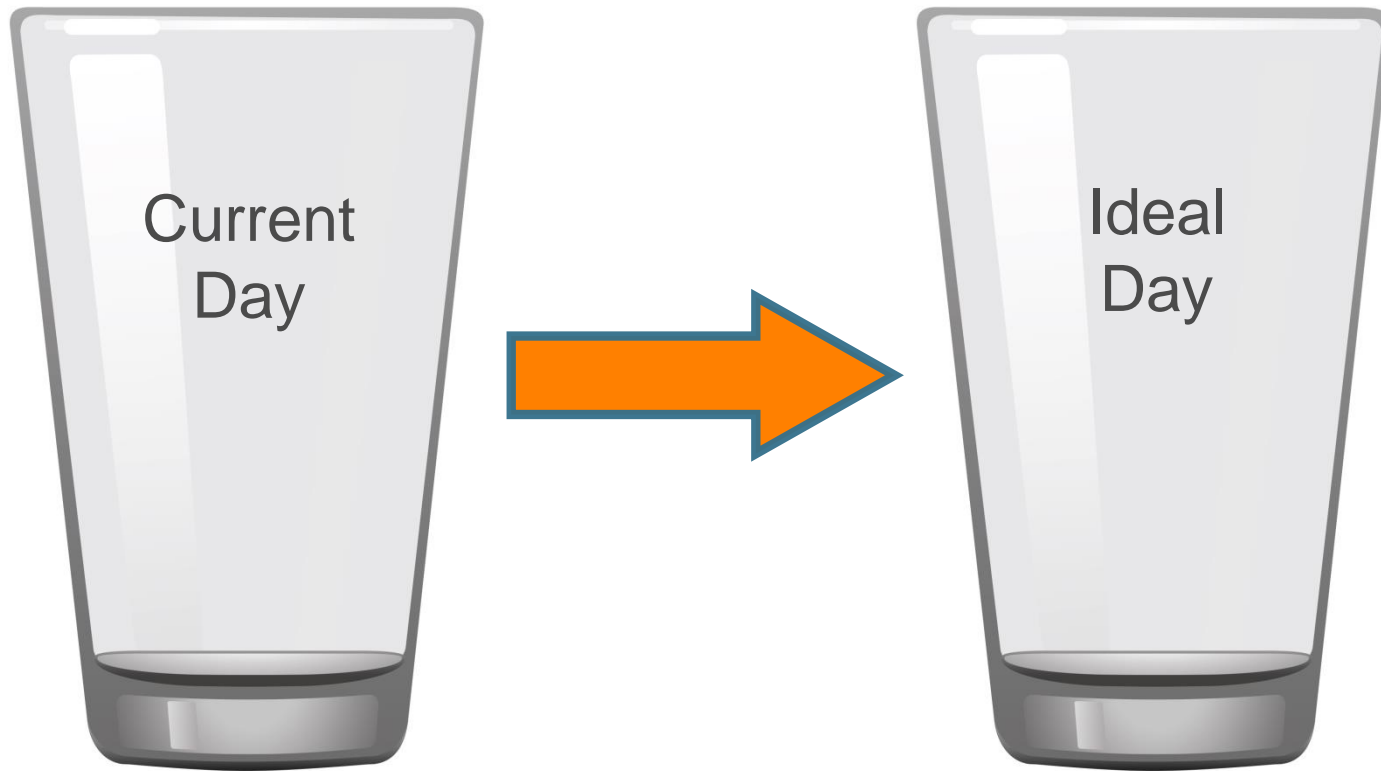
PROFESSIONAL DEVELOPMENT  
PAYING BILLS  
RECRUITING  
LUNCH APPOINTMENTS  
TAX RETURNS  
TRADE PUBLICATION READING  
CLIENT EMERGENCIES  
BOARD MEETINGS

ADMINISTRATIVE TASKS  
APPOINTMENTS  
CONTINUING PROFESSIONAL EDUCATION  
E-MAIL  
SUCCESSION PLANNING





# Shift to your *IDEAL* day



## How are we going to get to the ideal day?

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- 1) Rethinking the Client Experience
- 2) Customizing Client Solutions
- 3) Technology, Workflow, and Process Innovation Efficiencies
- 4) Solution-Based Billing: Happier Clients, Higher Profit Margin
- 5) Actions Steps to Move Your Firm Forward





# Rethinking the Client Experience

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- Becoming a Trusted Advisor
- Practice Management in Practice
- Communicating to Your Client



## Becoming a Trusted Advisor

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- It all begins with the “client experience”



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## My client experience: Historians

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# Does your firm's services meet your clients

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Trusted Advisor  
Services



Tax Preparation &  
Accounting

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## How would you define a trusted advisor?

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## More than likely: You are already viewed as trusted advisor...

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- Job costing
- Recordkeeping
- Business transitions
- Entity choices
- Hiring employees
- Retirement accounts
- Investment income
- Estate issues
- Medical expenses
- Independent contractors
- Business expenses
- Real estate
- Audits
- Insurance



## By defining your trusted advisor services you...

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- Monetize services you may already be offering
- Being all future engagements based on offering these trusted advisor services
- Base your pricing on solutions/value



## Trusted advisor services should...

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- Be built around the client experience



- Explain “WHY” to the client

# Trusted advisors services are a relationship enhancement

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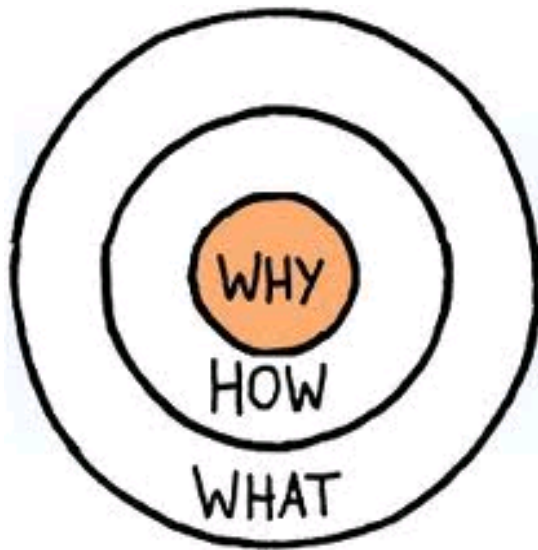
**Offer more  
than the NEED**



**Increase Firms  
Services & Offerings**

## Trusted advisor pricing

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**Value to Client =  
The WHY?**



**Engagement Fee  
basis**

## Your pricing philosophy?

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*What is a great  
tax saving idea  
worth?*

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## Entrepreneurs prefer it!

