

PLAYBOOK

How To Build a 7 Figure Firm Through Advisory Services

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 **FinancialCents**

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About Brandon Hall

Brandon Hall is the Managing Partner at [Hall CPA PLLC](#).

Hall CPA PLLC is a fully remote, 42-person boutique accounting and consulting firm with the sole focus of serving the needs of real estate investors and real estate business owners.

They've worked with more than 700 clients to provide candid, intelligent counsel. They add value to the bottom line — and every line in between.

Brandon and his partners have successfully built Hall CPA PLLC to 7 figures with 35% of the revenue being directly from advisory services.

In addition to leading this unique firm, Brandon spearheads a number of their initiatives including the Tax Foundation Strategy Course, a FaceBook-based collaborative learning platform; co-hosts the firm's weekly podcast, reaching more than 100,000 monthly listeners; and emcees the Tax and Legal Summit, an annual event bringing together more than 1,000 investor participants from around the country.

Brandon also runs the [Building Modern Firms Newsletter](#), where he shares tips on modern firm management, leadership, and design practices with over 1K subscribers.

In this playbook, he shares everything he has learned from building a 7-figure firm through advisory services.

Let's dig in!



Why There's a Lot of Talk About Advisory Services

Advisory services involve accountants providing expert tax and financial strategies as well as recommendations to help businesses achieve their goals.

Just do a quick search about advisory services and you'll find several articles, eBooks, and podcasts about what "advisory" means and why it's so great.

But why is everyone raving about adding advisory services to their practice?

Brandon weighs in below by sharing 2 major reasons:

1. Advisory services come with a higher margin which enables firms to pay their staff better and ultimately service clients more effectively. Comparatively, the margins on compliance services are compressed because they're relatively commoditized.
2. More importantly, advisory work is the work that clients actually want. Tax compliance services are services that clients **NEED** on an annual basis but don't necessarily **WANT**.



For example, taxpayers need to file an annual return due to the fact it is required by law. But what they really want is for someone to help them to understand how to reduce their tax bill.

Offering advisory helps clients achieve their goals, whether that be reducing taxes, building wealth, or increasing business profits. It's also easier to frame your advisory service in a way that demonstrates the expected return on investment. With tax advisory, for example, you can say:

I'm going to show you strategies to save \$X and you're going to pay me \$Y.

You can also say:

I will help you make better financial decisions by providing outsourced CFO services that will increase your annual net profits by X%. I will give you a dashboard and review it with you on a monthly basis — you're going to be smarter and have clarity.

Conversely, it is difficult to frame the value tax compliance services bring a client. You save the client time, headache, and anxiety from making mistakes. But that's hard to quantify and consistently charge a premium for.

We like Brandon's perspective on this because you can only charge a premium fee for an offer that prospects consider valuable based on the goals they are looking to achieve.



KEY POINT:

There's a lot of talk about advisory services because they have higher margins and are offerings that clients actually want (and will pay for).



ACTION STEP:

Think about 3 services ideal prospects and clients have asked you that you currently don't offer.

Advisory Services You Can Offer

There are several advisory services you can offer. From tax planning, to management reporting, cash flow forecasting, industry benchmarking, business performance reviews, budgeting, among others.

But how can you determine the right services to offer that will work for both you and your clients?

Brandon shows how by sharing how his firm does it:

In considering what advisory services to offer, look at your resume and see how you can parlay your experience into something that helps your clients grow their wealth or grow their income.

That's what you're looking for:

- ✔ Grow wealth
- ✔ Grow income
- ✔ EXTRA: Free someone's time

At Hall CPA PLLC, the primary advisory offering is tax planning and outsourced CFO services.

They also help real estate firm owners understand their financial position so they can make better financial decisions. These include services like debt structure and equity.





The advisory services you offer can be literally anything that you have a core competency in and can find people who are willing to pay for your expertise. Advisory options can grow over time. For example, because Brandon has built his firm to high seven figures, he can now help advise other firm owners on building their firms.

An advisory service that most firms can implement tomorrow is tax advisory. It's basically sitting down with your client, understanding what their goals are, educating them on tax strategies to help achieve their goals, and then creating a tax plan. This type of relationship can be priced at \$1500+ on an annual basis.

Even if a client is fully tax optimized, Brandon's team has found they will still pay for the service. Clients want the peace of mind that they're doing everything in their power to reduce taxes and that they have a professional checking in on an ongoing basis.

