

SCOTT CHARLTON

# PARTNERING WITH ACCOUNTANTS

YOUR GUIDE TO THE  
ULTIMATE REFERRAL  
DESTINATION



# FOREWORD

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Thanks for your interest in *Partnering with Accountants*.

There's a special magic in the air that gets created when you get an accountant, a financial adviser and a client together in the same room, with a whiteboard. Quite simply, good things happen.

My goal in writing *Partnering with Accountants* is to have more of these conversations happening around the country, and indeed, the world. Together, we can make quite a difference to the advice that clients receive.

I'm really pleased with how the book has turned out. It contains my thoughts and observations gathered over a long period of time. I've studied what's worked, thought about the reasons why certain approaches don't work and put all this into a logical framework for you to follow.

Of course, I know that as an adviser you most likely want to cut to the chase – find out what you want to learn and then get going! That's why I've styled the book as a travel guide. You can quickly find what you want to know, digest the message and then go out and implement.

The pages that follow are a sample of what the book is about. Hopefully you will get a feel for how the book is written and get a sense of how digestible the text is. As a former accountant in practice who received many approaches from advisers over the years, I can tell you that even following the simple do's and don't's in this excerpt will put you miles ahead of your competitors. In short, *Partnering with Accountants* is written in an easy to read style and full of practical tips you will be able to apply straight away in your business.

Enjoy reading the pages that follow and if I can be of assistance, please email me at [scott@scottcharlton.com.au](mailto:scott@scottcharlton.com.au).

Scott Charlton  
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# YOUR PASSPORT TO A SUCCESSFUL RELATIONSHIP WITH YOUR ACCOUNTANT

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I anticipate quite a range of people will read this book, all with differing objectives in dealing with accountants. In many ways, there are similarities with travelling to another country. Some readers will be the equivalent of first-time visitors who may go for an initial visit to see if they want to return for a more prolonged stay at a later date. While not everyone wants to become fluent in the language, knowledge of key phrases is helpful. Similarly, whilst few will actually seek to migrate, many may want to be frequent visitors. Regardless, everyone will form their own opinions and have memorable travel experiences.



Accordingly, I created this book in the form of a travel guide, whereby you can read those aspects relevant to your unique destination. In doing so, I have incorporated the characteristics of a useful travel companion:

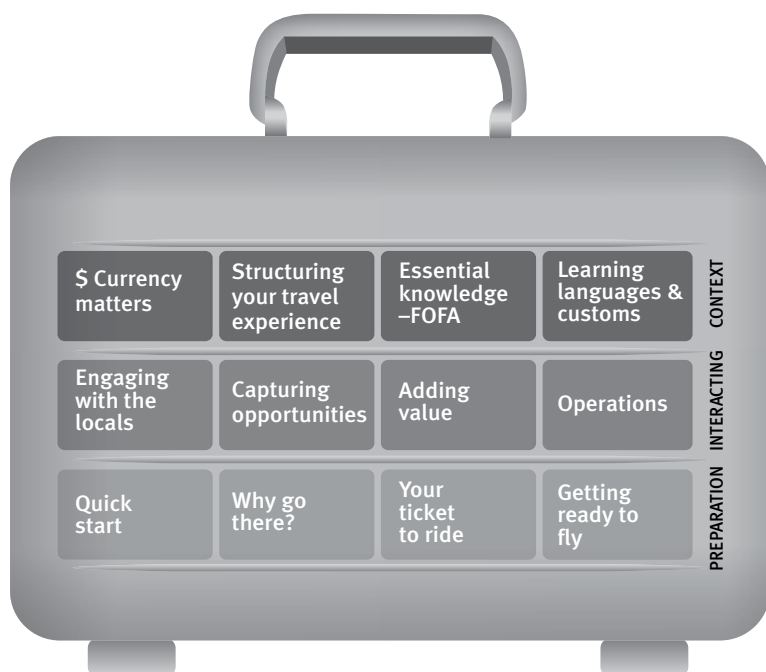
- ✓ Fun, interesting and above all, practical.
- ✓ Read before you go, follow while en route and enjoy upon returning home.
- ✓ Maps, phrase books and other useful tools make the experience more complete.
- ✓ Quick access to those aspects that are most relevant.
- ✓ An attractive layout that enables the busy traveler to pick out quick insights, while providing the considered visitor with more information.
- ✓ Essential knowledge of local beliefs, customs and etiquette.
- ✓ Written by a guide who cares deeply about the area and is skilled at helping others get to where they want to go – me!

All of this leads to the framework for partnering with accountants, which you will find throughout this book. Consistent with the travel theme, it's in the form of a suitcase, with twelve distinct compartments. As you will discover, each of these has a part to play in making a successful journey to fruitful accounting relationships.

I like the suitcase analogy. There are essentials to take with you to be sure, but don't load up so much before you set out that it's too heavy to lift. Accomplished travellers find a combination that works for them – practical, versatile and suited to the conditions – and are ready to fly at short notice.

Although the framework is not a “paint by numbers” formula, you will discover that it provides a very clear picture of what you need to be successful. You will find that there is a logical flow to the framework.

The first row is about **Preparation**. More than likely, the systems and guidance included in this part alone will take you much further than



you’ve ever experienced with accountants to date. From practical suggestions about finding accountants to building an Accountants’ Value Promise you will find enough guidance to make you travel-ready.

The second row, **Interacting**, will provide you with the knowledge and systems to develop long lasting relationships with accountants. From tailoring a value promise, generating leads and developing a shared approach to target clients, there is more than enough material to make your collaboration extremely productive.

The third row, **Context**, deals with issues such as the financial and structuring aspects, relevant regulations and helpful insights that will help you to understand how accountants work and think. This will help steer your accounting relationships in the right direction.

I hope you will find the theme and framework in keeping with your requirements. Anyone can become a successful traveller and have enjoyable experiences. I sincerely hope that you enjoy the book. More than this, I wish you a memorable journey.



# FOR THE QUICK STARTS

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Essential insights for those already en route to the airport.

## 1.1 For Travellers Who Just Can't Wait to Get Going

**Q.** For those who can't sit still long enough to read the entire book, this section will get you an interview with an accountant and most likely lead to a promising beginning. Ultimately, there's more to it. However you can return to the remainder of the book at a later stage.

### Don'ts

- ✗ Don't simply call accountants and ask them to refer clients to you. This is not an effective strategy and accountants are accustomed to stonewalling cold calls.
- ✗ Avoid going into a meeting with accountants with nothing of value or interest. Their time is charged by the hour and a "nothing meeting" is costing them money. Better to have something of value to discuss and then leave.
- ✗ Don't appear overly possessive when talking to an accountant about your clients and certainly not with respect to the accountant's clients. It's far better to convey the attitude of "*The client owns the client*" and "*We are only as good as the service we provide to the client.*"

- ✕ Don't refer to *the business* in relation to work you have done on behalf of clients. Instead, talk in terms of *services* you have provided and *assistance* you have rendered. If the conversation turns to your remuneration, talk *fees*, *advice* and *value added*, not commission, trails, or brokerage.
- ✕ Don't ask accountants to complete elaborate additional checklists to identify prospects for you. This is a waste of time because they are too busy. It's far better to have a small number of prompters inserted into the core taxation checklists that accountants use for their day-to-day work.
- ✕ Don't assume that all accountants appreciate the difference between a broker and an agent. Ensure that you communicate the "broker" aspects of what you do; i.e, that you are able to consider a wide number of products across a range of providers. This will help position you as a fellow professional rather than a product flogger.

## Do's

- ✓ Record the name of each client's accountant in your database. In time, this will provide you with incredibly valuable information – for example, how many clients you have in common with a particular accountant. Start this process immediately based upon your top twenty clients.
- ✓ Make a point of asking clients about their accountant. Is he or she any good? What particular specialties does the accountant have? In time, you will develop a good knowledge of high-quality accountants and their specialties. This will be useful when clients ask you to refer them to an accountant.
- ✓ Visit the website of accountants before contacting them. It would be handy to know if they already have a solution in place for the services you offer.

## Starting a relationship

The best way of obtaining a meeting with an accountant is to have clients in common. Call a client's accountant offering to discuss what you're proposing to do with and for their client. Invariably, you will secure a meeting, which provides an opportunity to demonstrate your competence and professionalism, along with your willingness to collaborate to obtain the best outcome for the client. The accountant will be wary at first, so project a professional approach to the client's situation and your proposed solutions.

Make a habit of providing the accountant with a schedule of the client's insurances, including the monthly payments on policies. June or July is a good time to do this, which will assist the accountant with year-end tax planning and end of year accounts preparation respectively. Naturally, your name and phone number should feature prominently on this schedule.

Should you not have a client in common but would still like to develop a relationship, contact the accountant and explain you have received excellent reports about him or her. Mention that you are often asked by clients to refer them to accountants. Request some moments of their time to meet with them and find out more about what specialties they have and/or clients they would like you to refer.

