



Keys to Growing Your Practice

By Joey Asher, Esq.

Show Them The Solution

In the movie “Jerry Maguire,” wide receiver Rod Tidwell famously shouted, “Show me the money!” When it comes to winning corporate beauty contests, I want to shout, “Show them the solution!”

In a so-called beauty contest, firms give 60- to 90-minute presentations to compete for corporate opportunities. Lawyers pitch for a company’s labor work. Construction firms pitch for a new corporate headquarters. CPAs pitch to analyze data.

If you want to win such a “Battle of the PowerPoint,” focus your message on one thing: your recommended solution to the company’s business problem.

Don’t focus on your firm credentials. Don’t focus on your past successes with other clients. Don’t recount your firm’s history. Offer a plan for solving the problem that the prospect faces. Do that well, and the prospect will show *you* the money.

Let’s say you’re one of three firms invited to pitch for a piece of business to a medium-sized company. The company wants help in spinning off a division of its business. In working with firms to help them with these types of new business pitches, I repeatedly see one major mistake. They focus on their own qualifications rather than their plan for handling the spin-off.

A typical bad presentation begins with a detailed recitation of the firm’s history. “We were founded 30 years ago and have grown to a size of 300 CPAs working throughout the northeast.” PowerPoint slides usually list key clients and typical matters. Then there are examples of work done on other spin-offs. But there is little discussion of how to handle this *particular* spin-off. That’s a mistake.

I have spoken with many decision makers who have served on beauty-contest panels. All of them tell me the same things. They don’t care about your history. They don’t care about your other clients. They know you’re qualified—that’s why they invited you to pitch.

The only thing they’re interested in is your plan to help *them*.

You might wonder why you should “give away” a solution in your presentation. “Isn’t that what we want them to hire us for?” No! In your presentation you outline a solution. They hire you to *implement* it. No one buys a car without a test drive. Similarly, your presentation should give the buyer a feel for exactly what they’re buying.

That means your presentation should propose a solution to the business problem they’re facing.

In the case of the division spin-off, show that you understand the underlying business goal. Are they trying to solve a cash crunch? Are they trying to exit a failing business? Are they simply dropping a business that is no longer related to core operations?

You also need to show that you understand their key worries. Are they worried about the way the books in this division have been kept? Are there particular accounting issues that need to be addressed?

Continued on page 44 . . .

*Joey Asher, Esq., is president of Speechworks (www.speechworks.net), a selling and communication skills coaching company in Atlanta. He has worked with hundreds of accountants and with dozens of firms, helping them grow their businesses and connect with clients. Asher is the author of *Selling & Communication Skills for Lawyers* (ALM Publishing, 2005). He can be reached at 404-266-0888 or joeyasher@speechworks.net.*



INSIGHTS **VALUATION**

Vol. 2
April 05



Chris Hamilton CPA, CFE,
CVA, DABFA

Capital Economics
Group 2468 Tapo Canyon
Road Simi Valley, CA 93063
(805) 306-7875
(805) 306-7891

chamilton@capitalecon.com
www.capitalecon.com

Valuation for litigation,
M&A, Estate/Gift tax,
succession planning

In This Issue...

- Is the Estate Tax Coming Back or Going Away?
- Valuation of Retirement Benefit Plans
- Buy-Sell Agreements Between Business Partners
- Purchase Price Allocations
- Multi-tiered Discounts
- Economic Perspectives—Fourth Quarter 2004

Is the Estate Tax Coming Back or Going Away?

Under current tax law there is reason to be very concerned about the valuation of a family-owned business if for no other reason than the potential tax liability. A major consideration for retirement, estate, and financial planners is the value of a business and the need to fund potential estate and gift taxes. Attorneys and financial planners need access to competent business appraisers who can provide reliable and timely advice regarding the methodology of business valuation and conclusions of value.



The estate tax is currently being temporarily "phased-out" with a return to "the old days" in 2011. Without further action by Congress the estate tax system will revert to the original rates in 2011. This has created tremendous uncertainty among estate and financial planners since nobody knows the date of death in advance and nobody knows whether Congress will act to prevent turning the clock back. Most observers believe that Congress will do something—nobody knows what that something will be.

