



[www.taxpreparerconnections.com](http://www.taxpreparerconnections.com)

## **Five Effective Tools to Better Manage Your Practice** *Charge for These Services or Use Them to Attract New Clients!*

*By Jon A. Hayes, Tax Preparer Connections*

An essential part of a profitable tax practice is management. Mistakes made in hiring employees, servicing customers, and managing cash flow can unravel the gains you make in growing clientele. In this exclusive Tax Preparer Connections white paper, we provide five tips on effectively managing your practice.

Remember, your management of internal systems are just as important as the services you provide clients. When you create optimum efficiency, you become even more effective in growing and prospering in this increasingly competitive industry.

### **1. Five Keys to Successful Customer Service** *Never Underestimate the Value of Your Service to Clients!*

*By Joanne Hayes, Tax Preparer Connections*

*There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else. Sam Walton, Founder of Wal-Mart*

You can work hard to bring new customers in the door, but if you are not giving them a quality product and good customer service, they won't stay. The essence of good customer service is forming a relationship with customers – a relationship that that individual customer feels that he would like to pursue. When it comes to preparing taxes that relationship is very important. Your customer needs to know they can trust you and rely on you. And when they have confidence in you, they are more apt to refer you, which brings in more business.

People want to feel heard, important and appreciated. Here are 5 key ways you can make your clients feel like they are getting the best tax service out there:

#### **1. Don't make promises you can't keep.**

If you let your client know you will have something ready for them by Thursday, have it ready by Thursday.

It's easy to promise the world up front because you want to please your client. But that can get you in trouble. Nothing annoys people more than a broken promise, no matter what your excuse is.

Instead tell them you'll have it ready by Friday, but try and get it ready for Thursday. That way if something comes up, you have some room to still meet your deadline. But if you finish early and let them know it's ready early, you have over delivered on your promise.

## **2. Be helpful and take the extra step, even if there is no immediate profit in it for you.**

The advantage to going to a smaller tax practice is supposed to be the personalized service you can offer. So be sure you are offering that. Get to know your clients, refer business to them, or help them out with a quick tax question for their teenage son's 1040EZ. When clients know you'll go the extra mile, your value increases.

## **3. Deal with complaints.**

No one wants to hear complaints, but they happen. And sometimes a customer is not polite in the way they deliver the complaint. Don't let it fluster you. Get past the way the complaint was delivered and listen to the content of the complaint.

Does this complaint have merit? Is it something you need to address in your practice? Do you think other people are feeling the same way, but not saying anything? Decide how you are going to address/correct/change to resolve the complaint. Then talk to the person and let them know what you've done to address the complaint.

## **4. Answer your phone, email and return messages.**

Whenever possible be sure someone is answering your phone during business hours, especially during tax season. Try and leave 10 to 15 minutes between appointments to return calls. Or designate a couple of times during the day (one in the morning and one in the afternoon) that you will be returning calls. This way the person answering the phone can give clients a specific time frame they can expect to hear from you.

E mail can take away a lot of valuable work time. So it is reasonable that you check it at specific times during the day so you can get some work done. Just let your clients know that. And if you have to spend more time on an email than you have available at that moment, send your client an email telling them you will look into it and get back to them. Just be sure flag the email or add it to your list so you do follow through.

## **5. Treat everyone with courtesy and respect.**

I know you know this. But during the height of your busy season when the work load is piling up, and tax deadline is looming, it is easy to forget. However, your client's won't forget. Be sure you are telling your clients "Thank you" and "I truly appreciate your business." This can go a long way in feeling respected and appreciated.

And lastly, after you have provided great customer service, don't forget to ask for a referral!

## **2. Top Ten Hiring Tips for Tax Season**

*by Joanne M. Hayes, [TaxPreparerConnections.com](http://TaxPreparerConnections.com)*

It's that time of the year . . . you're getting ready for tax season and may want to hire staff. I heard this wonderful piece of advice recently:

Hire slow and fire fast.

Hiring a new employee costs time and money and firing one can be even more costly. So take the time to “hire right” in the first place and you could be saving yourself a lot of time, money and heartache...not to mention heart burn.

Here are the top ten keys to hiring the right person:

1. Determine what you need this person to do. By clarifying the job duties, you make it easier to figure out what skills, education, etc. you need in a person and you will be able to clarify with the candidates and subsequent new hire what your expectations are. This is extremely important. Do not even advertise a position until you have done this.
2. Have a list of open ended questions ready before they come. Ask everyone a similar set of questions. Ask the candidate to give specific examples to demonstrate their ability to juggle deadlines, priorities, work with others, deal with clients, etc. Have specific tasks related to the job you are hiring them for and ask them how they would complete it.
3. Have two interviewers. Having someone else there can give you a different perspective. They may remember different things or notice things you didn't. Plus they can help validate opinions you are forming about the candidates.
4. Do at least two interviews. This way you can follow up with other questions you have or clarify things that were said. It just gives you another chance to meet and get to know the candidates.
5. Follow the 80/20 rule. This means you need to **listen** 80% of interview and **talk** 20% of the time. You can't learn about someone if you are doing all the talking.
6. The best candidate is not just about the resume. You want to be sure their personality will mesh with the office, but don't just hire because of personality. The best candidate is a combination of experience and skills they already have, the ability to grow and learn, and a personality that works with your business style.
7. However, don't hire yourself. It is easy to be impressed by someone who reminds you of you...but that may not be a good idea. You need someone who meets the needs of the job you are hiring for, not necessarily another you.
8. Be careful about hiring family. Yes sometimes this can be a great thing. And other times it can be your worst nightmare. What happens if you have to discipline or fire a family member? You still have to see them and have a relationship. This can be tough and has created many family rifts in business. Tread cautiously.
9. Check references, but take some of what they say with a grain of salt. Most people give great references even if they don't necessarily mean it. If you ask, “would you hire this person again?” I'm willing to bet everyone will say “yes” but listen closely to HOW they say yes. Is it “sure ...I would...” or is it “SURE I would!” . . . ? Read between the lines.
10. Finally after you have hired someone, set up a 30-60 day period where you will meet with them regularly and review their work. Have them let you know what they have been doing, lay out clear deadlines and tasks. If it is not working out, fire them and start over. Harsh, but you may be saving yourself a lot of pain and suffering than if you let the situation limp along.

## 3. Dealing with Collections

### *How to Get those Receivables Paid!*

by Joanne M. Hayes, [TaxPreparerConnections.com](http://TaxPreparerConnections.com)

One thing many tax preparers and business owners dread is dealing with unpaid invoices and collecting money from customers. If you want to get paid for the work you do, here are 10 tips that can help you get paid quicker and even by those tough slow paying clients.

1. When you create an invoice put a due date on there. Many people put net 14 or net 30, but adding an actual date can be much more effective.
2. Always include an invoice with the tax return. Don't mail out the invoice initially, hand it to them with the copy of their return. You can put all the documents they gave you, a copy of the return, and the invoice in a folder with your business name on the front of the folder.
3. Accept credit cards. By accepting credit cards it gives your clients another option to pay. Setting this up can be easy to do and does not have to be expensive. We use Midwest Transaction Group, who can quickly and easily get you set up and accepting credit cards. You can also check out your bank. No matter who you decide to use, be sure you are aware of all the fees including fees for PCI Compliance because fees varies.
4. Send statements out each month. Sending a statement each month gives you a chance to go over who owes your business money and how much. You can also decide if you need to take further action. For your customers, it is a good reminder that they owe you money.
5. Send overdue accounts a "red invoice." One tax preparer told me he sends out the same invoice only on red paper for those who have not paid and he is amazed at how many people not only pay, but call him up and apologize for being late.
6. Call and talk to them. Let them know you appreciate their business but you need to know when they will be paying this overdue invoice. Try to get them give you a specific date.
7. You may want to offer a payment plan. If they are using a credit card for the payment plan, you may want to consider charging extra to cover the expenses of extra credit card fees.
8. You could also file a claim in Small Claims Court. You need to check into your location for details of the law and court requirements. One tax preparer told us he prefers to use this option over the more expensive option of a collections agency.
9. Have your attorney send a letter to your client. Often if a client gets a such a letter, they will pay right away to avoid risking further litigation. But this could be an expensive option.
10. Consider a collections agency. This can be costly and should only be a last resort, but if the amount owed is significant, or you fear a bankruptcy, such an agency can place proper liens and move you up a possible bankruptcy creditor list.

And lastly, keep in mind that sometimes you need to "fire" a client. If they are consistently difficult to collect payment from, consider letting that client know that you are no longer able to prepare their taxes or provide other services.

## 4. Are Engagement Letters Important?

### *They Can Avoid Problems and Save Time and Money!*

As tax season approaches and you scramble to complete your preparations, the issue of using engagement letters often comes up. Many practitioners tell me its a time-consuming, necessary evil they do not enjoy. I'm sure many simply ignore the issue to avoid dedicating staff time to doing it.

At a recent ethics webinar I listened in on, I found it very interesting that the presenters spent almost two hours walking participants through the myriad of Circular 230 provisions, and then spent the last 5 minutes making an impassioned plea to use engagement letters and "avoid 99 percent of the potential client problems you (the practitioner) can encounter from misunderstandings."

Absolutely correct. Nobody is immune to the problems caused by misunderstandings, and the vast majority of those misunderstandings occur in verbal communications because no record exists. Some, as we know, end up in costly legal contests that drain valuable resources and often bankrupt a business.

And remember, when you utilize proper engagement and report letters, you can reduce your professional liability premiums. Make it a point to call your carrier prior to tax season and review your policy to insure you are rewarded for using engagement letters.

So where can you find engagement letter templates? You guessed it . . . right here at Tax Preparer Connections! We've created a members only page with many templates you can customize to fit almost every practice need!

[Click Here](#) to access the templates!

## 5. Staying In Touch With Clients Outside of Tax Season

### *An Electronic Newsletter is an Excellent Way to Maintain Contact!*

A great way to stay in contact and on the minds of your clients outside of tax season is to send them a weekly e-newsletter. Using email instead of a paper one that is mailed is much cheaper and faster than sending one through the mail.

And depending on your delivery method, you may even be able to check stats and see how many are opening your newsletter . . .

You can't do that with print!

Done well, the e-newsletter is a great asset. Done wrong, and it's a waste of time and could turn off clients.

There are 4 keys to a good newsletter campaign:

1. Consistency
2. Delivery
3. Visual Appeal
4. Content

## Consistency

First you need to decide how often you are going to send this out.

Weekly?  
Biweekly?  
Monthly?  
Bimonthly?

Then pick which day of the week in that time frame you will send it **and stick to it**. This way your clients will begin to expect it and look forward to it.

## Delivery

This is an important decision. There are lots of options for sending your email. And depending on what you choose will make a difference on how your newsletter looks.

Essentially you have 2 choices:

1. Using software and sending from your computer using your internet.
2. Choosing a mail service, who will host your list and send your email, in addition to other features.

### Using software and your computer:

There are software programs you can use for free or purchase which will send emails from your computer using your ISP. To do this you must have a Pop3 mail account. A free email won't work, however Gmail and Yahoo do allow you to turn your account into a Pop3. It always looks better if you have an email with your domain in it.

You can also use Outlook mail merge as another option, but it has a lot of challenges and does not support html or templates very well. Free options usually have limitations or a lot of technical set up.

One great software is SendBlaster (SendBlaster.com). It has a free download that limits you to 100 emails daily. The paid version of SendBlaster is \$129. And this is just a one time fee versus a monthly fee for a mail service.

Yet it offers many of the same features as a mail service...

1. tracking so you know how many people are opening your newsletter and clicking the links.
2. Lots of free templates built right in.
3. And it allows you to easily manage your list.

Atomic Mailer is another software that sells for around \$80 to just send the email. Any other features are all sold as separate software packages.

No matter what package you buy, even if you purchase another one, there is still some set you need to do so you can:

- Send
- manage your list
- automatically unsubscribe
- automatically subscribe

## Subscribing to a mail service

A mail service will be more costly and offer the same benefits I listed above, plus they ensure delivery of your email. So you don't have to worry about your internet connection or getting past SPAM blockers. They can also link up to your social media like Twitter and Facebook.

### But the biggest benefit is:

*It is very simple and easy to use. There is only minor set up and then you are ready to hit "send".*

Most charge very similar prices:

\$10-\$20 per month for up to 500 subscribers

\$20/month for up to 1000

\$30/month for up to 2500

\$50/month for up to 5000 and so on.

Some of these prices vary a little, but not much. They also typically offer a discount if you pay in advance. Here are some reputable e-mail service companies:

- MailChimp.com
- Aweber.com
- ConstantContact.com
- IContact.com
- GetResponse.com

MailChimp.com is unique because it offers the first 2000 subscribers for **free**. They do limit you to 12,000 emails per month. Still, for most tax practices, this would be a cheap and easy option.

No matter which software or service you choose, be sure to add your sign up box on your website. This is a great way to build your list of potential clients. Offer them a free guide to minimizing taxes for signing up.

Also be sure you are obeying the CanSpam law. Such as:

- Have an opt-out option in your email
- Include your address
- Do not use deceiving subject lines or content like "warning: the IRS called me about you . . ."

For more information on CanSpam Act compliance go to:

<http://business.ftc.gov/documents/bus61-can-spam-act-compliance-guidebusiness>

## Visual Appeal

There are a lot of newsletter templates out there and many are free in your software or mail service package. Be sure to choose a template that is not too busy. You want to keep the layout clean, yet appealing. When you use large graphics or lots of color, it makes the newsletter hard to read and difficult for your clients to load.

Also be sure to include:

- your logo
- your contact info
- your website address
- copyright info at bottom

## Content

You often hear about the 80/20 and it works here too. Spend at least 80% of your content on information that benefits your clients and 20% promoting your services. Focus on educating the client on commonly-known-but-often-misunderstood items.

If you focus on a particular type of client like bars and restaurants, teachers, etc., give them details on things specific to those areas. They will immediately see added value for your services AND also a person they can both call and comfortably refer others to if they get that dreaded letter from federal or state tax authorities.

Now keep in mind... People *skim* emails. They do not take time to read long copy these days. They want things quick and to the point.

So it is best to write short articles and use bullet points whenever possible. This actually makes it easier for you to write too. Writing a newsletter doesn't have to be a chore. Take some time out and brainstorm ideas, if you have staff include them. And ask your clients for ideas. What do they want to know?

Then work on some articles in advance. This will save you a lot of time later and you won't feel so pressured to get it done.

Before you hit send be sure to check the following:

- check your links...do they work?
- proofread-don't just rely on spell check. Read it you're self (see what we mean?).

Launch a dry run before sending your first e-newsletter to your entire list. Do this by first...

1. Creating accounts at major ISPs (Yahoo, Hotmail, AOL)
2. Send test e-news to each.
3. Check that the email arrives in a timely manner with formatting intact.

Before sending each newsletter, preview your email. Then send yourself a test one so you can be sure the spacing is correct, layout, etc.

Another option with content is to buy "pre-made" newsletters. This is more costly, but it can save you a lot of time (and headache if you really dread writing a newsletter).

A couple of good places include:

1. ClientWhys.com – they offer e-newsletter, print newsletter, website, and client portals, etc.
2. YourClientUpdate.com – offers a digital version and print version

## **So here is a quick summary:**

1. Decide how often and when you will send the e-newsletter
2. Pick a delivery method
3. Pick a template
4. Create content and keep it simple
5. Hit send