Keep in touch – newsletters, the occasional email and periodic phone calls are all useful ways to keep your name in the accountant's mind.



### TIP

An accountant might really like you and want to refer a client. However, they may still seem hesitant because this requires an assessment of which clients have already been referred to other advisers. The simplest scenario is to involve you with a new client or a client who has not previously been referred elsewhere.





## TEST CASES

Should you receive any referrals from accountants, keep in mind that the first few will likely be test cases on less important clients. Make sure that you do a brilliant job on these clients. Failure to do so will be the end of any referrals you receive. On the other hand, passing the tests is the way to get referrals to their more important clients.

The ultimate test case is the opportunity to review the accountant's own situation, probably their insurances. This is a sure sign that the accountant is seriously thinking about working more closely with you. Make sure that you do this well, both upfront and ongoing. Any queries should be addressed promptly and issues such as health matters should be given extra care and attention.

Test cases can take a number of different forms – sometimes being something as innocent as asking you to undertake some research on a technical point. Ensure you respond promptly, as this reflects the level of service you provide and how reliable you are.

## Getting started

A risk review (personal and/or business) can be positioned as a value added service that the accountant is providing to clients. Suggest that all new clients to the firm should have this review performed as a matter of course. Existing clients could be reviewed as a follow on service to year-end tax returns. In both cases there is the opportunity to present the accountant as the hero in the eyes of his or her clients for instigating this service.

Alternatively, if you can tell that the accountant thinks suggesting a risk review is too “sales-y,” suggest that they ask the client, “Is it possible that you have multiple superannuation funds?” Starting at this point may prove less confronting but will still lead to opportunities for you.



## ACTION

- Identify the accountants used by your top twenty clients.
- Make appointments with as many as possible.
- Attend the appointments and see how many you can either convert to agreed action items or set an expectation for some ongoing dialogue.

## 1.2 Where to Find Accountants

**Q.** This is where you learn how to find accountants to talk to. Don't overthink this aspect.

### How do I get in front of accountants?

Before looking at how to meet accountants, let's consider two quite different scenarios.

**Scenario A:** You have built a robust business and have a clear sense of your target client and value promise. You are supported by a capable back office and have the capacity to take on more work. You already have a good marketing program and are looking to expand this by taking on one or two referral relationships to which you are in a position to devote considerable time and attention. A significant part of your revenue is derived from providing advice. You have interacted with accountants over the years and feel quite confident in your ability to complement the work that they do.

**Scenario B:** You have not been in business for long and finding new clients has proved difficult. You have a "me too" business, have no marketing resources to speak of and frankly will take on any client that can fog a mirror. In your marketing to date, you have flitted from one strategy to another, without the assistance of external expertise. You are rewarded solely when clients place investments or take out insurance. Up until now you have had little to do with accountants, but you have heard they are great sources of referrals.

Dealing with accountants is like having a vocation – you choose to do so because of a genuine interest and a long-term ambition to master it. Certainly, you will need something professionally interesting to say in order to sustain their interest during the initial meeting.

These issues are addressed elsewhere in this book. However for now, let's consider how and where to meet accountants.

Here are my top twelve suggestions:

1. **Accountants 101**

Read and follow Chapter 1.1. This alone will place you ahead of many suitors.

2. **Set an expectation through mutual clients**

This is closely aligned with Chapter 1.1. Clients who are happy with your work will willingly assist you to meet their accountant if asked.

3. **Ask colleagues to introduce you**

In a similar vein, you can enlist the assistance of associates to recommend you to their accountant.

4. **Chambers of Commerce**

Often you will find accountants are members of the local chamber of commerce or business association. Many will have been long term members and see this as a means of contributing back to the business community. Rather than simply trying to engage them in conversation over drinks at the end of the monthly meeting, you may have more success in joining a subcommittee with them to work on a particular project. This will be a great opportunity to demonstrate your better qualities while working on a project of mutual interest. Many advisers have found it useful to have established a relationship with an accountant outside of normal work hours before seeking a business relationship.

5. **Formalised networks**

Typically these are contrived situations whereby members pay a subscription to be placed in a group that contains other compatible businesses. Anecdotally, people have a wide range of outcomes from these groups, from heady success to nil result. The advantage of this environment is that you will not have a direct competitor in your group, thereby providing you with more opportunity to interact with the accountant. Note that it's possible that you may find that the accountant in your group is just starting out. Such an accountant may not have many clients to refer just yet, but it may be worth investing time in them for the long-term potential.

**6. Kindergarten and school committees**

Accountants are parents too. The one profession that you are guaranteed to see on the committee of the local school or kindergarten is an accountant, lumbered with the role of treasurer. Being part of the committee will provide you with the means of developing a relationship with the accountant. However, this year's incumbent may be a stay-at-home mother or a commercial accountant, so it may mean that you stay on the committee for a number of years until you find success.

**7. Good causes**

Pick a cause that you are genuinely interested in because to demonstrate your admirable qualities will require a long-term commitment. Accountants are valued board members of charities and foundations. You will likely find that taking a role on the investment committee will provide the chance to demonstrate your expertise.

**8. Accountants' discussion groups**

The accounting bodies convene a broad range of local and specialty discussion groups for their members. Becoming a regular guest speaker at their meetings can be a great way of demonstrating your credentials to a number of accountants. Your challenge is to come up with topics that have sufficiently interesting technical substance to attract the attention of the convener.

**9. Accountants' conferences**

Not for the fainthearted! Typically, accountants congregate at technical conferences, dominated by taxation, superannuation and other regulatory compliance. Often these are not restricted to members, although you will likely have to pay a slightly higher registration fee. Pick an area that is of professional interest to you and plunge ahead. Of course, the challenge during these events is to engage with an accountant who is in your geographic proximity.

**10. Social media**

This is much more than having a Facebook page and a LinkedIn profile. In addition to a content-rich website, this strategy will require you to develop a blog which has great technical commentary. Join or start a LinkedIn discussion group on a specialty topic about which you can make regular contributions. The discipline of following through on this strategy will inevitably assist you to become much more technically proficient, a quality that accountants respect. You may find that this works well as a secondary strategy, giving you a strong basis of discussion when you meet accountants.

**11. Direct marketing**

Described in Chapter 2.2.

**12. Seminar for accountants**

Refer to the case study in Chapter 5.5.

**TIPS FROM AN ADVISER IN FORMING  
RELATIONSHIPS WITH ACCOUNTANTS**

Financial planner Kath Orman kindly provided these tips for developing an accounting relationship:

- a. Keep looking until you find the right fit. Early days, keep an open mind as to whether an accountant might be suitable. It might take a few meetings with an accountant for you both to form a view as to whether to take matters further.
- b. Stay positive during this time – you don't need to convert them all.
- c. For the accountants you get to meet, enquire about their preferred client profiles (to ascertain if there is sufficient overlap with the type of client that you want to work with).

- d. Arrange a follow-up meeting to walk the accountant through your process to demystify what you do so that the accountant gains sufficient confidence to make a referral. Because identifying and achieving client objectives is a central part of the work Kath does with her clients, during this meeting she tells the accountant, “If you were my client, I’d ask you about your Wish List.”
- e. Kath may make an offer to prepare a financial plan for the accountant, depending upon the vibe she is getting. It may or may not be appropriate or necessary in developing the relationship for the accountant to become a client.
- f. This meeting might actually take place at your office, which provides a good opportunity to introduce the accountant to your team.
- g. Gaining the accountant’s confidence in your ability to deliver appropriate solutions and provide ongoing support is a critical step in securing the necessary trust to get some initial referrals.
- h. Then – as Kath says in relation to any referrals that you actually receive – “Do it right. Don’t disappoint.”
- i. Get each (hopefully, delighted!) client to provide their feedback to the accountant upon completion of the initial assignment.
- j. Kath counsels that communication throughout the referral process is very important. Keep the accountant informed and follow through on any issues and concerns that might be raised.



## ACTION

- Review the lists provided above and identify initiatives you are going to concentrate on during the next three months.

## 1.3 Blitz Your Competition – Avoid These Rookie Errors

- Q.** Avoiding these classic clangers will dramatically improve your travel outcomes.

Accountants get quite ruthless in rebuffing the endless approaches they receive from all sorts of advisers and providers. They will also quickly terminate discussions if they feel that a relationship is not worth pursuing.

In this chapter we will explore twenty common Rookie Errors that will have such consequences. Although knowing these errors will not guarantee referrals, you will at least ensure your chances aren't spoiled with an avoidable mistake.





### 1. **Proclaiming, “The sky is falling in”**



*Example:* “Mr. Accountant, I’d like to explain a very important situation to you. There is a statutory deadline looming/an investment opportunity is closing/as from next month the fees are going up. That’s why you and your clients need to take action now if we are to meet this date.”

*Reality:* Accountants have observed that the sky has never fallen in previously, will be cynical about your attempt to inject urgency and will dial down your credibility several notches.

### 2. **Looking after one’s own interests, “Give me your client list and I’ll make lots of money”**



*Example:* “Mr. Accountant, as you’d appreciate, it’s vital that your clients are insured/have a plan for their retirement/get the cheapest loan. I’d like to help. Let’s talk about a program whereby I work through all your clients.”

*Reality:* The accountant may or may not agree with your assertion. What’s more, they may not have confidence that you can do a good job. More importantly, the accountant may not sufficiently trust you at this stage. You are an untested commodity, so frankly, why should the accountant risk client relationships when you’ve done nothing to foster goodwill and confidence?

### 3. **Not doing what you say you will do**

A frequent stumbling block.



*Example:* “I’ve seen an interesting article on this. I’ll send it to you,” and then failing to do so.

*Reality:* It is a rare adviser indeed who actually consistently delivers on commitments. This is actually very good news. It means that with application, you can distinguish yourself in a way that is inexpensive yet truly memorable.

### 4. **Being an order taker**



*Example:* You sit in on a meeting about company succession arrangements but contribute little to the discussion and/or (worse) appear technically out of your depth.

*Reality:* If you attend a joint meeting with an accountant and a client simply to identify an opportunity to sell something, you will rightly be viewed as a product flogger. Refer to the case study of Garry the risk specialist in Chapter 4.3 for an example of an adviser who is a respected professional. For Garry, product sales occur quite naturally as a result of engaging in the issues.

**5. Not doing your research and going in cold to a first meeting**



*Example:* “So, what kind of work do you do here at ABC Accountants?”

*Reality:* This is just a bad question. Not only should you already know but for the accountant it is a waste of otherwise chargeable time. With appropriate preparation, it’s possible to give yourself a much better chance of success. Refer to Chapter 4.1 regarding research to undertake before meeting with an accountant.

**6. Playing the short game (i.e. getting discouraged early and giving up)**

Often accompanied by other Rookie Errors, this is where an adviser hopes to obtain a referral or (even more unlikely) a referral relationship from the very first meeting with an accountant.

*Reality:* The best and most sustainable referral relationships usually emerge over time. This gestation period enables trust to be formed, test cases to be successfully negotiated and confidence in you to be developed.

**7. Being disorganised/losing records/letting clients slip through the cracks**



*Example:* Accountant – “How did you go with Fred Smith after I referred him to you last month?”

You: “Gosh, I completely forgot about calling Fred. I’ll get onto it straight away. Would you mind giving me his number again?”

*Reality:* It’s going to take a minor miracle to recover from this one.

**8. Failing to account for the money (if in an income splitting arrangement)**



*Example:* Accountant – “I’ve been looking through the list of commissions received from clients referred to you. There seem

to be at least three clients missing.”

You – “Errr.....”

*Reality:* Accountants take a dim view of errors and oversights. Worse, they will then extrapolate these into a conspiracy (“What else is missing?”) and a back-dated test case (“Couldn’t even get that right”).

9. **Being unaware of tax deadlines that accountants are working towards**



*Example:* In Australia, 15 May is the final date for lodging tax returns for the previous financial year. In the weeks leading up to this deadline, many accountants are under considerable pressure to get these returns prepared.

*Reality:* Accountants will have less scope to meet with you or work on joint initiatives with statutory deadlines looming. Best to find out when these are and work around them.

10. **Assuming you are the first person to approach the accountant for referrals**

*Reality:* Accountants are approached all the time, so you need strong credentials and good reasons for why they should refer to you.

11. **Making a meeting with an accountant armed with nothing but hope**

*Reality:* Closely aligned with the previous point. You won’t last long if you don’t have something interesting to say about how you can add value.

12. **Thinking, “If I keep talking long enough, I’ll build rapport and get a referral”**



*Example:* Otherwise known as “show up and throw up”, this is where the accountant realises you have no agenda, are adding no value, are soaking up valuable time unnecessarily and (worse) encroaching on his or her next appointment.

*Reality:* No accountant can afford to give you endless time,

particularly where you lack a purposeful agenda. Time is money to an accountant. Even if they really like you, most accountants would prefer quickly getting down to business, doing what has to be done and then moving onto their next meeting.



**True story.** I had arranged a meeting with an accountant colleague, whereby I would bring along a financial planner to discuss collaboration. In response to the planner's question beforehand about how the meeting should run, I advised, "Let the accountant do most of the talking." However, within five minutes the planner was talking nonstop and (worse) even about where he thought accountants neglected aspects of clients' financial affairs. Eventually I had to call time out so that the accountant could get a word in.

Accountants are not interested in how good you are. And they are certainly not interested in receiving a critique of the accounting profession. Instead, they will be evaluating you in terms of the value you will add to their clients and whether they can work with you.

### 13. **Talking to accountants about selling**



**True story.** A financial planner I worked with a number of years ago had just established a JV with a large regional accounting firm. A meeting of all staff was duly called at which the partners explained the new initiative and introduced the planner. In a burst of enthusiasm during his presentation, the planner expressed, "You're all going to learn how to sell!" As he later ruefully reflected, "Use the word *sell* with accountants and you can hear a pin drop in the room."

### 14. **Promising to refer clients**

Don't promise what you can't deliver. Besides, you are more likely to find that accountants assign higher priority to ensuring that you will do a good job for the clients they refer to you than what you send to them.

## 15. Making basic errors in punctuality, spelling, calculations and/or dates



**True story.** Jennifer is a terrific risk specialist who goes the extra mile in looking after her clients. Often this involves liaising with their accountants – copying them in on advice documents, providing schedules of current insurances and premiums, seeking their advice on how cover should be structured, etc. It's Jennifer's nature to focus on the “big picture” – making sure her clients are protected in the event of calamity, insisting they get their wills prepared and prompting them to think about the legacy they leave. Jennifer is driven to distraction when an accountant overlooks the recommendations included in her statements of advice, but rings her to chortle about the misspelling contained in the covering letter.

Accountants tend to view their value in terms of technical excellence. The importance they place on precision is understandable for the following reasons:

- Telling a client to buy an asset in the family trust when it should have been in the super fund or vice versa has future tax implications.
- Getting a calculation wrong may result in tax penalties.
- Missing a deduction means that a client pays more tax than necessary.

Understand that an accountant will judge you on the accuracy of your correspondence and calculations. Get a team member to proof read your documents and double check your numbers before sending anything to an accountant.

## 16. Getting angry with the accountant



**True story.** I contacted the insurance adviser of an accountant to find out details of the policies for which monthly premiums had been paid, to ascertain which premiums were tax deductible. The adviser made an appointment to see me, during which he became increasingly agitated. Finally, he stormed out

of the office declaring, “You just want to take the business away from me.” Bewildered, I resolved to never have anything to do with the fellow ever again.

17. **Referring the wrong type of client**



**True story** At a critical point I changed the direction of my accounting firm from being a general practice to specialising in business clients. One would think re-branding the firm to *Business Development Strategies* was sending a clear message about the clients we were seeking. Imagine my puzzlement when an adviser started referring me salaried clients with rental properties.

18. **Carrying individuality too far**



**True story.** A business client had been approached by a financial adviser, who recommended a complicated financial arrangement involving various insurance policies. The client asked the adviser to explain the arrangement to me. When in due course the adviser came to see me, I found it impossible to concentrate on what he was saying because one of his fingers sported a really long nail. Call me shallow, but I concluded the fellow was a weirdo and advised the client not to proceed.

19. **Making a cavalier delegation**



**True story.** The financial planner with whom I set up a JV arrangement became too busy to look after the referrals himself and assigned this responsibility to an employed adviser. I was never introduced to this new person, who clearly had not been made aware of the history and importance of the JV. Insurance referrals just didn't get the same degree of attention as before and consequently the conversion rate decreased significantly.

20. **Doing the wrong thing by the accountant's clients**

Strictly speaking, this shouldn't be classified as a rookie error because it's been committed by experienced financial planners who should know better.



**True story.** The quick facts are that one such adviser “inherited” an accounting relationship as part of a client base he purchased from another adviser who subsequently retired. The planner did not develop a relationship with the accountant, just dealt directly with the clients. The planner commenced moving the clients’ investments from one investment platform to the preferred platform of his dealer group. In some instances this triggered a capital gain for the clients. Coupled with fee increases and decidedly different views on property in client portfolios, the outcome was that the accountant ended up directing the clients to an alternative planner.



## ACTION

- For each of the accountants you have unsuccessfully approached for referrals, go back through this list and see which rookie error may have applied.
- Reflect on ways in which the situations above could be handled better and incorporate this into your approach in pitching to accountants in the future.