Brandon says he sees a lot of accountants provide tax planning services for free without realizing it. Maybe it's answering a "quick email" without charging the client or holding an hour long tax return debrief call that was really 10-minutes of reviewing the compliance work and 50-minutes of *"so what can I do this year to reduce taxes."*

If you find yourself providing this type of value, find a way to charge for it. Because once you start charging what you're worth, you'll be able to hire a stellar team which will allow your firm to more effectively service your clients. The value you can provide will start to compound.

AN ILLUSTRATION:

Here's an illustration of how you're probably currently offering advisory services for free:

You prepare a client's tax return then hold a debrief call to review the tax return. But you don't scope this debrief call out and charge a premium for it. So you're giving away this call for free.

During the call, the client goes *"What can I do next year?"*.

You go, *"Well, you can do X, Y and Z"*.

That's tax planning. And it's a perfect illustration of what the client actually wants — how do I save money on taxes?

They want to know how to reduce taxes and save money. And they probably would have happily paid you for the advice had you asked.

Brandon's perspective and illustration above show one thing — prospects and clients won't consider something worth paying for if the firm owner doesn't see it that way either.



KEY POINT:

To choose the advisory services you can offer, look at your experience and competency, put them side by side with what your clients are asking for.



ACTION STEP:

Review your calls with clients from the last few months, did you give away valuable advice and strategies for free? Take note of the common questions your best clients asked you in those calls.



Why More Firms Are Not Taking the Leap Into Advisory

You may be wondering, if advisory services are so great for business, why are more firms not offering them? Apart from the fact that some people are just not interested, Brandon shares 3 major reasons for the disparity:

1) Not knowing you can charge for them

Because many people are used to offering these services for free, they may not even be aware of the possibility of charging for them.

2) Fear of conflict

Once they become aware that it's possible, then they become scared to have the conversation with the client. The client is already used to the way things are done and they're going to balk. But the reality is, you have to protect your bottom line and build a resilient firm that can withstand future market changes.

Many accountants are conflict-averse. And as a result, they resist change because they don't want to have tough conversations that such change requires. But the positive and long lasting impact of change on your business is worth the short term pain.

3) Not having a strategic plan

Typically, when firm owners decide to start offering advisory, what they do is that they roll it out to new clients but never have the conversation with existing clients or onboard them. So they end up having a separate business to handle all of their legacy clients.

Brandon suggests you create a strategic plan to onboard your existing clients. You don't just want to send a marketing email out to all 200 to 300 of your clients and say you're now charging for advisory. That's not going to work. Instead, you should have a plan to convert them over the span of 6 to 12 months to your new offering, which would be paying for advisory services.

The common thread in all the reasons Brandon shared above is lack of knowledge. Thankfully, by the time you're done reading this playbook, you would have gotten enough insights to fill whatever knowledge gaps you may have.



KEY POINT:

If you're interested in offering advisory services, you need to know that your recommendations are valuable enough to charge for them and you need to learn how to communicate that value. Without these, you will not take the leap.



ACTION STEP:

Following the action step in the previous chapter, think about what makes your strategy and recommendations valuable to your clients.

The Playbook

Below, Brandon breaks down his playbook for building Hall CPA PLLC into a high 7-figure firm with advisory services contributing 35% to the total revenue.

HOW IT STARTED

I started my firm in Q3 2016. I knew from the get-go that advisory was where the money was at, and that I needed to be charging for it in some capacity.

As I continued doing tax returns, I realized people had questions. Every email took time and energy to answer, so I had to make a decision – do I bill them for this one specific email? Or do I not in an effort to avoid “nickel and diming” my clients? Well, like I said earlier, accountants can be conflict-averse. I was too and didn’t want to create issues with my clients, so I didn’t bill them.

But it occurred to me that this would not work at scale. I imagined thousands of clients emailing me and my team with questions, of which we answer for free, and I couldn’t see a path to strong profitability. After all, clients who get a free email service **will** use it. That led me to try creating a subscription model — \$150 a month; \$3,000 for the entire year for tax returns, email support, and a couple of calls.

The tax returns at the time were relatively simple tax returns. This was at the beginning of my firm building so the

pricing kind of worked. If I was doing that same pricing today, I’d probably be at \$5,000, even with a basic return. But that’s what I started with.

After multiple years of running a subscription model and testing different things out, I concluded a subscription model did not work for our compliance services. It might work for other people, but it didn’t work for me.

