

# SASBA's 5-Step CPA Referral Marketing Plan

## INTRODUCTION

When CPAs go into business for themselves, it can be difficult to get their business off the ground. Where to begin? How to go about getting clients? If you're relying on referrals to bring more clients your way, but aren't seeing much progress or growth, SASBA can help. You've come to the right place.

This pamphlet, a supplement to our Confidential User Manual, provides a detailed explanation of SASBA's new 5-Step CPA Referral Marketing Plan. This marketing strategy is the solution to the CPA's greatest problem – acquiring new clients. Our system puts into practice the basic principles of referrals, in order to turn your clients into an **army of advocates** for your business. We understand how referrals work. And, when you partner with us, you will come to understand these principles, too.

My name is John Harrison and I am the founder of SASBA – Society of American Small Business Accountants. Our mission is to solve the financial problems of middle class America. To understand how the Referral Marketing Plan developed, I think it's important to know my background and how my experiences led me to develop this program. If you want to know more about SASBA, I encourage you to check out our website [sasba.org](http://sasba.org) and to read the full company story.

## PERSONAL BACKSTORY – WHAT I LEARNED ABOUT GROWING MY OWN PRACTICE

I couldn't have developed SASBA if I hadn't first gone into business for myself and experienced the ups and downs of a career as a CPA.

After receiving a Masters degree in Accounting in 1973, I began my career with Price Waterhouse in the auditing department. Looking back, I think I knew even on Day 1 that auditing was not what I wanted to do with the rest of my career. Though I enjoyed the atmosphere at PW, my desire to go into business for myself and to be my own boss grew stronger every day.

Maybe you've heard the old saying about national accounting firms: "The good quit, the bad get fired, and the mediocre stay and make partner." I hope that means I was "good," because I quit and returned to my hometown of Tallahassee, Florida to start my very own CPA practice.

It was an exciting time. You can probably relate to the excitement of renting an office, buying new furniture, setting up that tax library, etc. I enjoyed telling family and friends about the decision.

But if you were like me, you either took money out of your savings or got a home equity loan to finance the initial start-up costs.

I was not prepared for what happened next – my first day of work. I can remember it like it was yesterday, because the realization that I had no clients, no work, and no income hit me like a ton of bricks. And the only thing worse than having no clients was having no marketing strategy to acquire new clients. At the time (early 80s), one of the problems facing Florida CPAs was a law which did not allow CPAs to have face-to-face solicitations for accounting services.

For the first time I thought, “What have I done?”

However, I went on to build the fastest growing CPA firm in the history of Tallahassee. You may be thinking I’m a great salesman, or had great contacts, or picked up a big client. The answer is *no, no, and no*. I am not a great salesman. In fact, I hate rejection, I don’t like talking on the phone, and I don’t like starting conversations with strangers.

So how did I do it?

I sort of stumbled into the solution for my problem of gaining new clients, which became the inspiration for SASBA’s 5-Step Plan.

Shortly after starting my practice, I ran into an old friend who was a manager with New York Life. He knew I was knowledgeable about taxes, so he asked me if I’d be willing to teach a small group of life insurance salesmen a course on taxes so they could pass the tax section of the CLU program. I had more time than I did clients, so I happily agreed to help.

I bonded with all 25 salesmen and became good friends with most of them. However, of the 25 salesmen, probably 15 to 18 never gave me a single referral. Maybe five or six gave me a referral every once in a while. But one or two, it seemed, woke up every morning thinking, “Let me see if I can pick up a new client for John today!” I called these salesmen my “bird dogs.”

Now at this point, you’re probably saying, “But John, I don’t know anyone from New York Life.”

Don’t worry. This is one of the reasons for the 5-Step CPA Referral Marketing Plan. Our objective is to help you find at least 10-15 “bird dogs” to help you build a referral system that will provide you with a consistent flow of new clients – and it starts with your existing clients!

## THE FUNDAMENTALS OF REFERRALS

We know that many clients consider their CPA to be their “most trusted financial advisor.” And, therefore, we are firmly of the belief that you do not have to “sell” your clients anything – they already believe in you. With that in mind, here are the 5 fundamental principles of referrals that

we've identified. Understanding these principles will give you insight into the way referrals work. Our system is built on these principles, which is why we are confident in SASBA's ability to help you generate a consistent flow of new clients through our 5-Step Plan.

