



Marketing Your Business

Day Two | 9:00 am | 45 minutes



Family Office Director





Agenda

- What is your practice worth right now?
- Determinants of value–what are they acquiring?
- Ten tips
- Common mistakes
- How can that number get bigger?
- What *could* your practice be worth? Let's look at multiples in other finserv businesses...
 - All revenue is NOT created equal
 - Present value inputs drive outputs
- When to sell, who to sell to
- Options at exit
- There is no finish line





Calculating Your Sale Price

Multiple Rule

- .9 to 1.5
- Revenue Breakdown?
- Nurture, Starve or Kill

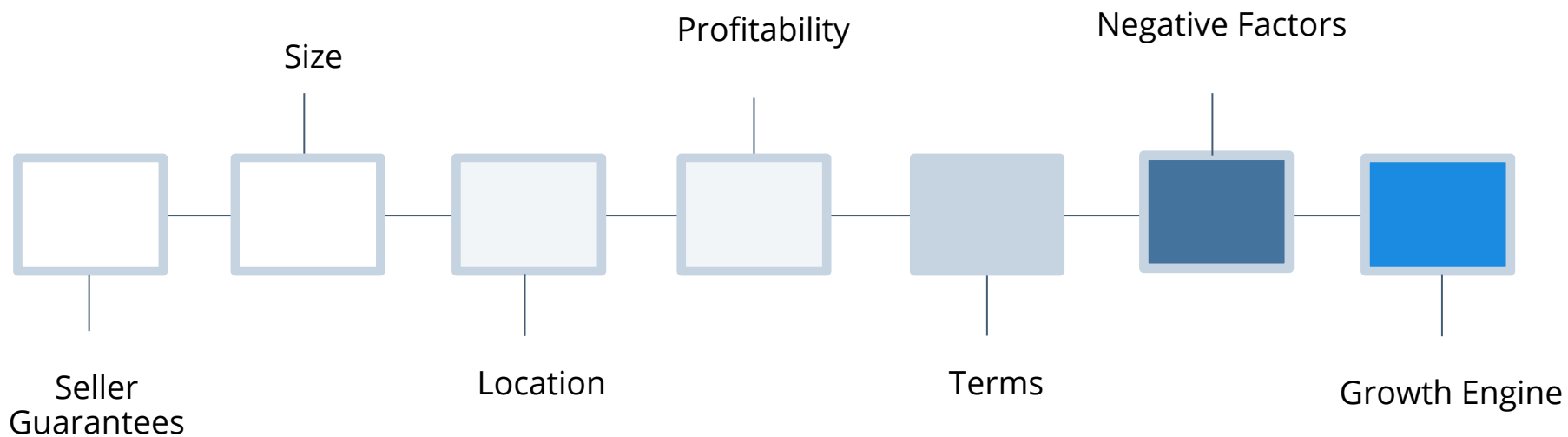
...the answer is: it depends





Calculating Your Sale Price

Key Factors?





Devil in the Deets

- Seller Guarantees
- Collection Pricing
- Look Back Pricing
- W/out Guarantees
- Cash
- Fixed Seller Financing
- Check the Comps!

A low margin firm of 30% will trade close to the bottom of the range and a high margin firm of 65% will trade in the upper range.





Sale Pending

LOCATION	PRICE	GROSS REVENUE	NET + DISCRETIONARY	TAX PREP INCOME	BOOKKEEPING INCOME	OTHER INCOME	INDIVIDUAL AVERAGE FEE	ENTITY AVERAGE FEE
Culver City	\$425,000	\$325,000	\$242,360	\$212,277	\$45,065	\$67,658	\$495	\$900
Glendale	\$550,000	\$473,872	\$246,231	\$433,872	\$40,000		\$882	\$1,325
Irvine	\$750,000	\$633,722	\$249,915	\$17,453	\$617,568		\$201	\$728
Lake Forest	\$620,000	\$524,572	\$297,806	\$516,372		\$8,200	\$1,037	\$2,840
Oakdale	\$560,000	\$558,819	\$290,081	\$445,080	\$97,833	\$15,906	\$396	\$1,155
Piedmont	\$500,000	\$360,000	\$253,415	\$360,000			\$1,900	\$2,135
Pleasanton	\$80,000	\$61,426	N/A	\$56,972	\$4,454		\$828	\$1,222
San Diego (Mission Valley)	\$340,000	\$295,880	\$165,635	\$239,620	\$38,340	\$17,920	\$364	\$885
Santa Ana	\$220,000	\$167,922	\$102,513	\$135,574	\$2,087	\$30,261	\$500	\$1,134
Tustin	\$220,000	\$174,290	\$144,090	\$124,310	\$41,870	\$8,110	\$400	\$876





