

Teaching Tax Pros to Hunt in the Wealth Management World

By SCOTT RAWLINS

One of the key hurdles that advisors encounter in considering the transition to offering integrated wealth management services is the fundamental gap between the marketing model employed by traditional financial advisors and the practices that tax advisors are familiar with from the accounting world.

Most tax and accounting professionals pride themselves on their position as trusted advisors to their clients. They do not want to jeopardize these relationships by shifting into a more sales-oriented role – and, in many cases, they believe that introducing wealth management services as part of their practice or as part of a given client relationship would put them in just such a position.

In our experience working with tax professionals who have successfully integrated both accounting and wealth management into their business, we found that the following three concepts were vital in helping them embrace the unique marketing dynamics they encountered:

1. Expanding your services does not mean changing your culture; your focus on serving clients is the best marketing tool there is. Many of us remember the iconic scene in the 1992 film *Glengarry Glen Ross* in which Alec Baldwin's character tells a room full of underperforming salesmen about that month's sales contest: "First prize is a Cadillac El Dorado. Second prize is a set of steak knives. Third prize is you're fired." While many natural salespeople like to think they would thrive in that sort of high-pressure, hyper-macho environment, most tax and accounting professionals would think, "Thank goodness I don't work there." They are not motivated by the idea of winning a car for hitting arbitrary sales targets – they simply want to provide the best advice they can for their valued clients.

Fortunately, this same motivation also drives the most



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successful integrated services business models. Tax professionals know that most traditional financial advisors simply do not have the expertise to guide clients through the various tax implications of their investment recommendations. In order to achieve their goals, clients need insight and perspective on everything that factors into their financial plans, including both tax and investment considerations.

Growing the wealth management side of an accounting professional's business does not mean shifting to a *Glengarry Glen Ross*-style culture; it simply means expanding the tax advisor's natural motivation to provide clients with the best possible service to apply to the client's investment portfolio as well as to their tax return.

2. Lead with your natural strength: tax and accounting. Financial advisors work hard at outreach to build their books of business, pursuing such activities as conducting seminars and attending countless networking events until they finally bring in a critical mass of clients. While tax and accounting professionals certainly respect financial advisors' hard work, most of them do not want to take time from their existing practices to pursue a similar marketing model. Fortunately, adding wealth management services does not mean grafting on an entirely unfamiliar set of business development practices.

The most effective integrated wealth management and tax businesses follow a simple four-step process that makes intuitive sense to both the advisor and the client:

- Identify investment risks and opportunities during the preparation of the client's tax return;
- Discuss those considerations with the client as part of a broader discussion of their financial goals;
- Develop a plan that takes all of these objectives into account; and,

- Implement the plan through disciplined portfolio construction and management.

3. Clients want more guidance, not less. Another source of concern for many tax professionals in considering this transition is the sense that they may be imposing on clients by trying to expand the relationship toward wealth management. In fact, our experience has shown that most clients are actually positively inclined to combining their wealth management and tax advisory relationships with a single advisor when they have the option. Most tax advisors have developed a strong reservoir of trust with their clients; when these clients realize they can centralize all their financial planning needs with a single advisor whom they already know and trust deeply, they tend to react more with relief than trepidation.

While it is natural for tax and accounting professionals to feel some uncertainty over the new marketing considerations that adding a wealth management component may entail, the truth

is that most of these advisors are already much better suited for the business development model of an integrated, holistic tax and financial planning practice than they may realize.

Expanding into the world of financial planning and investment management does not mean changing the culture of a practice or adopting aggressive new sales tactics that may make both the advisor and his or her clients uncomfortable. In most cases, advisors who offer both tax and wealth management services will find that the clearest path to success lies simply in doubling down on their existing commitment to do the right thing for their clients.

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