1. Clients must know that you are seeking referrals.

If your clients do not *know* that you want referrals for your practice, they will not be looking for opportunities to share your name with others. Or, they may simply assume that you have as many clients as you need or are too busy for new clients. We understand that most CPAs are uncomfortable directly asking clients for referrals. But SASBA believes that communicating with your clients about your desire for referrals is not the same as expressly *asking* for referrals. Rather, you are making your clients aware of something they couldn't possibly have known otherwise.

2. Give your clients a compelling reason to refer.

SASBA calls this a "unique value proposition," or, in other words, a competitive edge. What do you offer to your clients that no other CPA offers? Why should a client choose you over the CPA next door? SASBA's 5-Step Plan has a built-in UVP which we will share with you later in this document.

3. You must understand the law of large numbers.

I don't know about you, but I'm an 80/20 type person. The Pareto principle (or the 80/20 rule) states that roughly 80% of the results come from only 20% of the causes. I'm all about getting 80% of the benefit from 20% of the input (or work). At SASBA, we take this one step further... we believe that, of your clientele, it is a mere 10% which generates 90% of your referrals. Therefore, it is especially important to identify the clients which make up this 10%. These are the people who are working hard to get your name out there – not because they have to, but because they want to – and you should be nurturing these dedicated few. SASBA refers to these zealous clients as your "bird dogs."

4. Out of sight, out of mind.

In a typical CPA/client relationship, you may see your clients only once a year. This is not enough to keep your name and your practice on your client's mind. How, then, could you stay in touch with your clients throughout the year? With SASBA's 5-Step Plan, SASBA will have a reason to reach out to your clients at least once a month. So the next time a client's friend or coworker laments over their lack of a quality CPA, your name will be fresh in your client's memory.

5. Recognize and reward the referral.

Don't take your referrals for granted. Nurture, encourage, and build up your "bird dogs" by recognizing and rewarding their generous referrals. When you participate in SASBA's 5-Step Plan, clients are automatically rewarded for referring new clients to your practice.

## WHAT IS THE 5-STEP CPA REFERRAL MARKETING PLAN?

What is the 5-Step CPA Referral Marketing Plan? It's a tool for you, the CPA, to both grow your practice by gaining new clients and to help those clients gain better control of their personal finances. It's a win-win situation.

First, you must encourage clients to join SASBA's Take Charge Solution Program, which helps individuals gain control of their finances by funding an account for emergencies and preparing for other unexpected expenses. Most of your clients are out of control financially – the Take Charge Solution Program offers fifteen simple strategies for redirecting money they are presently spending and using it to gain control and succeed financially. One of these fifteen strategies is the Referral Business Program, which is specially about saving money on taxes.

This program enables clients to take certain tax deductions by converting what would normally be personal expenses into valid business deductions. In order to do so, they need a business (in other words something with a profit motive), and that's their business of referring clients to you (which results in a referral fee they'll receive for referring others to the program and to you, the CPA). This is the part where you grow your business exponentially.

This is what we call the "restaurant analogy" – you go to a new restaurant and the food is great, economically priced, there's fantastic service and the restaurant has the best atmosphere. You're going to tell everyone you know – friends, family, etc. – about this restaurant. (Get it?)

Ultimately, SASBA's 5-Step Plan is a system for driving your clients into the Referral Business Program and, therefore, generating consistent referrals for your practice. So what's your role? We'll give you all the particulars about how this system works, starting with WHY you need a marketing plan and WHY SASBA's 5-Step CPA Referral Marketing Plan is the best option for you.

## HERE'S WHY YOU NEED A MARKETING STRATEGY

With a strong marketing strategy, you'll make more money, attract the right type of clients, and develop the type of practice you desire. A marketing strategy is an investment for your business.

A strategy is a game plan, a roadmap, to help you reach that end-goal of acquiring new clients. There are various ways to generate prospective clients or leads (referrals, telemarketing, New

Clients Inc., the internet), but we want to explain why SASBA's 5-Step CPA Referral Marketing Plan is your best option.