But I liked the consistent cash flow and the recurring revenue, so I developed a new pricing model. One that would require payment upfront and help me scale to almost 8-figures in revenue.



WORKING OUT PRICING

One of the biggest things you need to get right when it comes to offering advisory services is your pricing strategy. Different pricing strategies work for different firms so you have to:

- 1) Keep testing to see what works for your niche and your clients.
- 2) Understanding the market.
- 3) Setting your profitability point.

In my case, after doing the subscription model for some time, I soon realized that my working capital was essentially paying for the cost of getting all the tax returns done. But I didn't want that. I wanted the client to finance that labor, or at least some of the labor.

So in 2018, we ended up breaking the tax return out of the subscription and required a 50% deposit for it. Basically, 50% upfront and 50% whenever we were done filing the return. Using this fixed pricing method worked really well. That left us with a standalone advisory offer that we were still running on a subscription model. But the scope of our advisory offer had changed over time — we were now doing more intensive planning toward the beginning of the engagement, sitting down with the client multiple times over the span of 30 days, creating a tax plan and then going into “maintenance mode” thereafter. So we decided to test charging the entire advisory fee upfront instead of billing monthly. And it worked great - our net margins on advisory work is north of 65%.



Many firms bill hourly and are scared to switch to this type of model. If that's you, here's how you could start:

- ✔ Create a basic scope of an advisory service and test it out with 10-20 clients for 12 months.
- ✔ Track time during those 12 months and take note of how much time on average it takes to deliver the service.
- ✔ After the 12 month test, you'll have an idea of how much time it takes to deliver this service. Let's say it's 10 hours a year - what's the hourly rate that you want to deploy? That's your starting point for your pricing.
- ✔ Let's assume your price is \$2,500 for the 10 hours. Six months from now, increase that to \$3,000 and then test the market to see if you can close deals at \$3,000. So now you're doing the same 10 hours work, same scope but charging \$3,000 for it.
- ✔ If you continue closing deals at a high rate, raise it to \$3,500 after 6 months. Raise it to \$4,000 6 months after that, assuming you are still closing a high percentage of your leads.

Over time, you'll find the balance of what the market is willing to pay for your expertise. And I promise you it will be much higher than you thought possible.



CAVEAT

I do want to caveat this and say advisory revenue, unlike compliance, is more closely tied to overall economic conditions than compliance services are. If you look at large firms today, they're laying off people in their advisory departments because there's not enough work to go around.

When the economy is booming, people buy with a lot more emotion because they don't need to be as careful about spending money. For example, they are willing to spend \$5K for a \$50K solution. But when the economy contracts, those same people start thinking *"I'm only willing to spend \$3k to save \$50k"*. Or, *"maybe I could take a course for \$500 instead"*.

So in a contracting economy, advisory businesses carry extra risk that you just have to be aware of. You can hedge this risk by building a strong digital marketing platform and an efficient and effective sales process.



NICHING

We have a niche in real estate, and we are known as the CPAs in the real estate space. That's a direct result of all the content marketing that my partner, Tom, and I have been doing for the past 7 years that we've been running this business.

We produce a lot of content — a podcast, blog, and a Facebook group with 15,000 investors in it.

Niching is one of the core reasons we see continued success. It helps us win clients, retain clients, and win employees.

When you can speak the language of your niche, clients and prospective clients will think you “get them” and be more likely to work with you over other providers in the market.

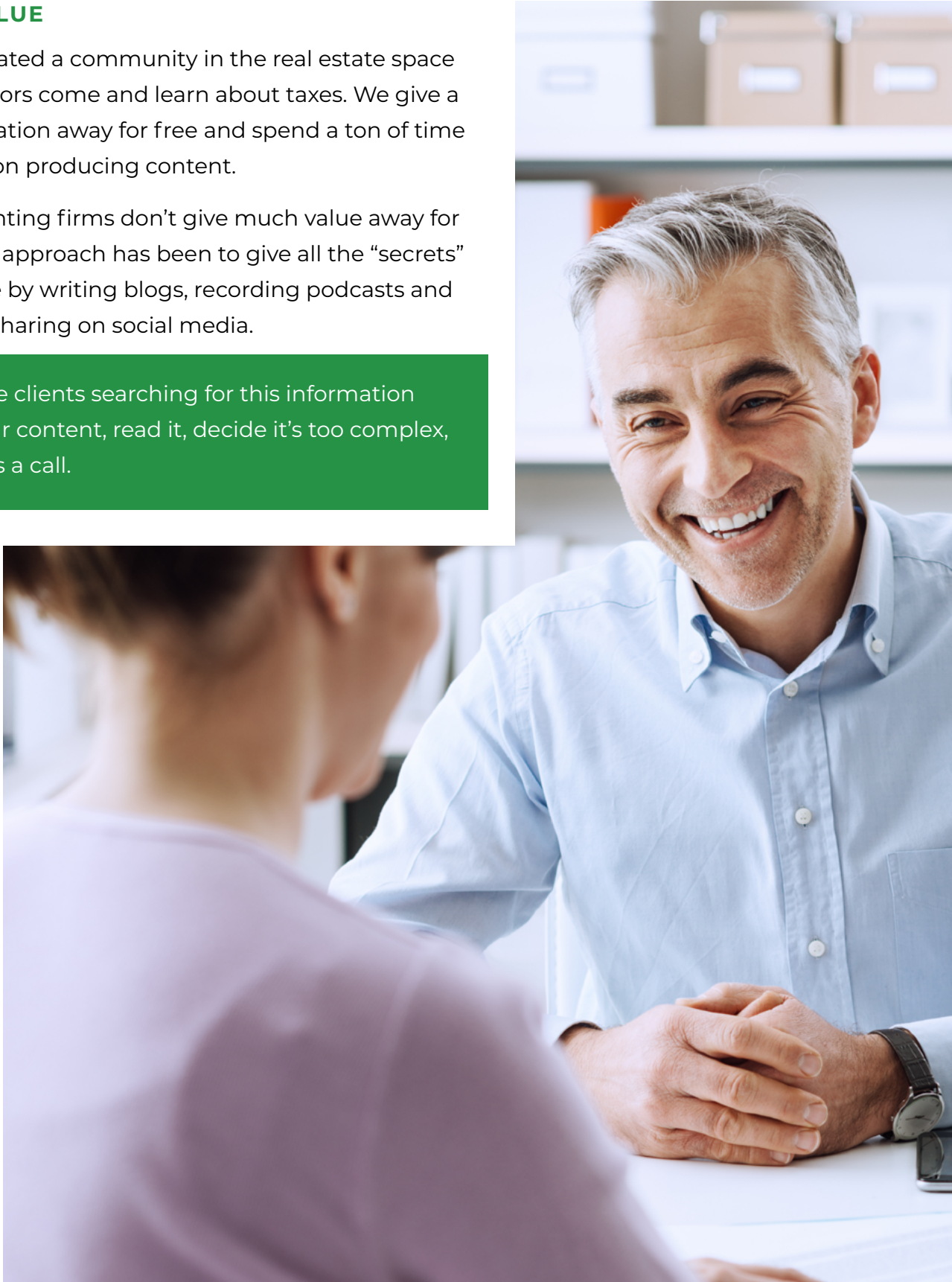


GIVING VALUE

We have curated a community in the real estate space where investors come and learn about taxes. We give a lot of information away for free and spend a ton of time and energy on producing content.

Many accounting firms don't give much value away for free, but our approach has been to give all the "secrets" away for free by writing blogs, recording podcasts and videos, and sharing on social media.

Prospective clients searching for this information will find our content, read it, decide it's too complex, and give us a call.



BEING DISCOVERABLE

The first step is to understand that we work really hard to push a lot of free content out there so we can always be at the sales table. When anyone is looking up real estate CPA's across the country, they are going to find our firm and contact us.

We're not going to win every time but we're always going to be a part of the conversation.



HAVING A STRATEGIC SALES PROCESS

Step 1:

After they find us during their search and contact us, we have a whole process to qualify them. This qualification process determines if we will connect them with a sales rep. We have a scoring system where if they fill out our webform, they indicate certain things that help us determine if we want to talk to them.

New contacts who are qualified get an email sequence that immediately pushes them to a sales representative who tries to schedule a call with them as fast as possible.

If they're not qualified, meaning they're just not ready for our services or we believe that based on how they filled out the form they can't afford our services, we send them a different email sequence. The goal is to show them why we aren't a good fit today while still highlighting other ways we can help (such as our membership groups or courses).

A strong qualification process will prevent you from wasting valuable time. You do not have to hold a call with every person who fills out your intake forms.



Step 2:

Once they're on the phone with the sales rep, we have a script. And we have milestones that the sales rep has to knock down. These milestones indicate that we're progressing the client through this conversation to figure out if they are someone we can send a proposal to. And are they going to close if we send them a proposal?

If you don't have a process for your sales calls, what happens is that you give a 30 to 60 minute free advice call. The prospect joins the call and asks a ton of questions, you answer all those questions because you're trying to prove competence, and then you never hear from them again.

I realized early on that a lot of accountants are not good salespeople, myself included. While I understand the selling process, I would rather hire a salesperson to do the sales call. Because then when the prospect asks tax questions, the salesperson says, "Hey, I'm not an accountant. So I can't answer that for you". Then the sales call is just solely focused on what the client's problems are and seeing if we are a good fit to solve their problems.

This way, everything becomes more efficient. Then I don't have to spend any time on sales calls. None of the accountants in my firm do. Because again, accountants are conflict-averse. We do not like to put ourselves in situations where we're going to invite conflict. And sales is a great way to invite conflict.



Step 3:

At the end of the sales call, we ask a very important question - "If I were to send you a proposal right now, is there anything holding you back from signing this today?".

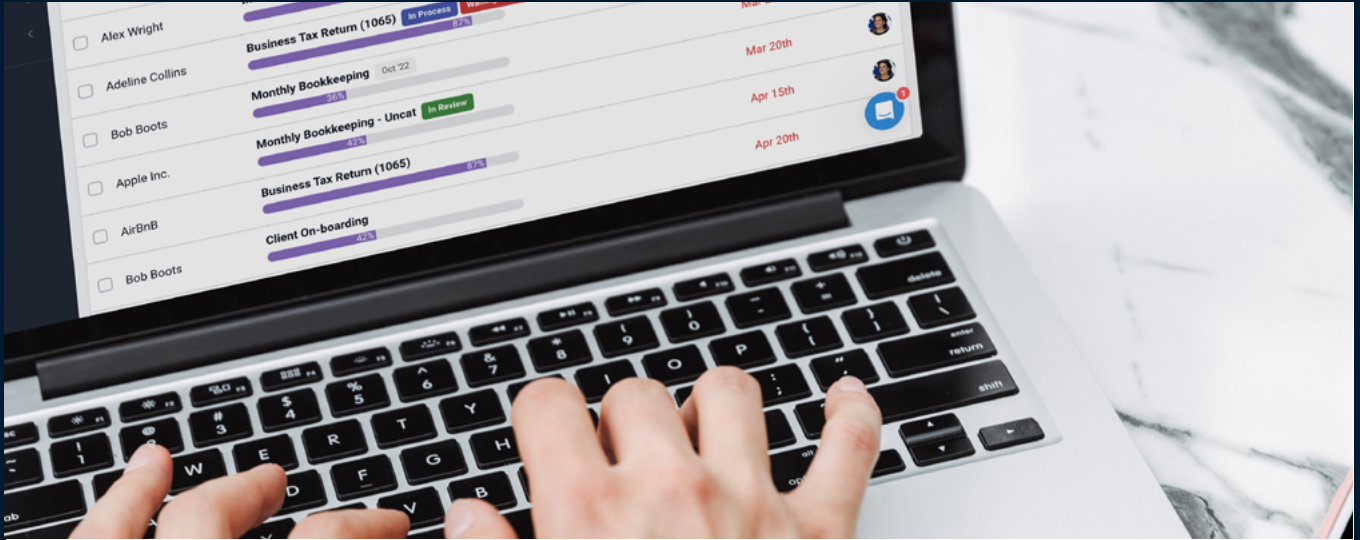
The salesperson won't get off the call until the prospect gives us a "yes" or "no".

It's a final opportunity to root out any objections a prospect might have while you still have their attention. If they say yes, those last minute objections will be taken care of. And if we figure out that we're actually not the best fit for them, we recommend another firm that they can check out.

Assuming the sales call goes well, and we confirm that they're a good fit for our firm, we send a proposal. They sign the proposal and we assign them a kickoff call date with one of our advisors.

Our process is streamlined with the intention that prospects don't talk to our CPAs until they have a signed proposal and have paid for the service.





Recommended Tech Stack

As per Brandon's recommendations, the basic software tools you need to run your firm and offer advisory services are:

- A [Customer Relationship Management System \(CRM\)](#) to track prospects progress through your sales process.
- An Email Marketing System to send newsletters and marketing emails to prospects and clients. It also helps you to keep track of your most engaged contacts and the emails that are working.
- A Proposal Tracking System to oversee the progress and completion of the proposals you've sent out.
- A [Project Management Software](#)
- Tax research tools to give your advisors fresh insights and information to give informed guidance and recommendations to clients.