Affecting Your Sale Price



**Marketing
Infrastructure**



Human Capital



Billing Data





Exhibit 1

Exhibit 1 The 2021 Rosenberg Survey Based on 2020 Data Results at a Glance

	Multi-Partner Firms				
	Over \$20M in Net Fees (43 Firms)	\$10-20M in Net Fees (77 Firms)	\$5-10M in Net Fees (102 Firms)	\$2-5M in Net Fees (63 Firms)	Under \$2M in Net Fees (18 Firms)
Income per equity partner	687,739	518,570	504,005	343,495	257,532
Fee growth: 2020 – including mergers	7.4%	5.9%	6.0%	2.7%	-0.5%
Fee growth: 2020 – excluding mergers	6.7%	4.7%	5.0%	0.9%	-1.4%
Fee growth projected for 2021	6.4%	6.4%	6.2%	4.3%	4.9%
Fees per equity partner	2,437,830	1,906,064	1,645,417	1,101,949	654,313
Fees per professional	252,358	232,727	228,555	217,131	193,092
Fees per person	206,798	191,877	188,107	179,282	158,402
Realization	85.6%	84.6%	87.0%	89.2%	90.2%
Average equity partner billing rate	405	355	334	302	256
Overall net firm billing rate	183.05	162.82	154.61	148.01	143.30
Average equity partner charge hours	1,052	1,065	1,163	1,180	1,220
Average staff charge hours	1,499	1,477	1,508	1,450	1,392





Financial Advisory Industry Overview



1.9-3.0x

AVERAGE REV MULTIPLE



3.3-4.15x

AVERAGE EBITDA MULTIPLE





MFOs Capture the BIG Multiples

Big boys: \geq **12 times EBITDA** (*Piper Sandler*)

AUM = \$1 - \$5B **7x and 9x times EBITDA**





Very Different Outcomes

Type of Business	Revenue Multiple	EBITDA Multiple
Tax Practice	0.71 to 0.99	2.99 to 4.45X*
RIA	1.9 to 3.0	3.3 to 4.15X
MFO		7 to 9X





RIA Drivers of Value



- Predictable revenue and recurring revenue streams
- Client demographics
- Average client tenure
- Size of potential market
- Transition timing

- Client affluence and average client revenue
- Asset or revenue concentration
- Use and structure of referral fees
- Length of surrender period
- Profitability





5 Compliance Mistakes You're Probably Making



- Neglecting Internal Compliance Audits. ...
- Not Connecting the Dots. ...
- Using "Off-the-Shelf" Policy and Procedure Templates. ...
- Ignoring the Connection Between Compliance and Business Value. ...
- Doing it Yourself.





Sprint v Marathon

Doubling the amount of cash flow in an "egocentric" practice model - which is the most common model in the industry today - often results in little to no improvements in the value of the practice.

A sole proprietorship, or a corporation or LLC with just one owner, will come to an end with the retirement, disability or death of its owner; it is built to die.



One Small Step For One Giant Leap



- The Best Deal Since the Dutch Bought Manhattan for \$24
- The FG Turnkey Family Office Charter
- *Define:* Turnkey
- *Define:* Family Office
- *Define:* Charter
- **Done for you!**

Barriers is a Fancy Word for RISK



- *If you can't* learn the lingo
- *If you don't* have the infrastructure
- *If you don't* have a marketing engine

...**all** absolute requirements, but not the only things

You Also Need:

- Not Just to Make, But to **BE** the Change
- Thought Experiment



Sources/References

- <https://www.advisorlegacy.com/index.php/component/sppagebuilder/132-services-practice-value-estimator>
- <https://peakbusinessvaluation.com/valuation-multiples-for-a-financial-advisory/>
- https://www.atbcal.com/?gclid=Cj0KCQjwhY-aBhCUARIsALNIC04uRiDi8i8muDyu9KVwusEjRg-LP6a5aD85-wxVfr3-BvUIbXQrO6YaAsOnEALw_wcB
- <https://poegroupadvisors.com/blog/accounting-practice-value>





Regulation, Compensation and Licensing

Day Two | 9:45 pm | 30 minutes



Agenda

- Boring and Scary
- “A million small things, each of which can be fatal”
- DIY v DFY
- Next steps/references (?)





