WOODARD™

Tax Prep Plus

A New, Revolutionary Model for the Tax Practitioner

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During this Training Event You Will…

1. Explore the larger strategy or “Why” of “plussing” your tax services
2. Identify the reasons tax preparers don’t often branch out beyond tax preparation
3. Explore specific types of “Tax Plus" services you can offer your clients.
4. Discover pricing strategies for adding “Tax Plus" services to your existing tax preparation engagements.

Handouts

The slides from this presentation will be available *after* the live presentation is over.

Download handouts at Woodard.com/Webinars

We will post the handouts no later than 5:00 PM Eastern today

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CPE

- This event qualifies for one hour of CPE
- The field of study is Business Management & Organization
- You will receive your CPE certificate within one week of the live event
- Your certificate will contain the first and last name you used to register for today's event
- We will deliver the certificate to the email address you used to register for today's event
- You must respond to all three polling questions to qualify for CPE

Note: You Can Evaluate this event Using an Online Evaluation Form. You Can Access this Form When You Leave the Event

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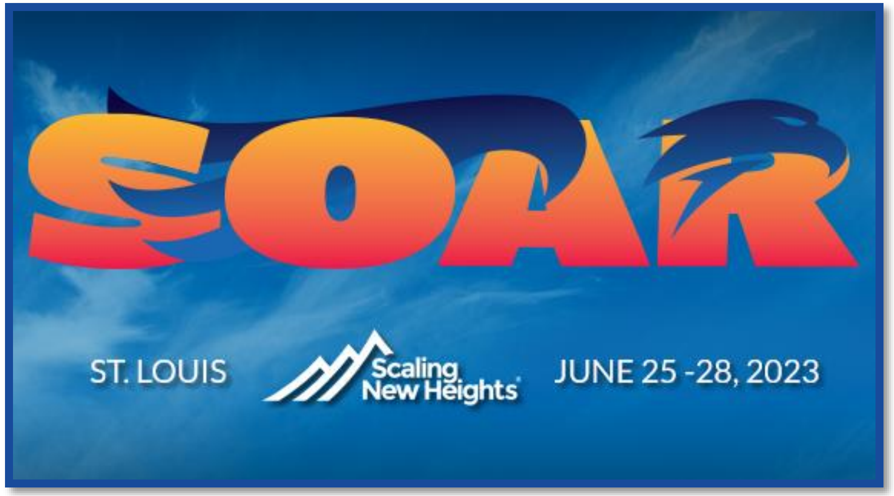
About Scaling New Heights 2023

- Over 1,000 of the World's Leading Accountants and Bookkeepers
- Exhibit Hall Featuring Over 100 exhibits – including 8 different accounting technology platforms
- Highly Advanced Training on QBO and QBD
- Practice and Professional Development Training
- World-Class Main Stage Experiences
- Cyber Monday Sale November 28 – Save the date!



www.ScalingNewHeights.com

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Poll Question

About Scaling New Heights 2023 I am...

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The Strategy or “Why” of “Plussing” Your Tax Services

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What Do Our Clients Really Want?

Don't sell me accounting services, sell me ________________.

Psychological Health	Knowledge	Solutions	Process	Time Back	Direction/Opportunity	Measurements (Why It Happened/What Happens Next)	Metrics (What Happened)
Automation	Standardization	Leadership	Coaching	Profits	Scalability	Peace of Mind	Hope
Work/Life Harmonization	Financial Security	A Plan	Vision/Purpose	Visibility/Clarity	Stability	Accountability	Protection

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These “Products” are What **YOU** Really Want

- Differentiation for Your Practice
- Neutralization of Price Anchors
- Increased Capacity – Generate Revenue Disproportionately to Effort
- Semi-Retirement Opportunity
- Higher Impact on Your Clients
    - Protect the Journey
    - Generate Wealth for Clients (Expense → Asset)
    - Contribute to Business Transformation
- Changed Lives