★ PRO TIP:

Get your team embedded in different conferences and communities to stay abreast of industry happenings, because things can change fast. You want to make sure your advisory scope is always hitting on the most pressing needs of the industry at any given time. The only way to do that is to really embed yourself in the industry through online community groups and conferences.

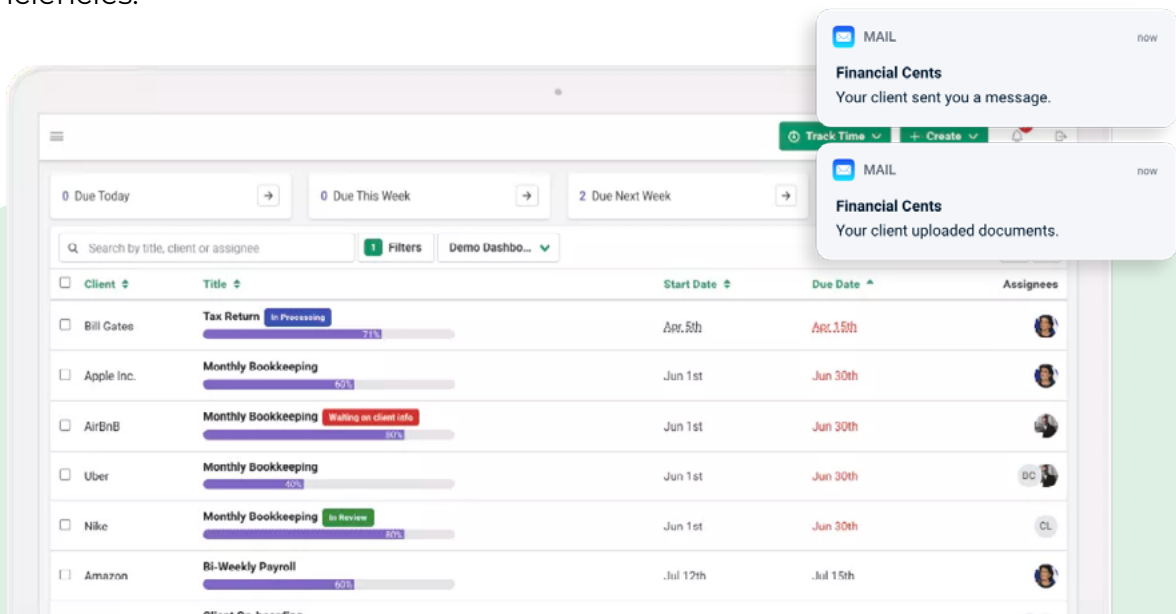
INTRODUCING FINANCIAL CENTS, AN ACCOUNTING WORKFLOW AND PROJECT MANAGEMENT SOFTWARE WITH CRM FEATURES:

Financial Cents is an accounting project management software. It enables you to create and assign tasks to your staff, track the status of client work, standardize your workflows, and collaborate with your team. It also allows you to automate client requests and reminders to save your team the stress of chasing down clients for information.

Our interface is easy-to-use. Accountants and Bookkeepers testify to the ease of managing work, organizing important client information, and tracking how much time employees spend on tasks, which helps them identify over-budget work and inefficiencies.

Our workflow templates make streamlining accounting workflows easy so as to ensure consistent client deliverables. You can also use AI within Financial Cents to quickly create checklist templates and email templates to save time and get more work done.

Financial Cents integrates with Gmail and outlook to help you better manage and organize your inbox. When you integrate your email with Financial Cents, it will give you a focused folder that displays client-only emails that you can convert to projects or tasks, then assign to your team. No more cluttered and overwhelming email inboxes!



Continue reading the playbook below...

The Most Important Skills in Advisory

We asked Brandon what skills he considers pertinent to being successful as an advisor, he said:

1. COMMUNICATION

To be a great advisor, you need to love talking to clients. Not every accountant is going to make a good advisor and I learned that the hard way.

That you're a good accountant does not mean you'll make a good advisor, because it requires a different skill set. It requires empathy. It requires an understanding of how to read body language and it requires being laser-attentive during a conversation. You need to be able to understand what a client is actually saying when they communicate.