Adding to the uncertainty of the future of estate/gift taxes has been increasing federal budget deficits, funding war operations in Afghanistan and Iraq, and social security funding deficits. Additionally, the political pressure is building to revamp the Alternative Minimum Tax system as more Americans are being hit with higher taxes because of it. There is increasing speculation that Congress will be forced to reinstate the estate tax simply because of the financial realities of balancing the budget.

With the re-election of George Bush in November and the control of both houses of Congress by the Republicans there is much speculation about the future of the estate and gift tax system. We will keep you updated with developments and the impact of these changes. In the meantime, knowing the value of a business is still critical for purposes of succession planning, potential sale of a business, and planning for capital gains taxes in the event of a sale. The estate tax may be going away; nobody believes the tax on capital gains is going away. Planning is still necessary and that includes understanding the value of your business. Call us today to for your annual business checkup and the discussion of value—a little formal planning now adds value to your business and sets the stage for future endeavors.

Valuation of Retirement Benefit Plans

Retirement accounts are often a substantial portion of the total assets accumulated during a marriage. The valuation of these accounts is necessary during a marital dissolution.

Retirement plans are classified as either—defined contribution plans or—defined benefit plans. The value of an interest in a defined contribution plan (IRA, 401(k), Keogh) is generally found on the periodic statement—monthly or quarterly. The valuation on a particular date can be obtained with little effort. The value of an interest in a defined benefit plan, however, is much more challenging as it must be calculated using a number of critical assumptions.

Insights on Valuation

NACVA's new member-exclusive newsletter is an excellent way to stay in touch with your clients. *Insights on Valuation* is an attractive quarterly reminder of you, your expertise, your firm, the issues you deal with each day, and the benefits you have provided in the past and are interested in providing in the future.

Marty Abo of Abo and Company in Vorhees, New Jersey sends newsletters to his clients on a regular basis, "we want to make sure our clients know about all of the services we can provide them...especially in valuation and litigation support services, when we promote the profession, we promote Abo and Company."

Because it's personalized, *Insights on Valuation* also makes a distinctive prospecting tool and can be used in conjunction with your public/community relations endeavors as well. Included with this newsletter, NACVA will provide free names of attorneys from our 380,000-attorney prospect database, based on parameters you choose, including area(s) of specialty, ZIP CODE or other variables you specify as long as they are found in the database.

Rex Kallembach has been sending newsletters for years. "I met with a new client that had a file of my newsletters. That one response alone pays for the cost of the newsletters."

Call NACVA Member Services at (800) 677-2009 to order your *Insights on Valuation* newsletter.

Growing Your Practice

... Continued from page 11

You need to show a plan for attacking those problems.

"What if we don't know the core issues?"

Find out what they are. Read the RFP (request for proposal) carefully, if there is one. More importantly, speak with key decision-makers and ask questions. "What are you trying to achieve with this spin-off?" "What are the biggest obstacles that you see?" Work your inside con-

tacts to learn as much as possible about the hot-button issues.

During your pitch, spend about half of the time on your plan to solve the client's problem. Discuss other clients in the context of showing how your solution has worked in the past. Leave the rest of the time for answering questions.

When a company holds a beauty contest, they're looking to solve a business problem. If you want the company to show *you* the money, you're going to have to show *them* a solution.

Additional Resources

Books

- *The Expert Witness Marketing Book*, by Rosaile Hamilton, Expert Communications (available through NACVA)
- *Knockout Presentations: How to Deliver Your Message with Power, Punch, and Pizzazz*, by Diane Diresta, Chandler House Press, 1998; ISBN 1886284253
- *Presenting to Win: The Art of Telling Your Story*, by Jerry Weissman, Financial Times Prentice Hall First Edition, 2003; ISBN 0130464139
- *Presentation Basics*, by Robert J. Rosania, ASTD, 2003; ISBN 1562863479