The Legal Bridge

- Mission critical even if arcane and not “sexy”
- Less about arcane knowledge than about transparency
- Necessary for compensation
- FOD: Very deep in one SM but “deep enough” in others



Must know how to tell the time, but not how to build a watch





Your Contribution

- SME on Tax Compliance and Planning
- Knowledge of/Concern for the Client
- Auditor of Integrity
- _____Of People and Process



Thought Problem: How is this list different from what you're doing now?





The Complete FOD

**Tax & Compliance
Planning Expertise**



**Grounded in
Financial
Statements**



**Applies Knowledge
and Discipline**



**...Plus Skin in the
Game**





So Many Ways to Go Wrong

5 Common Compliance Mistakes



- Neglecting Internal Compliance Audits. ...
- Not Connecting the Dots. ...
- Using "Off-the-Shelf" Policy and Procedure Templates. ...
- Ignoring the Connection Between Compliance and Business Value. ...
- Doing it Yourself.





Good News!

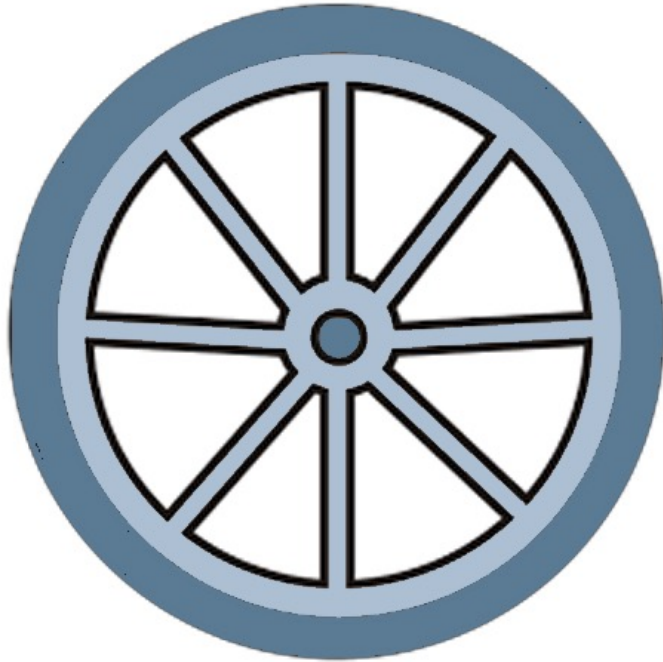
You Are Already:

- In a regulated and scrutinized environment
- A Fiduciary
- The **MOST** Trusted on the team of rivals
- Sibling (not cousin) of thousands of FODs
- Really good at taking tests





Many Spokes On the Wheel



IAR CRD • Account, Licensing, and Registration with FINRA • State Insurance Commissioner Registration • Advertising • Review, Approval, Archiving • Forms ADV Part 1, 2, and 2B • Continuing Education • Monitoring • Insider Trading • AML • Form 13F • Manuals • CRS • Suitability Standards, Document Management • WRS • BCP • Disaster Recovery • Privacy • E&O • Risk Management





DIY v. DFY

DIY

- Massive Commitment
- Complicated
- Many moving parts & players
- Expensive
- Slow
- Scary w/ Good Reason:
Dangerous
- Vigilance required
- Never-ending

DFY

- Outsourced & off your plate
- Packaged (w/E&O)
- Fraction of the cost
- Fast
- Worry free
- 1% mindshare
- Automated & Auditable





coffee break





The Winner's Playbook

A recipe for success in financial services (The Success Map)

Day Two | 10:30 am | 45 minutes



Agenda

- 3 Main Challenges
- Sports Analogy
- Your Success Map
- Success Guarantee





Evolution: Always Lives in a Brave New World

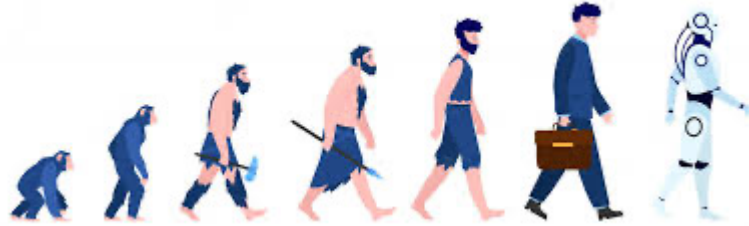
Law of Diffusion of Innovations

(Rogers, 1962)