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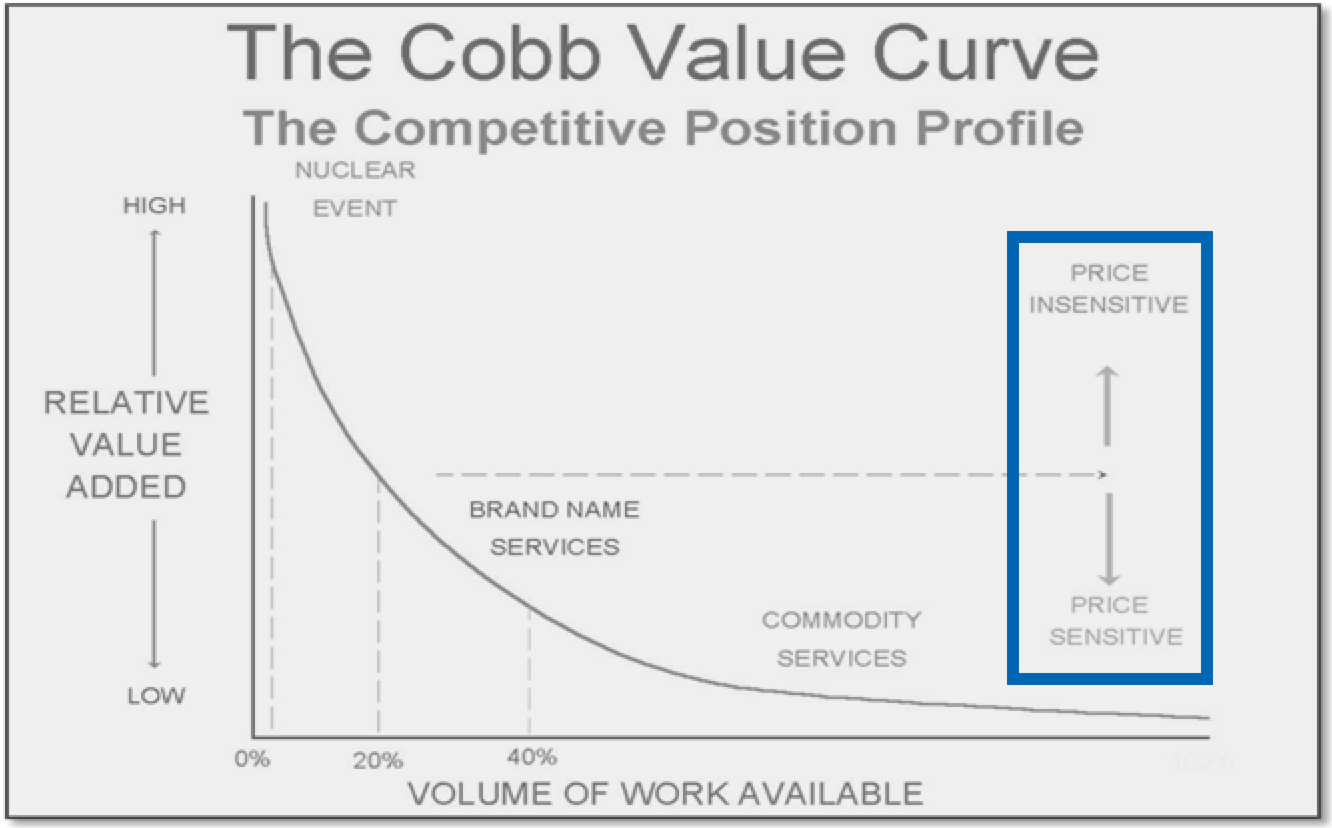
Differentiation and Value Connection



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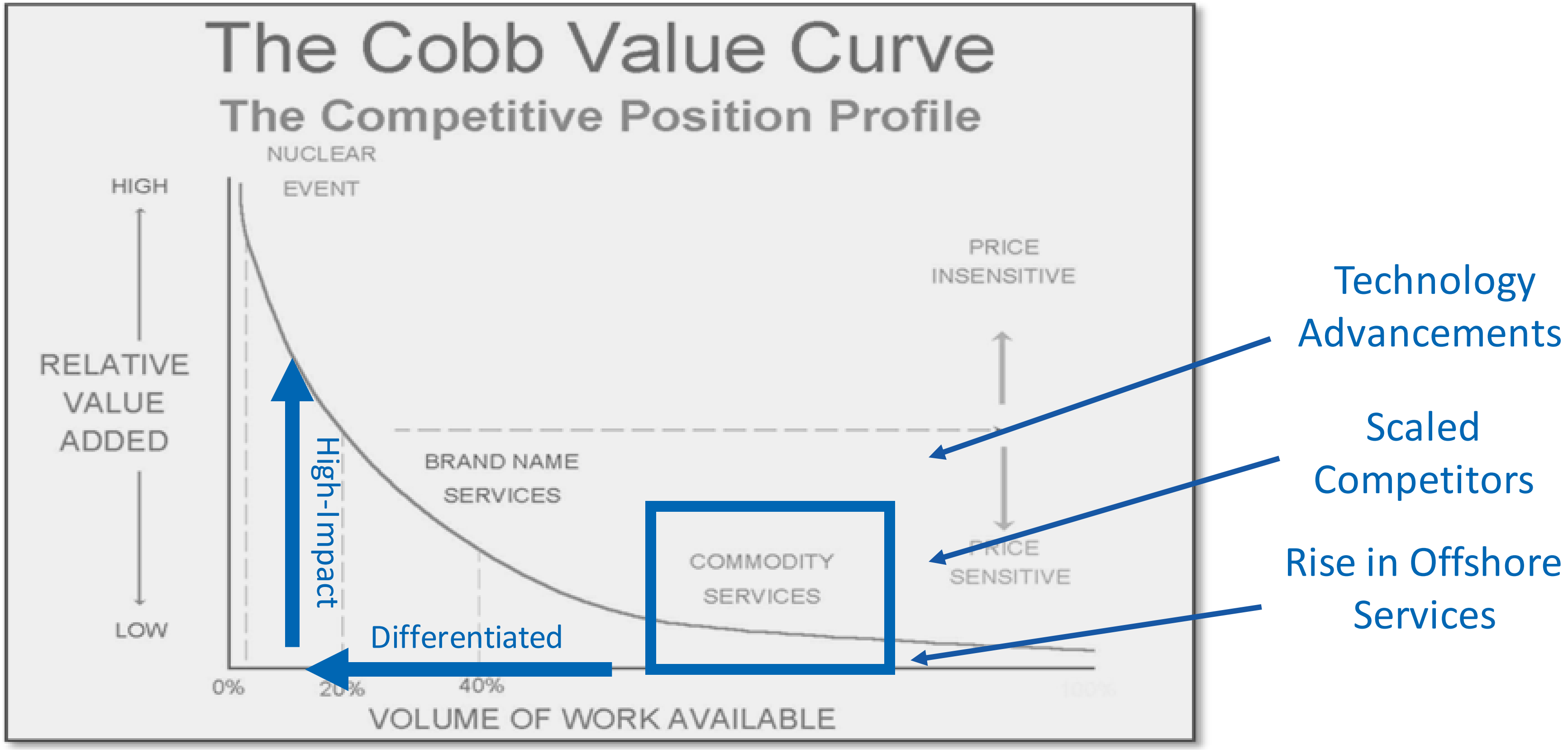
Differentiation and Value Connection



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The Value Drivers – Up and Down

- Lack of Specific Knowledge
- Limited Expertise
- Wrong Types of Clients

- Specialization/Distinction
- Results Focused
- Vision/Mission/Purpose Driven

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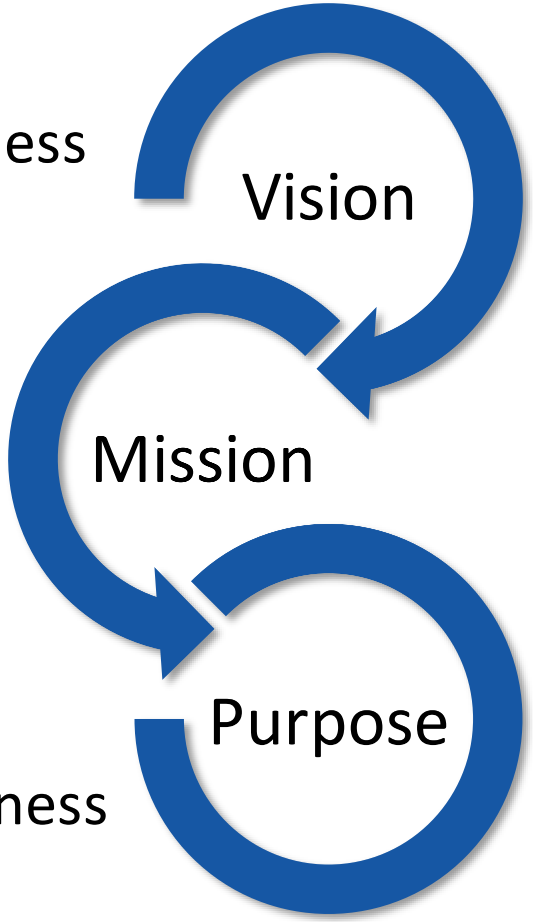
The Vision and Mission of a Tax Plus Practice

To transform small business

- We maintain accurate tax information/calculations and ensure compliance in all areas related to income tax
- We proactively interpret and leverage data to provide actionable management advice
- We deploy predictive analytics to coach clients through dynamic business planning cycle
- We design modernized technology strategies to streamline operations, protect data and increase scale
- We mentor business owners to lead teams and effectively manage their businesses

We empower small business



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Reasons Tax Preparers Don't Often Branch out beyond Tax Preparation

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Why Aren't Most Tax Preparers Doing This?

Identity/Brand	Intentionality	Learning Curve	Need to Specialize	Clients Aren't Coachable	Low Personal Capacity	Fewer Support Systems
The Way Clients See You	Make My Clients Happy	At Least One Focus is Outside Core Competency	Industry Metrics/ Measurements	Perception Anchors with Existing Clients	Working In the Business	Few Coaching Programs
			Industry Best Practices		Seasonal Work Distraction	Small Peer Group
The Way You See Yourself	React When My Clients Make Me Unhappy	Deeper Dive within Our Core Expertise	Industry Systems and Machinery	Economically Challenging to Replace Existing Clients	Sole Practitioner	No formal Association or Certification

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The Barrier

Offered by Hundreds of Thousands of Corporate Tax Preparers

Tax Preparation Services

- Year End Tax Entry Calculations
- Annual Tax Meeting/Interview
- Income Tax Return Preparation
- Issues Handling (Responsive)

Identity/Brand

Intentionality

Learning Curve

Specialization

Uncoachable Clients

Capacity

Few Support Systems

Rarely Offered by Corporate Tax Preparers

Advisory Services

- Financial Analytics, Dashboards, and Actionable Measurements/Metrics
- Turnaround and Recovery
- Information and Data Curation, Organization and Democratization
- Technology Assessment and Modernization Strategy
- Management and Leadership Coaching
- Process Evaluation and Improvements
- Strategic Planning (Short and Long Term)

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The Bridge: Tax Plus Subscription

Offered by Most Tax Preparers

Tax Preparation Services

- Year End Tax Entry Calculations
- Annual Tax Meeting/Interview
- Income Tax Return Preparation
- Issues Handling (Responsive)

Offered by Many Tax Preparers…Though Seldom Bundled as a Tier

Tax Plus Subscription

- Income Tax Return Preparation
- Year End Tax Entry Calculations
- Quarterly Analysis of Financial Information
- One, Mid-Year Tax Planning Meeting
- Pick One
  - Upgrade to *Quarterly* Income Tax Planning
  - Issues Handling (x Per Year)

Rarely Offered by Corporate Tax Preparers

Advisory Services

- Financial Analytics, Dashboards, and Actionable Measurements/Metrics
- Information and Data Curation, Organization and Democratization
- Technology Assessment and Modernization Strategy
- Management and Leadership Coaching
- Process Evaluation and Improvements
- Strategic Planning (Short and Long Term)

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About Woodard's Membership Program

- All Access to Practice Advancement Courses
- Complimentary Pass to Woodard Summit*
- Complimentary Pass to Scaling New Heights*
- Weekly Interactive Roundtables
- Monthly Coaching Session*
- Exclusive Online Community
- Online Video Learning Library
- Optional: Become a "Woodard Certified Business Coach"
- …and More!

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Poll Question

About Woodard's Membership Program I am…

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Pricing Strategies for Adding “Tax Plus" Services to Your Existing Tax Preparation Engagements

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Deploy a Subscription Model

- Easier to bundle
- Easier to sell in the short term
- Creates a passive purchase long term
- Regulates cash flow for seasonal engagements
- Increases firm valuation
- Prices the relationship, not your services → advisory relationship
- Removes the monetization barrier between you and the client → advisory relationship

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Strategies for Tiered Pricing

- Provide an "all access" model (with boundaries…but broadly scoped boundaries) and measure GPM by the client portfolio
- Monitor nature dutifully and issue change orders without hesitation
  - Tip: Use e-signature for change orders
  - Tip: Include payment authorization on the change order
- Use a-la-carte pricing to upsell incrementally between tiers – with a "Pick 1" approach
- Subscription/recurring pricing doesn't mean permanent pricing. Adjust pricing annually and arbitrarily
- Have a plan to transition as many of your clients as possible to subscription pricing…and work the plan with great intention.

Tip: Convert each client to the subscription model after you deliver their annual income tax return, so the client is always pre-paying for next year's return.

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Determining a Subscription Price

1. Conduct a needs analysis (i.e., discovery engagement) to determine the scope of the work to be performed.
    a) Conduct this discovery engagement at a fixed fee
    b) Present the client with a report of your findings
2. Using the needs analysis report, determine what services you need to perform, the value of the outcome and the estimated cost to provide those services (the latter as a management consideration), and clearly define the scope. Services will be either:
    a) A onetime engagement (e.g., QuickBooks clean up, amended tax returns, sales tax notice handling, etc.) → Set a fixed fee price
    b) A cyclical engagement (e.g., bookkeeping services, income tax preparation, assurance services, etc.) → Set a fixed fee price. Note: Some levels of this pricing may be standardized throughout your firm → Pricing Tiers
3. Determine the price using the discovery engagement to drive a value-infused, Cobb value-curve-driven price. Confirm the price meets your minimum profit margin requirements.
4. Adjust pricing as follows:
    a) Monitor scope and issue a change order for anything outside of scope
    b) Increase fees annually and arbitrarily by at least 10%
    c) Perpetually upsell the scope of the engagement

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What is CCH Axcess iQ?

Elevating Your Advisory Service Practice with Predictive Intelligence!

Develop an Advisory Service Business Model

Grow revenue by transforming your client relationships from simple compliance to year-round advisory.

Leverage Technology to Create Additional Capacity

Automate the process of searching through client data to find affected clients when changes occur.

Communicate Your Value to Your Clients

Protect and maintain clients' trust by proactively advising them on legislative and regulatory changes.

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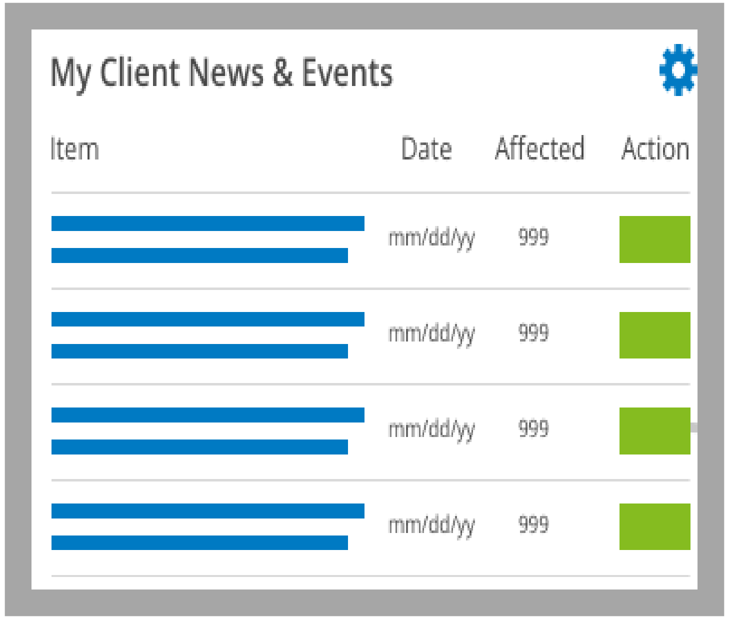
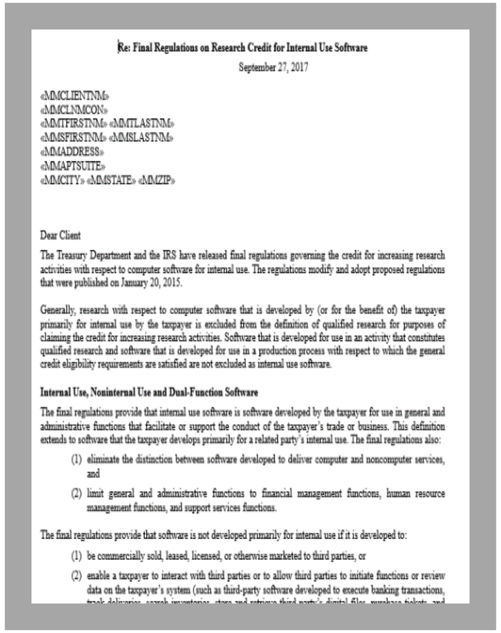
Attack disruption with predictive intelligence





Re: Final Regulations on Research Credit for Internal Use Software

September 27, 2017

«MMCLIENTNM»
«MMCLNMCON»
«MMTFIRSTNM» «MMTLASTNM»
«MMSFIRSTNM» «MMSLASTNM»
«MMADDRESS»
«MMAPTSUITE»
«MMCITY» «MMSTATE» «MMZIP»

Dear Client

The Treasury Department and the IRS have released final regulations governing the credit for increasing research activities with respect to computer software for internal use. The regulations modify and adopt proposed regulations that were published on January 20, 2015.

Generally, research with respect to computer software that is developed by (or for the benefit of) the taxpayer primarily for internal use by the taxpayer is excluded from the definition of qualified research for purposes of claiming the credit for increasing research activities. Software that is developed for use in an activity that constitutes qualified research and software that is developed for use in a production process with respect to which the general credit eligibility requirements are satisfied are not excluded as internal use software.

Internal Use, Noninternal Use and Dual-Function Software

The final regulations provide that internal use software is software developed by the taxpayer for use in general and administrative functions that facilitate or support the conduct of the taxpayer's trade or business. This definition extends to software that the taxpayer develops primarily for a related party's internal use. The final regulations also:

(1) eliminate the distinction between software developed to deliver computer and noncomputer services, and

(2) limit general and administrative functions to financial management functions, human resource management functions, and support services functions.