2. CUSTOMER SERVICE SKILLS

A great advisor gets back to clients extremely quickly. I'm talking within an hour or two. That type of person is going to vastly out-earn and out-succeed the other person that doesn't believe that responding quickly to clients is a priority.

And that's just basic customer service.

The reality is, a firm can build a little team that responds to all clients almost instantaneously. If you have a continuous "out-of-office" up and are responding to emails after a week, you will lose in the long run. Because at the end of the day, it's all about customer service and our customers want answers to their questions fast.

It's a little mindset change. But in the client's eyes, it makes all the difference.



KEY POINT:

Business is all about building trust and making clients feel heard. In advisory, this skill is even more pertinent.



ACTION STEP:

Think about your current client communication strategy. Does your team respond to clients on time or do clients messages go days without getting a response? Come up with ways to fix that.

Advisory Content Marketing 101

Content marketing is king. How can you use content marketing to promote your advisory offering in 2023 and beyond? Brandon shares below by showing you how to never run out of content ideas:

WHERE TO GET CONTENT IDEAS

You get content ideas from conversations with your clients. Let's say your client comes to you with a problem they recently experienced and you educate them, that's a potential podcast. Then take that podcast and write a newsletter to your email list. And even if only 100 of them have the same experience, they'll feel like you read their minds. These are all potential people you can talk to and see if your firm would be a good fit for them.

Another piece of this is paying attention to what your clients' pains are —what they're asking about, what they're concerned about on an ongoing basis, and then creating content about those pain points.

Eventually, you'll have this flywheel going which is always bringing in new clients because you're giving timely and relevant information. And when you do that, what you'll start hearing is all these weird tax products that are out there that your clients are asking you about. In turn, you can take that and first, educate them about the risks then create content.

This is how you build an authentic brand and voice. This is how you create an ecosystem of people that like and trust you. People who will eventually buy from you.



KEY POINT:

The way to never run out of content ideas is to pay attention to the questions prospects and clients alike are asking you.



ACTION STEP:

Decide on a channel to implement your content marketing strategy - a blog, podcast, or social media. Write 50 questions your clients have asked you in the last 6 months and think about how to convert the answers into content.

The Impact of Advisory Services on Hall CPA PLLC's Revenue

Brandon:

Our annual revenue is in the high 7 figures and advisory makes up about 35% of that and runs at a 65% net margin. It took us a long time to figure it out. But we always tested and rolled out new offers.

We got here because we got good at:

- ✓ Iterating the scope of our offer
- ✓ Identifying who's a perfect client for it and how to bring those people into the firm
- ✓ Pricing



We don't track time so we don't really have any insights into that. But we do know that, in general, our planning services take an average of 8 to 12 hours to deliver. We know this because our advisors can do 10 of these engagements a month. And they're able to do that pretty much by themselves with the help of support staff and technology.

This model affords me the ability to pay advisors a premium to deliver these services to clients which makes us more competitive in the war on talent.

And because our team is well paid and enjoys the work, we end up retaining institutional knowledge year after year which makes us more efficient and better.

As we increase the price points of our advisory offers, we can pay our advisors more.

Your Next Step

Brandon's advice for you if offering advisory services is something you want to do:

Do one of two things.

One, if you are in a niche, then you should look at new clients coming in the door. Pay attention to what questions they're asking, and create an advisory offer that services that and test that offer with the next 30 people that come in the door. And if nobody buys, don't give up. Just change the offer. Change the price point and the scope. Keep doing that until people start buying your advisory offers.

If you are not in a niche, my first suggestion would be to identify a niche and try to create a brand within that niche. Now that focus is on new clients, you could have a sizable client base today in a bunch of different niches. That's fine. Low hanging fruit is to go to your current clients and let them know you're testing a new offer.

Tell them,

I'm looking for 10 participants to do this with. The first 10 People that email me will get a seat at this price point. My only ask is that, at the end of this, you give me feedback on how I can make it better.

Go through that test process with 10 clients who have opted in. At the end, get their feedback and roll out the offer to everybody.





ABOUT FINANCIAL CENTS

Financial Cents is a project management software that has all the features you need to get work done in a simple user interface that your team will love and find easy to use.

Whether you're just beginning to document your processes or have been doing it for a long time, our [workflow checklist templates](#) that are both editable and customizable will get you up and running in no time.

Track & assign work, set up recurring tasks, store client information, automate client data collection, and more with Financial Cents.

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