Evolution's 3 Main Challenges



**Befriend the
Jungle**

Finding the Calories

**Climbing the
Pyramid**





Sports Analogy

Define Success, then

- Get in Shape
- Learn the Playbook
- Work as a Team





Get in Shape

The Preseason



2 Weeks



2 Months



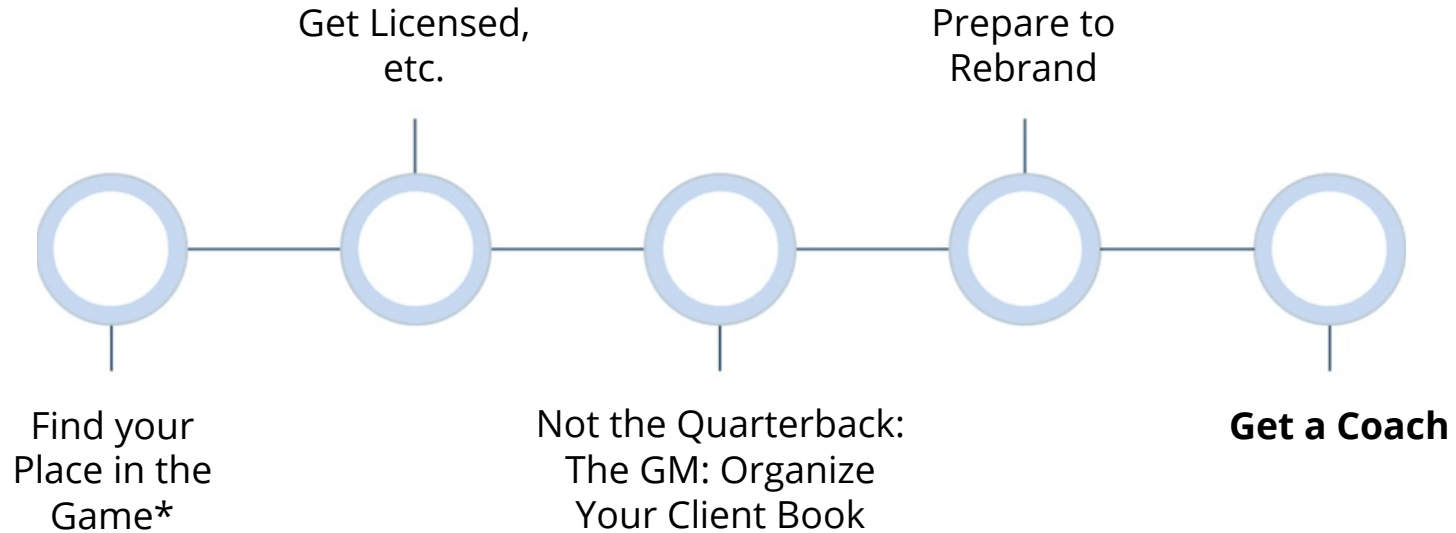
4 to 8 Years

The Goal: Muscle Memory





Get in Shape

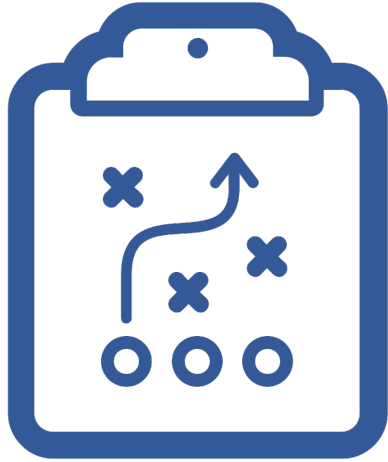


* The Wallet Share Game!





Learn the Playbook



- Learn About the Competition
- Preseason Sets the Tone
- Offense, Defense, & Special Teams

- Investment Philosophy
- Value Proposition–*the big idea*
- Differentiators***
- Exclusive/unique apps and processes****
- Your Pitch is NOT a sales thing or even a story–it's the simple truth



Play Like a Team

Defining Winning*

Know and play your position**

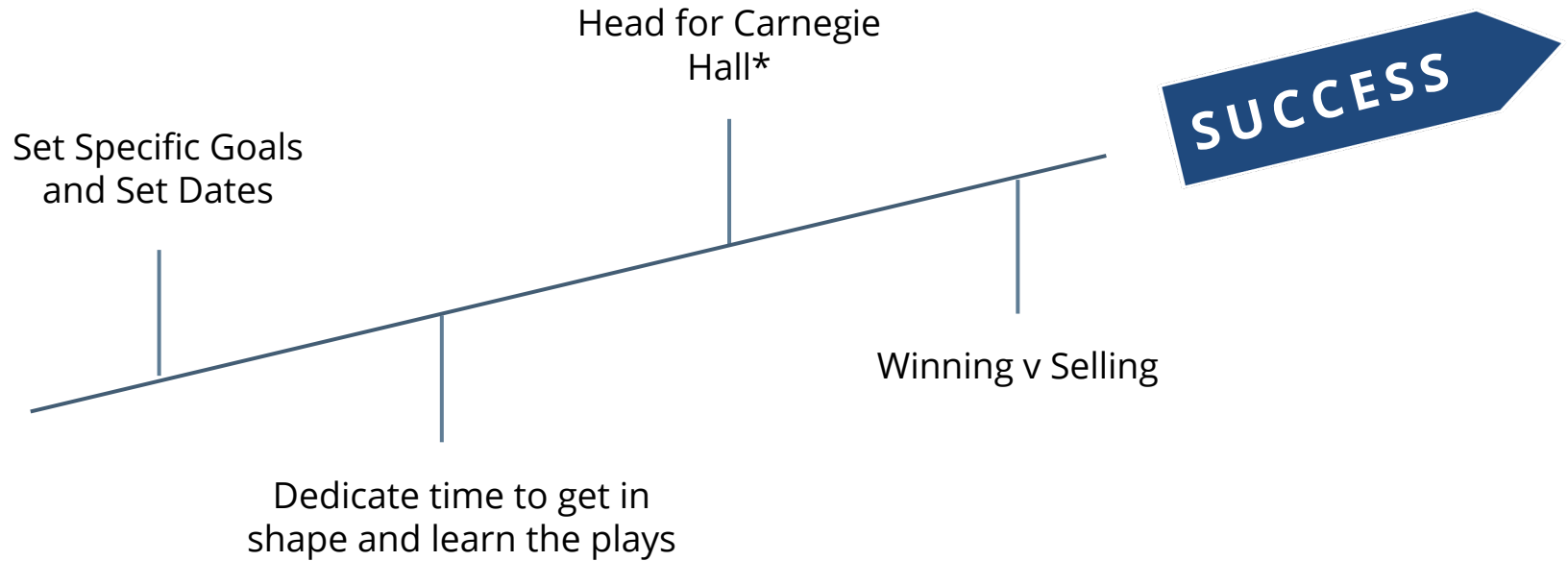
When you want the ball v when you don't ***

Even the waterboy gets a ring****





Your Success Map



*When the Client Wins, You Win **FOREVER***





Your Success Map

THE STORY:

How tax pros created major income, diversified revenue, 12 month bookings, and massive goodwill in one year.

Financial Gravity

FAMILY OFFICE DIRECTOR ONBOARDING SUCCESS MAP

FAMILY OFFICE DIRECTOR: _____ DATE: _____

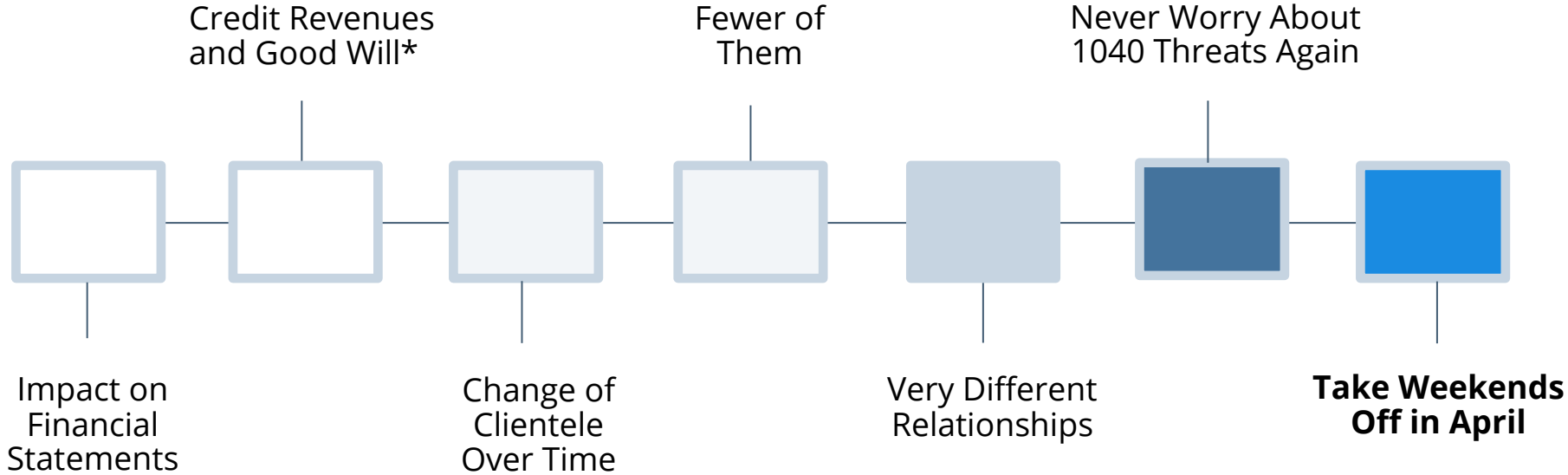
Onboarding Task	Estimated Time to Complete	Links
<input type="checkbox"/> Sign up - TMN Elite Membership Level	10 Minutes	<ul style="list-style-type: none">■ www.taxmasternetwork.com
<p>Family Office Setup:</p> <input type="checkbox"/> FOD - Family Office Director (Licensed - S65) <input type="checkbox"/> UFOD - Unlicensed Family Office Director	1 - 2 weeks	<ul style="list-style-type: none">■ FG FOS - RIA Approved Email■ Family Office Services Quickstart Guide
CPA - _____ Insurance - _____ Securities - _____		
<input type="checkbox"/> Call with Tax Master Ed Lyon (optional)	30 Min	<ul style="list-style-type: none">■ Ed Lyon Calendly link
<input type="checkbox"/> Sign Confidentiality Agreement (DocuSign)	2 Minutes	<ul style="list-style-type: none">■ SAMPLE - Confidentiality Agreement
<input type="checkbox"/> Review Thinkific Learning Management System (LMS)	1 - 2 Weeks	<ul style="list-style-type: none">■ Access - OneLogin > Thinkific App
<input type="checkbox"/> Marketing Platform Setup (Main Contact)	2 - 3 Days	<ul style="list-style-type: none">■ Marketing Campaign Setup Instructions■ Family Office Director website sample■ Marketing Campaign - CTA/Script
<input type="checkbox"/> Family Office Director Business Review Intake form completed	5 Minutes	<ul style="list-style-type: none">■ Family Office Business Review Form

Page 1 of 3





Your Success Map... the Road to Real Benefits





Marketing and Branding

*The Head Coach
Does **Not**
Handle Ticket Sales*



Driver of,
and Determinant of,
Value





Marketing and Branding

Key Principles:

Start With the Why



Mindshare Leads to
Wallet Share



Provide Genuine Value



Offer Help with Diverse / Actionable
/ Current Affairs Driven Problems



Be Easy to Know**





Start With the Why

Sinek's Golden Circle

Your Contribution and its Impact

Start Crafting Yours Now

Make it Your Mantra





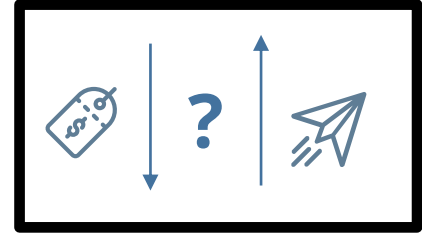
Mindshare Leads to Wallet Share

- Like a Pilot's Life Who Knows the Most?
- Who is Offering the Most Appealing Value Prop?
- Who is NOT Selling Something?
- Who Can Be Counted On?





Provide Objectively Valuable Help



Can You Answer the Key Question?





Real World Conversations

- Q4 2022
- Inflation
- Rising Interest Rates
- Falling Asset Prices
- Legislative Risks
- Nuclear War





DIY v. DFY , Part Deux

DIY

- Insource
- Time Consuming*
- FTE or on you (Expensive Either Way)
- Creative/Requires a Type of Talent
- Active v. Passive:
- CTA/Fulfillment etc.

DFY

- Typical Outsourced Solutions
- