

Five Secrets to Generating Business from CPAs & Attorneys

Most financial advisors have experienced a CPA or attorney acting as a “deal killer,” telling the client not to move forward with the financial advisor’s recommendation. Alternatively, the financial advisor may have experienced the CPA or attorney not reciprocating with client referrals, even after the financial advisor referred many new clients to the other professional.

As a result, many financial advisors conclude that they cannot have profitable relationships with CPAs and attorneys. But nothing could be further from the truth. Done well and systematically, CPAs and attorneys can generate significant and consistent new business for the financial advisor.

There are five secrets to a system that consistently generates new business from CPAs and attorneys:

1. Understanding the perspectives of CPAs and attorneys.
2. A commitment to their success – in addition to the success of their clients.
3. Offering quality training, relevant to them (not just you), that creates a venue for consistent networking and relationship-building.
4. Staying in front of them with timely information that is relevant to them (not just you).
5. Being able to demonstrate your willingness to work **with them** to provide client-centered services that also generate revenue for them.

This article addresses the first secret: understanding the other professionals’ perspectives. What follows are generalizations that, in our experience, hold true for most CPAs and attorneys. ***An understanding of these perspectives is critical to working productively with CPAs and attorneys.***

CPAs

Safeguarding their Role as “Trusted Advisor”

The CPA may be concerned about safeguarding his or her very important accountant-client relationship. CPAs often feel that, because they have frequent and intimate contact with their clients through the accounting and tax return preparation function, the client comes to them first, placing special trust in them. Therefore, many CPAs feel that they have a high responsibility to the client to safeguard the client’s interests from insurance salesmen, financial planners, attorneys and others who may be proposing planning techniques that the accountant is unfamiliar with or may find suspect.

Conservative by Nature

CPAs, like many attorneys, are also typically conservative by nature, and this conservatism may cause the CPA to reject or question a planning technique, particularly where the CPA does not understand the strategy. This conservatism also means that CPAs, like attorneys, are often slow to understand new strategies, particularly if outside their areas of expertise.

“Not Invented Here”

In addition, CPAs suffer from what some refer to as “not invented here” syndrome. In other words, the CPA (and some attorneys) may reject an otherwise appropriate recommendation based upon a belief that the

Whether you create your own system or use The Advisors Forum’s turnkey System of Success, you should consistently show CPAs and attorneys your commitment to ***their success*** and the success of their clients.

client will question that professional's competence: in other words, the client might ask, "If this is such a great strategy, why didn't my CPA make the recommendation?"

In reality, many CPAs are not used to proactive planning – they work reactively, examining what the client has done already and attempting to minimize income taxes in this environment. However, by including the CPA in the strategy development process—before the financial advisor recommends the strategy to the client—the advisor can neutralize this fear and incorporate the CPA's valuable tax planning knowledge.

Some advisors refuse to engage the CPA or attorney beforehand because they fear the other professional will "kill" the recommendation upfront. In our experience, with many CPAs it is easier to get their buy-in on the front end, rather than deal with them on the back end. This is because many CPAs (and some attorneys) have the perception that other advisors are merely a "product pusher", so it is important to address this perception head-on and as early in the planning process as possible. To do so, ask the client upfront if she has a trusted CPA that she will ask to review the planning recommendation. If the client says yes, ask the client for the name of the CPA and permission to include the CPA in the planning process - and **seek her input often!**

This system should demonstrate your willingness to work **with the CPA or attorney** to provide client-centered services that also generate revenue for them in the form of new clients or additional services.

Attorneys

Attorneys are similar to CPAs; like CPAs, many are conservative, and they may not be aware of some of the more sophisticated techniques that a financial professional brings to bear. And as with CPAs, the attorney may have a bias against certain financial products or insurance. If the attorney is not brought into the process until after the financial advisor has made a recommendation to the client, the attorney may act as a "deal killer."

Perhaps it is a result of their conservatism, or perhaps it is a fear of being named a defendant in a lawsuit, but a percentage of attorneys, when they don't understand a strategy, will simply reject it out of

hand as "inappropriate." A larger percentage, when faced with an unfamiliar strategy, will take a significant amount of time learn about the strategy before supporting it.

Oftentimes, clients abort good planning simply because the attorney has taken too long to get everything accomplished. The attorney does this, not through a bad motive, but in the attorney's mind, a good motive; the attorney wanted to understand first so that he or she felt comfortable giving the client the best counseling.

How can financial advisors avoid the express "no" or indecision?

Avoid Making the Attorney a Scrivener

Like with CPAs, one way to avoid the deal killer or indecisive attorney is to involve the attorney in the process as early as possible – and not relegate him or her to the role of scrivener. This happens when the financial advisor makes specific planning recommendations to the client, who then decides to move forward. The client or advisor will then seek to engage an attorney to carry out the planning recommendation.

At that point, the financial advisor has relegated the attorney to the role of scrivener, asking the attorney to simply draft documents without any input in the process. This is analogous to an attorney (who is not licensed to sell financial products) convincing the client that she should "buy term and invest the difference."

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