The final regulations provide that software is not developed primarily for internal use if it is developed to:

(1) be commercially sold, leased, licensed, or otherwise marketed to third parties, or

(2) enable a taxpayer to interact with third parties or to allow third parties to initiate functions or review data on the taxpayer's system (such as third-party software developed to execute banking transactions,

Tax news

Affected clients identified

Client communication

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Bonus: The Bookkeeping/CAS Plus Model

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The Bridge: Bookkeeping/CAS Plus

Product: **Compilation** at 12 Times per Year Two Weeks After the Fact

Offered by Most Bookkeepers

Tier 1:

- Monthly Record Keeping with Monthly Close
- Recording Adjusting Entries
- Monthly YE Closes
- Monthly Q&A about Financial Reports

Product: Visibility, Analysis, and Actionable Information → **Savings/Journey Protection**

Offered by Less than 20% of Bookkeepers

Tier 2:

- Real Time Record Keeping
  - Upgrade: Sales Tax Calc and Filing*
  - Upgrade: Payroll Processing, Filing
  - Upgrade: Payables Processing
  - Upgrade: Full Back Office Outsourcing
- Semi-Monthly Q&A about Financial Reports
- Pick One
  - Cash Flow Projections
  - AR Monitoring and Bad Debt Expense Mitigation
  - Financial Management Essentials
  - Budget Curation and Spending Controls

Product: **Business Coaching**

Rarely Offered by Bookkeepers

Tier 3:

- Financial Analytics, Dashboards, and Actionable Measurements/Metrics
- Information and Data Curation, Organization and Democratization
- Technology Assessment and Modernization Strategy
- Management and Leadership Coaching
- Process Evaluation and Improvements
- Strategic Planning (Short and Long Term)

Note: Tier 2 requires no formal financial analysis experience or certifications
Note: Tier 3 could be Full Back Office Outsourcing.

* When offering sales tax calculation and filing, we strongly recommend access to a sales tax representation and compliance expert

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Poll Question

Would you like to learn more about the technology Wolters Kluwer offers to enable advisory services?

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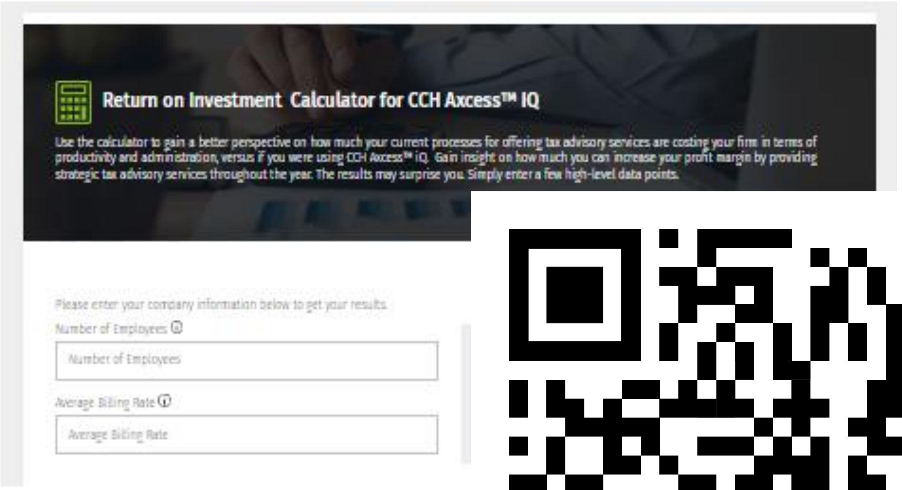
Interested in Learning More?

Check out our webpage to:

- Learn more about CCH Axcess iQ
- Register for our upcoming advisory services webinar series
- Use our CCH Axcess iQ ROI Calculator
- And much more!



Use the QR code!

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