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*Remove the  
element of  
surprise.*

## The end result

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***NO COSTS***

*Providing trusted advisor services will not cost your clients anything!*

## Rules for services: BBD-TEST

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- Turn key solution
  - Complete system
  - Avoid ala-carte
- Expectations for client
  - Set clear deliverables to client
- Standardized
  - Be standardize for compliance
  - Set firm “best practices”
- Transferable
  - Allow for transfer of knowledge to staff



# Rethinking the Client Experience

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- ✓ Becoming a Trusted Advisor
- Practice Management in Practice
- Communicating to Your Client



# Practice Management in Practice

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## Creating a complete client profile

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# Rethinking the Client Experience

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- ✓ Becoming a Trusted Advisor
- ✓ Practice Management in Practice
- Communicating to Your Client



# Communicating...the way clients want

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What makes you  
different?





# BUSINESS by DESIGN







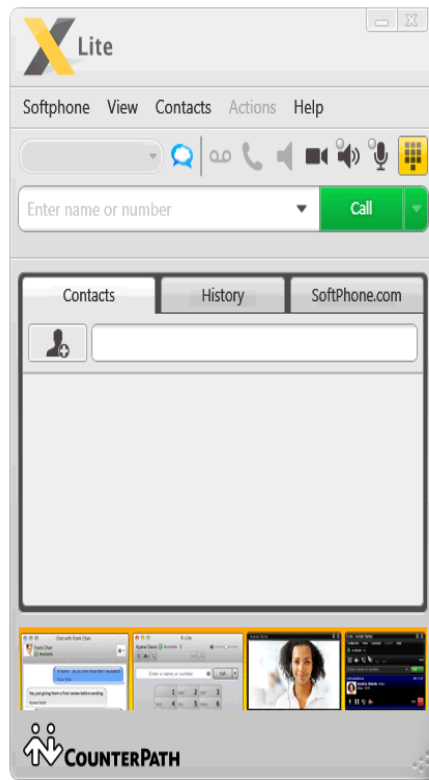
Is this how you feel your client communication is sometimes?





**GoToMeeting**  
by **CITRIX**





1	2 ABC	3 DEF
4 GHI	5 JKL	6 MNO
7 PQRS	8 TUV	9 WXYZ
*	0	#



*Sometime this year [2013], the world will cross a threshold: There will be more mobile devices than there are humans.*

*- Washington Post*



*According to ComScore, data indicates that mobile users will surpass desktop users in 2014.*



# 2010

## Gartner's "Technologies you can't afford to ignore"

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1. Cloud computing
2. Advanced analytics
3. Client computing
4. IT for green
5. Reshaping the Data Center
6. Social computing
7. Security – Activity monitoring
8. Flash memory
9. Virtualization for availability
- 10. Mobile applications**



# 2011

## Gartner's "Technologies you can't afford to ignore"

---

1. Cloud computing
2. **Mobile applications & media tablets**
3. Next-generation analytics
4. Social analytics
5. Social communications & collaboration
6. Video
7. Context-aware computing
8. Ubiquitous computing
9. Storage class memory
10. Fabric-based infrastructure and computers





# 2012

## Gartner's "Technologies you can't afford to ignore"

---

1. **Consumerization and the tablet**
2. The infinite data center
3. IT consumption
4. Context awareness
5. Hybrid clouds
6. Fabric data centers
7. IT complexity
8. Patterns and analytics
9. The virtual enterprise
10. Social networking



## What a website should have

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- Attractive design
- Clear navigation
- Relevant content
- Client portal login
- Monthly newsletter
- Calls to action
- Resources – financial tools, calculators, etc.
- Search engine optimization



# Ways to drive clients to website

- Login to secure online account
- Financial tools
- Resources
- Tax forms
- Newsletters



# Common Social Media Types

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- Blogs
- Microblogs: Twitter
- Online Video: YouTube, vimeo
- Social Networks: Facebook, LinkedIn, Google Plus+, Pinterest



## Group Discussion

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In what ways can you use social media in the accounting industry?

- interaction with clients
- interaction with other practitioners



Decision Making

Relationship Building

Recruitment /  
Retention / Employee  
Engagement



Training & Education

Client Service &  
Satisfaction

Social Commerce

Public Relations

Collaboration

# Customizing Client Solutions

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- SWOT Analysis
- Filling Your Toolbox
- Creating the Client Proposal
- Data Mining for Opportunities





# SWOT Analysis



# Filling Your Toolbox

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*Fill your firm's toolbox with the right tools to customize client offerings.*



## Sample tools & solutions

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### WHAT OTHER "TOOLS" CAN YOU ADD TO YOUR FIRM'S TOOLBOX:

- Entity Choices
- Business Expenses
- Owner Compensation
- Passive Income Generation
- Expense Reimbursement Plans
- Bookkeeping Solutions
- Recordkeeping Solutions
- Equipment Purchasing
- Health Insurance/Medical Expenses
- Retirement Account Planning
- Paying Family Members
- Self Directing Retirement Accounts
- Rental Property Planning
- Partnership Planning
- Succession Planning
- Employee vs Independent Contractor

SAMPLE

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# Data Mining for Opportunities

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# Technology, Workflow, and Process Innovation Efficiencies

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- Secure Online Access
- Client Accounting Online
- Practice Management
- Mobile Apps
- Tax Workflow Efficiencies



# Secure Online Access

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**What?**

**Why?**







## Secure Online Access: what to look for

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- Portals that are customizable
- Integration with your products
- Integration of login on firm web-site
- Ability to offer productivity programs
- Dependable
- Mobile access
- Cost effective



## Secure Online Access

1. Invoice delivery and online payment
2. Hosted client applications
3. Remote payroll entry and payroll reports
4. My Check Stubs and My Earnings
5. File Exchange
6. Document Presentation
7. Terms & Conditions
8. Stock quotes
9. News feed
10. Links
11. Electronic tax organizer
12. Employee Self-Service
13. Custom notifications
14. Mobile app



# Client Accounting Online

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## Accounting CS Client Access

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- Currently available for Virtual Office or SAAS firms that utilize NetClient CS
- Common platform – clients use the same software you use: *Accounting CS*
- Collaborate in real time using a shared database
- Hosted application



## Accounting CS Client Access

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- Eliminates exports and imports
- Real-time access
- Eliminates duplicate data entry
- Standardize your entire accounting workflow and processes – clients want direction



# Client Accounting Online

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- What efficiencies will result from using Accounting CS Client Access?
- How will you become more profitable from utilizing Accounting CS Client Access?
- How will using Accounting CS Client Access allow you create a better client experience?
- Why should you offer a service like this?



# Practice Management

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# Mobile Apps

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# Mobile Apps

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*Air Display*



*Citrix Receiver*



*Genius Scan*



*Keynote*



*Quick Scan*

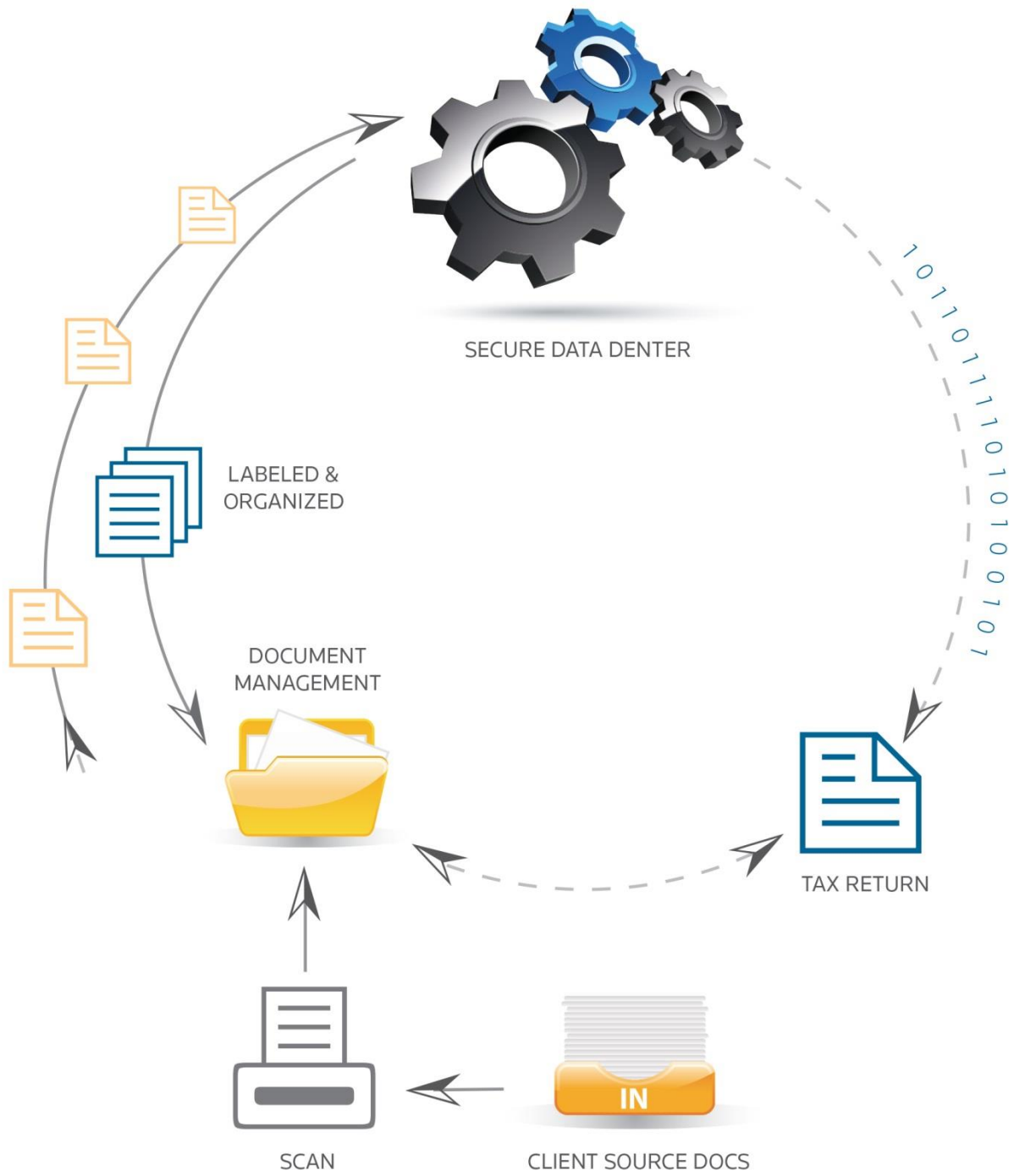
# Tax Workflow Efficiencies

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*Obviously, the highest type of efficiency is that which can utilize existing material to the best advantage.*

**– Jawaharlal Nehru**





# Tax Workflow Efficiencies

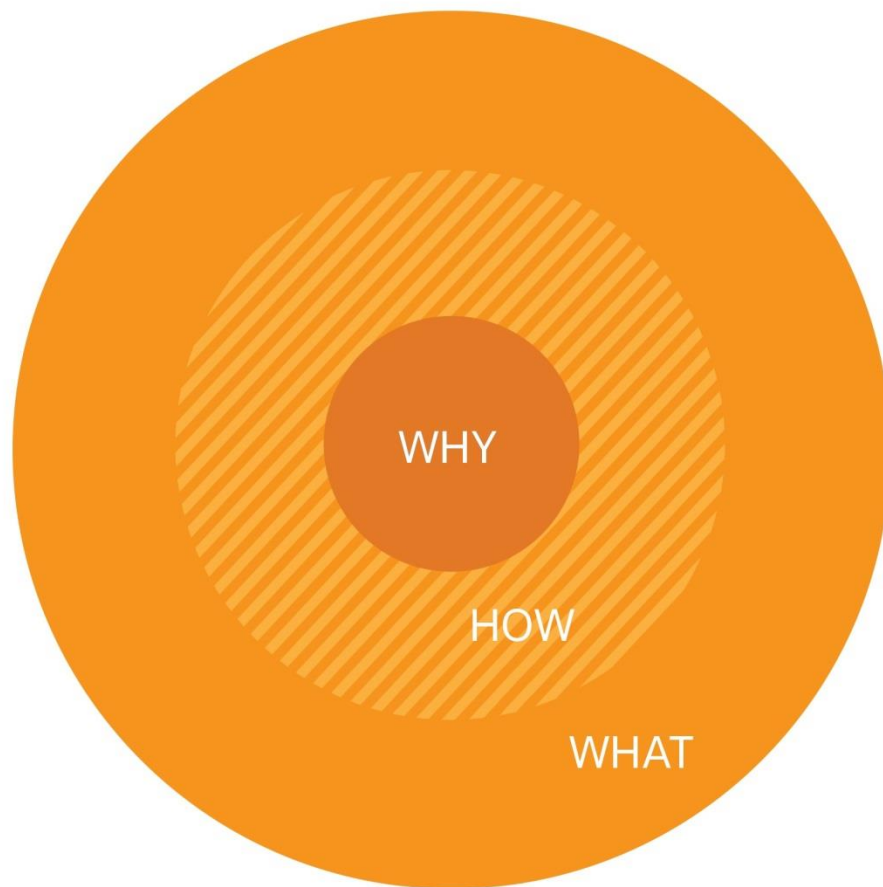
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1. Source Document Processing / OCR
2. Diagnostics & Watch Window
3. F1, F7, F8 Tools
4. Onscreen Review with Custom Tickmarks
5. Client Note, Field Note & Asset Note
6. Missing Data Email
7. Custom Fieldviews
8. Web Research
9. Electronic Filing Acknowledgement Email
10. Image Name Buttons
11. Customizing Input Screen Navigation of Folders & Tabs
12. Mass Reassigning of Clients
13. Custom Statements
14. Multiple Monitors
15. Home Page / Client Profiles



# The Why

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# Solution-Based Billing: Happier Clients, Higher Profit Margin

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- Quantifying Value
- Value reinforcement





## The basics

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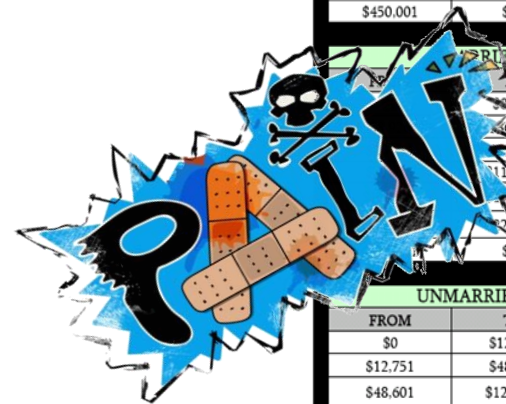
- Explain WHY: illustrate value to client



- Identify clients pain: TAXES

# Explain the pain

- Explain how taxes are calculated
  - Federal Tax
  - State Tax
  - Social Security Tax
  - Medicare Tax
  - Alternative Minimum Tax
  - Marginal Tax Rate



FEDERAL			
SINGLE			
FROM	TO	TAX %	MAX TAX
\$0	\$8,925	10.00%	\$893
\$8,926	\$36,250	15.00%	\$4,991
\$36,251	\$87,850	25.00%	\$17,891
\$87,851	\$183,250	28.00%	\$44,603
\$183,251	\$398,350	33.00%	\$115,585
\$398,351	\$400,000	35.00%	\$116,162
\$400,001	\$\$\$	39.60%	

MARRIED FILING JOINTLY			
FROM	TO	TAX %	MAX TAX
\$0	\$17,850	10.00%	\$1,785
\$17,851	\$72,500	15.00%	\$9,982
\$72,501	\$146,400	25.00%	\$28,457
\$146,401	\$223,050	28.00%	\$49,919
\$223,051	\$398,350	33.00%	\$107,767
\$398,351	\$450,000	35.00%	\$125,845
\$450,001	\$\$\$	39.60%	

MARRIED FILING SEPARATELY			
FROM	TO	TAX %	MAX TAX
\$0	\$8,925	10.00%	\$893
\$8,926	\$36,250	15.00%	\$4,991
\$36,251	\$87,850	25.00%	\$14,228
\$87,851	\$183,250	28.00%	\$24,959
\$183,251	\$398,350	33.00%	\$53,883
\$398,351	\$400,000	35.00%	\$62,922
\$400,001	\$\$\$	39.60%	

UNMARRIED HEAD OF HOUSEHOLD			
FROM	TO	TAX %	MAX TAX
\$0	\$12,750	10.00%	\$1,275
\$12,751	\$48,600	15.00%	\$6,652
\$48,601	\$125,450	25.00%	\$25,865
\$125,451	\$203,150	28.00%	\$47,620
\$203,151	\$398,350	33.00%	\$112,036
\$398,351	\$425,000	35.00%	\$121,395
\$425,001	\$\$\$	39.60%	

## Remove the pain

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- Use your toolbox



- Rescue your clients  
Help remove the pain!

# Use your tools and solutions

## WHAT OTHER "TOOLS" CAN YOU ADD TO YOUR FIRM'S TOOLBOX:

- Entity Choices
- Business Expenses
- Owner Compensation
- Passive Income Generation
- Expense Reimbursement Plans
- Bookkeeping Solutions
- Recordkeeping Solutions
- Equipment Purchasing
- Health Insurance/Medical Expenses
- Retirement Account Planning
- Paying Family Members
- Self Directing Retirement Accounts
- Rental Property Planning
- Partnership Planning
- Succession Planning
- Employee vs Independent Contractor

SAMPLE

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# Interpret firm value

TYPE OF TAX/AMOUNT PAID IN	AMOUNT	AMOUNT
SS/Med Tax: Based on Wages and Sole Prop Profit (15.3%)	\$5,200	\$13,000
FEDERAL: Total Federal Income Tax Due (estimated)	\$18,200	\$17,300
STATE: Total State Tax Due (estimated)	\$7,300	\$7,150
<b>TOTAL ESTIMATED TAX YET DUE</b>	<b>\$30,700</b>	<b>\$37,450</b>
<i>Tax Savings on business expenses:</i>	<i>22%</i>	<i>37%</i>

Based on our proposed business model, you could save about...	\$6,750	<div style="border: 2px solid #00AEEF; padding: 5px; display: inline-block;"> <p><b>SAMPLE</b></p> <p><b>TERMS THE CLIENT CAN UNDERSTAND</b></p> </div>
Currently - How much in PROFIT do you need to earn to get the tax savings?	\$10,714.29	
Currently - How much GROSS SALES do you need to earn to get the tax savings?	\$17,857.14	
Current tax efficiency based on suggested solutions...	82%	

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# *Value reinforcement...*



*Long term client  
relationships*

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## Continue to reinforce value

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- Customized annual tax reviews
- Online client review of tax returns
- Client report card – progress report
- No charge for phone calls or questions
- Value added resources, reminders, and personal contact



# Example...

*before*

TYPE OF TAX/AMOUNT PAID IN	AMOUNT	AMOUNT
SS/Med Tax: Based on Wages and Sole Prop Profit (15.3%)	\$5,200	\$13,000
FEDERAL: Total Federal Income Tax Due (estimated)	\$18,200	\$17,300
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<b>TOTAL ESTIMATED TAX YET DUE</b>	<b>\$30,700</b>	<b>\$37,450</b>
Tax Savings on business expenses:	22%	37%

Based on our proposed business model, you could save about...  
 Currently - How much in PROFIT do you need to earn to get the tax savings?  
 Currently - How much GROSS SALES do you need to earn to get the tax savings?  
 Current tax efficiency based on suggested solutions...

\$6,750
\$10,714.29
\$17,857.14
82%

**SAMPLE**  
← **TERMS THE CLIENT CAN UNDERSTAND**

*after*

## TIMELINE - TAX PAYMENTS AND DUE DATES

Date: 04/10/13

Corp Name: 123 Business, Inc.

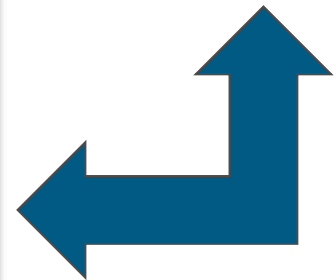
Employee: John Doe

### NOTES ABOUT YOUR TAX PLANNING

Your Projected Marginal Tax Rate:	32.00%	TAX SAVINGS = Amount Spent * Your Marginal Tax Rate. TAX INCREASE = Additional Income * Your Marginal Tax Rate.
Your Projected Tax Savings for 2013:	\$8,500.00	This is your projected tax savings using the solutions and strategies Business By Design has recommended. The exact dollar amount of savings may vary slightly based on your final 2013 numbers.

We will need to revisit the concept of paying wages to your children.

Be sure to get your Health Savings Account opened as soon as possible.



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# This is what your competition does

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I appreciate your business and thank you for trusting me to be your tax partner. My business continues to grow through recommendations from clients like you and I'd be honored to help anyone you recommend to me.

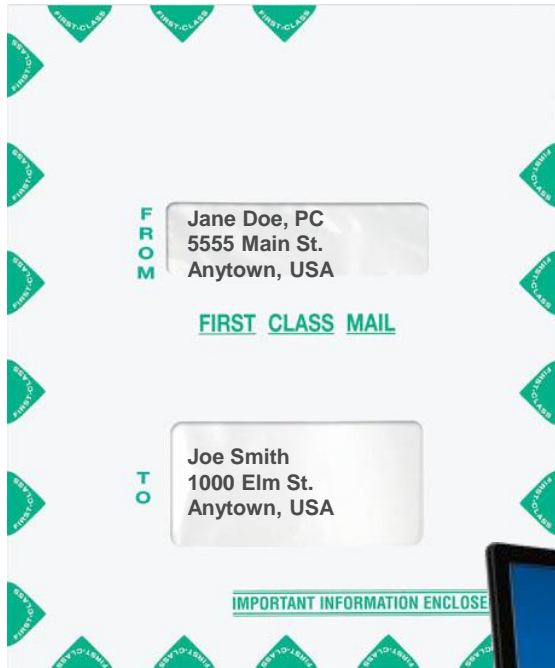
## Today's Savings

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* Claiming the Child Tax Credit for you this year helped you reduce your federal taxes by:	\$2,000.00
* By deducting your home interest deduction, you reduced your taxes by an estimated:	\$760.00
* By making a deductible contribution to your SEP, SIMPLE, or other self-employed retirement plan, you reduced your federal taxes by:	\$180.00
* By itemizing your cash and/or non-cash contributions to charitable organizations this year, we helped you reduce your taxes by an estimated:	\$50.00
* In simple terms, the Marginal Tax Rate is the tax rate that you pay on your last dollar of taxable income. It is the highest federal tax bracket that affects your tax calculation. The Effective Tax Rate is the percentage of your total income that you paid in taxes. For 2011, your Marginal Tax Rate is 10% and your Effective Tax Rate is 0%.	
<b>Total Savings</b> .....	<b>\$2,990.00</b>

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# Delivery of tax return



S Corporation Return P2 P3 P4 P5

Form **1120S**

U.S. Income Tax Return for an S Corporation.

Department of the Treasury  
Internal Revenue Service

OMB No. 1545-0047  
**2012**

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
Information about Form 1120S and its separate instructions is at [www.irs.gov/form1120s](http://www.irs.gov/form1120s).

For calendar year 2012 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

<b>A</b> S election effective date	TYPE OR PRINT	Name <b>123 Business, Inc.</b>	<b>D</b> Employer identification number <b>11-1111111</b>
<b>B</b> Business activity code number (see instructions)		Number, street, and room or suite no. If a P.O. box, see instructions. <b>123 Main Street</b>	<b>E</b> Date incorporated
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code <b>Minneapolis MN 55305</b>	<b>F</b> Total assets (see instructions) \$ <b>0</b>

**G** Is the corporation electing to be an S corporation beginning with this tax year?  Yes  No If "Yes," attach Form 2553 if not already attached.

**H** Check if: (1)  Final return (2)  Name change (3)  Address change (4)  Amended return (5)  S election termination or revocation

1a \_\_\_\_\_  
1b \_\_\_\_\_  
from line 1a \_\_\_\_\_ 1c \_\_\_\_\_

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## Delivery of tax return

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- The single best sales opportunity with a client
- Ability to show proof of firm value and add additional value
- Ability to show client “return on investment” with firm
- Identify problems or issues needing future attention
- Reinforce client’s understanding of firm’s “best practices”

# Action Steps To Move Your Firm Forward

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- The Entrepreneur Viewpoint
- Knowledge Transfer
- Creating the Firm Culture
- Partner Sourcing



# Entrepreneur View Point

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***Man cannot discover new oceans unless he has the courage to lose sight of the shore.***

***– André Paul Guillaume Gide***



## How do I begin?

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## What are the risks?

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Financial?



Time?

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## Status Quo?

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## Unknown risk?

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# Recipe for Success

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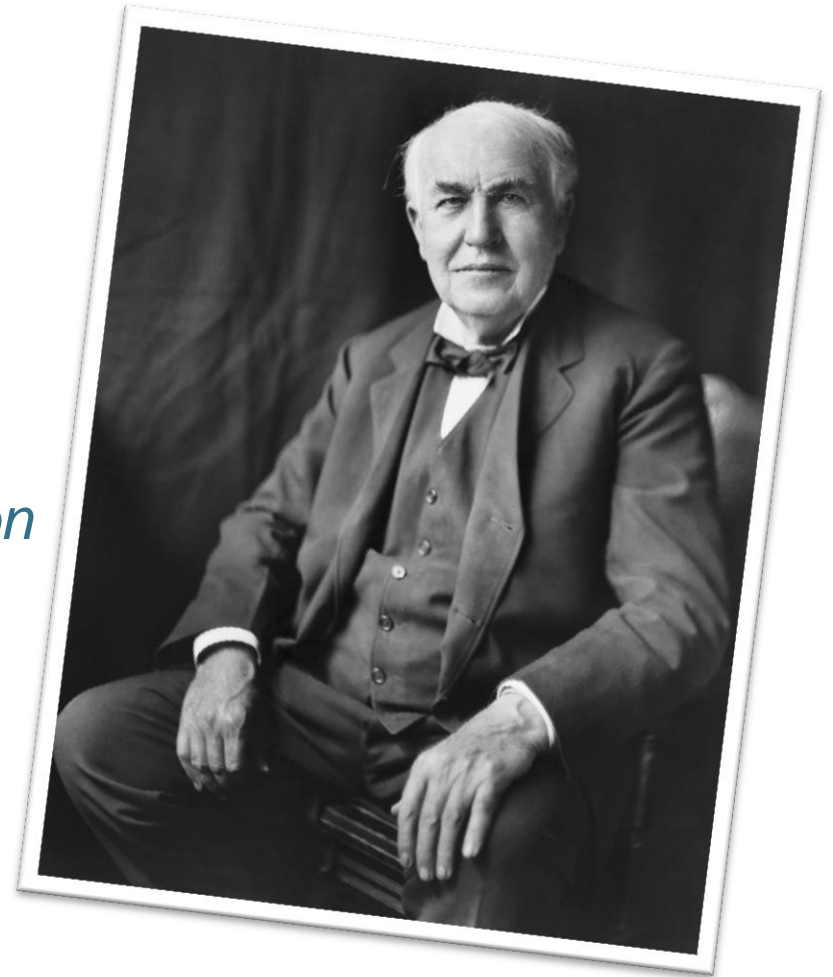
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## What I have learned

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*I have not failed, I've just found 10,000 ways that won't work.*

*– Thomas Alva Edison*



Entrepreneur view point:  
Don't be afraid to fail

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*Very small capital  
investment, if any*



***Your Time = Greatest Risk***

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## Entrepreneur view point: Don't be afraid to fail

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- Identify clients with need
- Start with one or two clients
- Make changes as necessary

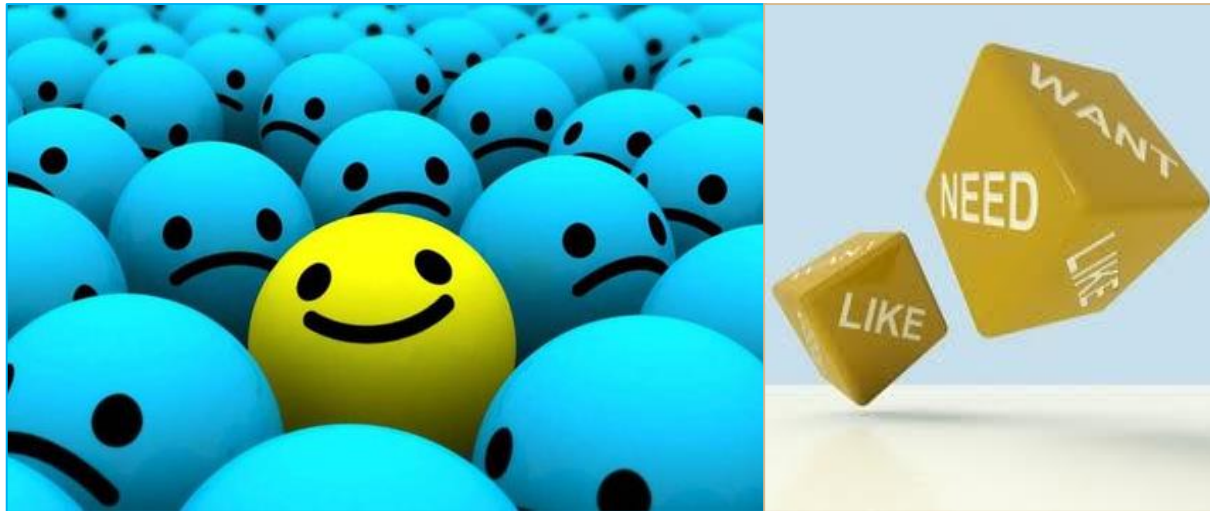


# Entrepreneur view point: Think of the “Client Experience”

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***Unique to  
“my”  
situation***

***What is in  
it for me?***



***Solution  
Based Billing***

***Value***

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## Entrepreneur view point: Think of the “Client Experience”

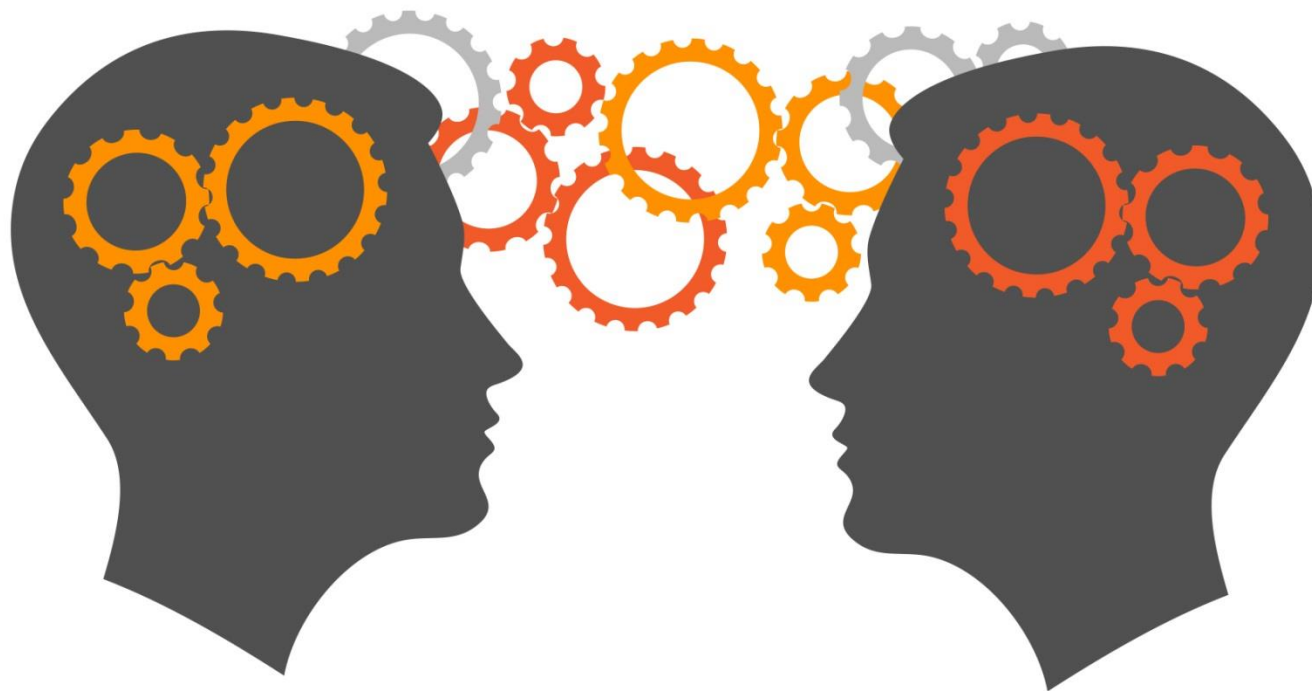
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- Understand clients wants, not just needs
- Clearly define value for client
- Continue to reinforce value for client
- Make changes as necessary



# Transfer of Knowledge

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# Transfer of knowledge: Create a system for duplication

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***Best  
Practices***

***Transfer of  
Knowledge***



***Succession  
Planning***

***Train  
Staff***



## Transfer of knowledge: Create a system for duplication

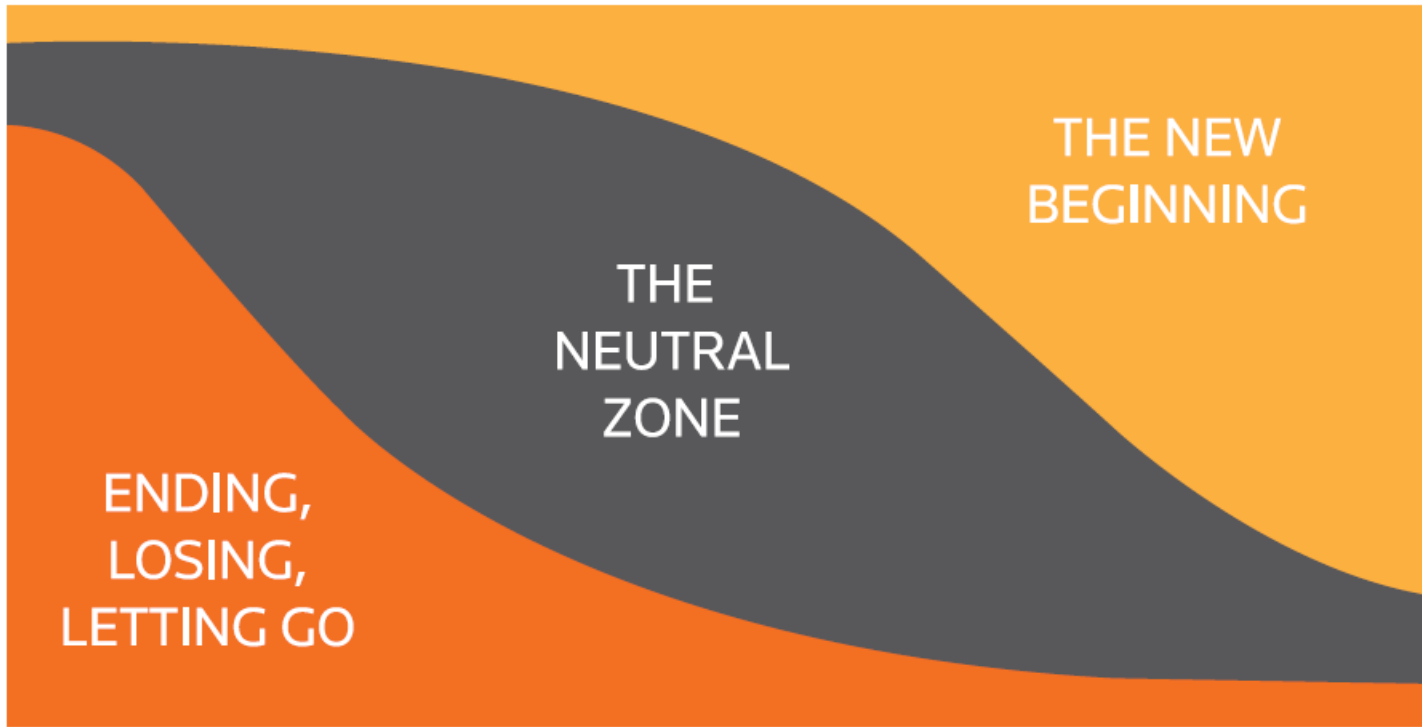
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- Set Firm's Best Practices
- Build your Toolbox based on firm strengths
- Monetize services you may already be providing
- Make changes as necessary



# Creating the Firm Culture

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**The three phases of transition**  
From *Managing Transitions* by William Bridges

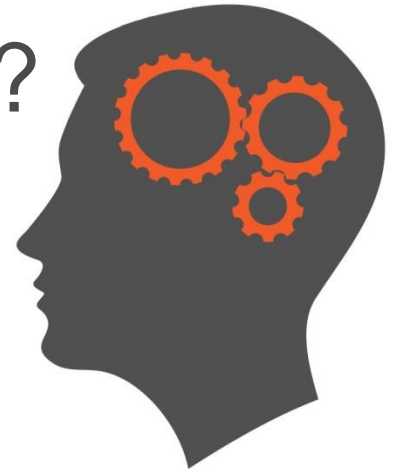
## Finding & Retaining Staff

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How do you find the right staff?

How do you motivate your staff?

How do you retain your staff?

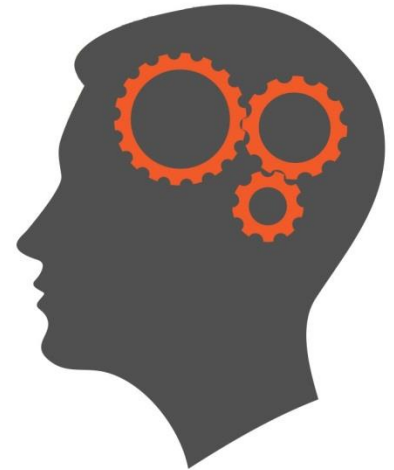


# Finding & Retaining Staff

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How do you pay your staff?

Hourly, salary, bonus?



# Partner Sourcing

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# Partner Sourcing

---



WEB BUILDER CS



# Partner Sourcing

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# Partner Sourcing

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# Developing a Plan for Success

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- Developing Your Plan
- Identifying Shift Champions
- Thought Leadership



## My Development Shifts

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*Our goals can only be reached through a vehicle of a plan, in which we must frequently believe, and upon which we must vigorously act. **There is no other route to success.***

*—Stephen A. Brennan*



# My Development Shifts

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Rethinking the Client Experience



Customizing Client Solutions



Technology, Workflow, and Process Innovation  
Efficiencies



Solution-Based Billing: Happier Clients, Higher Profit  
Margin



Actions Steps to Move Your Firm Forward



## My Development Shifts

---

*Our goals can only be reached through a vehicle of a plan, in which we must frequently believe, and upon which we must vigorously act. **There is no other route to success.***

*—Stephen A. Brennan*



# Shift Champions

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- **Duties**

- Finalize plan and action steps
- Delegate action steps
- Continuous evaluations

- **Characteristics**

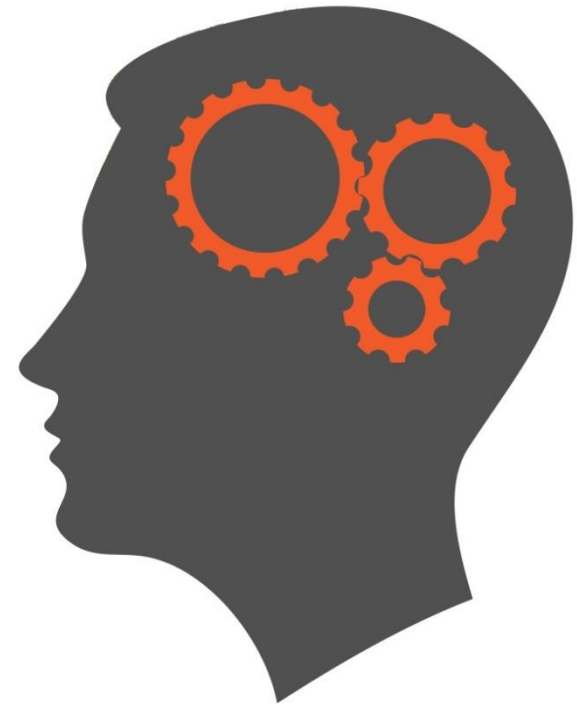
- Motivated
- Responsible
- Knows the BIG picture
- Good at prioritization

# Shift Champions

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*There is no such thing as a self-made man. You will reach your goals only with the help of others.*

**—George Shinn**





Thank you for attending

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