- **Referrals** – the classic marketing strategy for most CPAs. This includes referrals from existing clients, referrals from lead groups, etc. Here's the thing about waiting around for referrals from your existing clients – when it's not tax season, you are out of sight, out of mind. You play a passive role. The power is in their hands. There's no guarantee that they'll pass on your name, and you're too embarrassed to ask whether or not they have. (And that wouldn't be very classy, would it?) When it comes to lead groups, you can't refer who you want to refer. Other members might feel the same way. Lead groups require your time and money, and there are often restrictions. Even if you appreciate lead groups, you'll probably agree it's not the easiest method.
- **Telemarketing** – either appointments for the CPA or appointments for hired salesmen. Neither of these options are particularly appealing to CPAs, and this is because we're not fans of "selling" our services to prospects. Most CPAs don't feel like they're good salespeople, and that nagging doubt and discomfort will inevitably affect their performance in meetings with potential clients. Salesmen, on the other hand, are difficult to train (how are you supposed to tell them what to do if you don't know what to do?!) and have the opposite problem of the CPA – they have a tendency to be overconfident, and they may make promises you can't keep.
- **New Clients Inc.** – expensive, similar to salesmen in that it makes promises you can't keep.
- **The Internet** – yes, it's easy, but that only means it's easy for everyone else, too. Easy access means more competition. And just because you build it (your marketing site) doesn't mean the prospects will flock to it. You'll find that creating the web marketing site is just the beginning – you've got to find ways to drive prospects to your offer.

These are the advantages of SASBA's 5-Step Plan – there is no upfront cost. It's not complicated. It's not a "wait and hope" program. And best of all, you can start with your existing clients.

It's the opposite of telemarketing – you don't have to "sell" your clients on anything. This is because you're offering your clients something incredibly valuable – you're going to help them gain better control of their personal finances and reduce their taxes. We'll discuss this piece of the puzzle in the next section, outlining the first step of the 5-Step Plan: identifying your "Unique Value Proposition."

## STEP 1: UNIQUE VALUE PROPOSITION

This is what the 5-Step CPA Referral Marketing Plan has that the other methods lack: a Unique Value Proposition.

What is a Unique Value Proposition? It's what sets you apart from your competition. It's your competitive edge. And SASBA's marketing strategy has a built-in Unique Value Proposition.

The methods outlined above seem to portray the process of acquiring new clients as a game of cat and mouse. But we know this is not the case. The most important thing to keep in mind is that you're providing a service.

Clients have a need for the CPA's services because they can't do it themselves. But when it comes to a Unique Value Proposition, the question for the CPA becomes, *why me?* In other words, why should a prospective client choose YOU over the CPA next door or down the street? What makes you different?

Well, we know that our clients need help with their personal finances. And we know that, as the CPA, you are their "most trusted financial advisor." Therefore, you are in a position to help your client get what they want.

You can help them take control of their personal finances. This is something other CPAs either don't charge for or simply do not have the time for.

In other words, your Unique Value Proposition is SASBA'S TakeCharge Solution. The TakeCharge Solution, briefly mentioned above, is an online educational site to help individuals gain better control of their personal finances in order to become debt-free. It's free for individuals. This online site is a wealth of resources, provided by SASBA, which you can help your clients navigate and understand.

SASBA has drafted an email for you to send to your clients, to make them aware of this opportunity. This is merely a template for you to revise as you wish. Take a look.

*Dear [Client],*

*I want to thank you for allowing me to be your CPA, and I hope I can continue to help you with your CPA needs.*

*Many of my clients have asked for help with their personal finances. I've recently joined an organization called SASBA (Society of American Small Business Accountants) with the same goal of helping its clients succeed financially. SASBA has developed an online educational system called the "TakeCharge Solution" to train individuals to gain better control of their personal finances and become debt free. Another exciting feature of this program is personal mentorship – your mentor will help answer your questions and keep you "on track." I completely support their program. For a more detailed explanation of SASBA's TakeCharge Solution and how it can help you, visit [www.sasba.org/takecharge](http://www.sasba.org/takecharge).*

*The program costs \$49.95/month, but due to my affiliation with SASBA, there will be no charge for my clients. When you go online to sign up, you will have the opportunity to enter a unique referral code, which allows you to join for no charge.*

*I encourage you to research the program and to reach out with any questions or concerns. As your CPA, I'd be thrilled to see you take this next step on your journey to financial stability.*

*Regards,*

*[Your Name Here]*

And the best part is, SASBA is committed to helping *you*. In the next section, we'll discuss the second step of our marketing plan, the 90-Day Blueprint.

## STEPS 2 & 3: SASBA'S 90-DAY BLUEPRINT

This step in our marketing plan involves encouraging clients to join SASBA's Referral Business Program, so that you might continue to grow your practice. If your clients are going to come on board, they have to be made aware of your Unique Value Proposition – they must understand that you're offering something other CPAs are not.

What's your role?

It's simple: When you provide SASBA with a list of your clients (those who need to gain control of their personal finances and/or those who'd be interested in saving money on their taxes), we will execute our 90-Day Marketing Blueprint to inform and educate them about the Referral Business Program. And, therefore, assist you in transforming your clients into an army of advocates.

SASBA will assist you in presenting this program to your clients, every single step of the way. Our marketing blueprint includes...

- Email / phone call templates for reaching out to existing and potential clients
- Automatic reminders to sign up for the TakeCharge Solution program
- Additional tutorial videos and newsletters
- Monthly calls to clients to keep them on track and to answer any of their questions

**Step 3** is all you, Mr. CPA. Read "The Referral of a Lifetime," and you'll understand the remaining 2 steps in SASBA's 5 Step CPA Referral Marketing Plan.

## WHAT IS SASBA'S REFERRAL BUSINESS PROGRAM?

As a CPA, you are your client's "most trusted financial advisor." Your clients believe in you. They listen to you. And above all, they're expecting you to make suggestions to help them save money on their taxes.

Where do you begin? First things first – your client needs to understand that their taxes are part of a much bigger problem. Financial instability has become the norm, financial stability the exception. Your client wants to be the exception. Give them facts, hard numbers and data.

78% of the US population lives paycheck to paycheck.

50% spend more than they make.

50% of those making between \$100,000 and \$150,000 have less than \$1000 in their emergency fund.

You want to impress upon your client the importance of getting better control of their personal finances in order to become debt free. Give them the link to the TakeCharge Solution Program and encourage them to sign up. In doing so, they'll be starting their journey toward reclaiming control over their personal finances. And by joining the program, they'll have access to fifteen strategies to redirect the money they're presently spending, to go from wasting to winning.

And if they're still hesitant or unsure? Give them an assurance – on average, SASBA's Referral Business Program (a TakeCharge strategy) should save your clients between \$600 and \$1000 a year in taxes.

We will share the key points of the Referral Business Program with your client:

- The only requirement is that in order to take certain tax deductions, there has to be an intent to make a profit, therefore...
- The Referral Business Program will help them start a simple business that does not require incorporating, licensing, employees, a store front, or any additional time.
  - o The profit motive is satisfied by the referral fee the client receives for referring others to the program or to you, the CPA.
- The client's cost of the program is as little as \$21 per month (cost will depend on whether or not you prepare their tax return, and the subsequent complexity of their tax return).
  - o Included in the cost is next year's tax return, completed by SASBA.
  - o Your client can think of this monthly fee as making payments for their tax return on a monthly basis. (Something they would have paid for, anyway!)

Every CPA will have different results, but in SASBA's experience, 25% of good prospects join.

- o Factors include... your relationship with clients, your personality, and your belief in the program.
- o The program certainly speaks for itself, but as the client's "most trusted financial advisor," you've got to do your part, too.



Another advantage to this program is that we have a reason to reach out to your clients. Unlike the classic marketing strategy of the typical CPA, waiting around for referrals, you won't have to wait for your clients to approach you.

SASBA will send an email or letter to each of your clients – specifically individuals with no business income. Here's an example.

*Dear Mike,*

*As a CPA, I strive to provide each of my clients with guidance to help them succeed financially. I often have clients ask me how they can reduce their taxes. Recently I joined an organization called SASBA (Society of American Small Business Accountants) with the same commitment to help its clients succeed financially. SASBA has pioneered a system which I agree will help individuals like yourself reduce their taxes by \$600 to \$1000 per return. If you're interested, I'd like to get together with you to see if we can get a game plan for reducing your taxes. Let's talk.*

*Sincerely, CPA*

## STEPS 4 & 5: IDENTIFYING AND WORKING WITH YOUR “BIRD DOGS”

Our marketing strategy is simple: provide real value for your clients. And in turn, watch your clients become advocates for your business. Clients that go above and beyond – actively promoting your practice and generating referrals – are what SASBA calls “bird dogs.” Only a small percentage of your client advocates will become standout “bird dogs” for your business.

## HOW (AND HOW MUCH) YOU'RE PAID

Perhaps your most pressing question as the CPA is how this program helps you make more income, and how that cash flow makes its way to your bank account.

There are two distinct ways you make money with SASBA's 5-Step CPA Referral Marketing Plan.

1. Preparation of tax returns of individuals who have joined the program
2. Referrals of new clients directly to you who have not yet joined the Referral Business program

Let's explore these options in depth.

### (1) PREPARATION OF TAX RETURNS

HOW

The CPA is compensated by SASBA for the completion of each tax return. We ask that you prepare the tax return for free in the first year that your client joins the program (an investment of 15-30 minutes of your time) as partial compensation to SASBA for helping you implement the 5-Step Plan. Beginning with the second year's tax return, each CPA will be compensated for tax preparation based upon the client's level of membership (1, 2, or 3). In order to receive payment, the CPA must submit to SASBA a copy of the IRS efile Signature Authorization in order to confirm the membership of the client, as well as to confirm the preparation of the tax return.

#### HOW MUCH

It is SASBA's goal to have CPAs earn \$300-\$450 an hour by participating in the program. CPAs are paid according to the client's level of membership. (Which, of course, is determined by the CPA. When a client joins the program, the CPA controls the level of membership at which this client enters. Level of membership is based upon the complexity of the tax return.)

Let's break it down.

The first level of membership costs the client \$42. The CPA is paid \$150 for Level 1 clients. On average, the CPA can complete three tax returns per hour.

3 tax returns at \$150 each →  $3 \times 150 = \$450$

The beauty of the program is that your client base continues to grow, and as you acquire more clients, you complete an increasing number of tax returns and therefore increase your overall income.

The basic equation above does not even take into consideration Level 2 or Level 3 clients. With higher level clients (paying \$52 and \$62 per month), the CPA makes more money per tax return. Another additional supplement our sample equation does not take into account is a state income tax return. Some states require income tax returns which will allow CPAs to charge an additional \$100. This additional cost to the client is outside the Referral Business Program and is therefore extra profit for the CPA.

#### (2) REFERRALS OF NEW CLIENTS WHO HAVE NOT YET JOINED THE PROGRAM (NON-REFERRAL-BUSINESS CLIENTS):

For any services you provide to non-members, you bill the client whatever you'd like and the income is yours. However, SASBA requires that you pay a small referral fee to the Referral Business member who sent the new client your way. We suggest either 10% of fees collected or a one-time buyout of 3 months estimated annualized fees.

Generally, clients outside of the Referral Business Program are business clients. These clients are in need of QuickBooks support or Business tax returns, so we'll use this as an example. Let's

say you're referred a new business client by a Referral Business member. You sit down with this new client to assess their needs.

When you do the work, you bill the client whatever you'd like and the income is yours (as detailed above). But you must remember to pay the referral fee to the Referral Business member (either 10% of fees collected or a one-time buyout of 3 months estimated annualized fees).

If the Referral Business member refers a payroll client, you'll be working with ADP. SASBA has a relationship with ADP, and you will receive 25% of the annual gross receipts. The Referral Business member who referred the new business client will also receive a percentage.

## 2 OPTIONS FOR SIGNING UP

Maybe you're thinking... "Where do I sign up?!" In this last section, we'll outline the two options that are available to you.

### OPTION 1:

With this first option, you pay no upfront costs to participate in SASBA's 5 Step CPA Referral Marketing Plan. SASBA will front all the costs for your mentor. But for each of your clients that decides to join the Referral Business Program, you (Mr. CPA) will pay SASBA \$150. In this case, you're paying SASBA only based upon the results of the program. Of course, you may select Option 2 at any time...

### OPTION 2:

This is a one-time up-front cost of \$1,450, to pay for SASBA's one-and-a-half-day training, CPE credits, and to take advantage of SASBA's cloud-accounting technology as well as SASBA's marketing systems. In SASBA's training seminar, you'll be taught how to develop a "unique value proposition," how to live up to your title of "most trusted financial advisor," and how to receive the maximum results with SASBA's 5-Step Plan. You will not pay the \$150 fee per client who joins the Referral Business program.

Here's our **guarantee**... at the end of a 2-year period, if you have not increased your practice gross receipts by at least double what you've paid SASBA, you will receive a refund. In order to receive this refund, you must prove that you participated in the 5-Step Plan and did not see results.

## CONCLUSION

Are you tired of waiting around for referrals? Are you ready to grow your client base exponentially? SASBA's 5-Step CPA Referral Marketing Plan is the solution you need to jumpstart your business. Not only does implementing the marketing strategy benefit your

practice, but you'll be providing your clients with crucial advice regarding their financial situation.

Visit our website [SASBA.org](https://sasba.org) for more information and sign up for our emails. You'll receive helpful tips and also instructional videos to get you started.

Welcome, CPA! We're excited to have you join us.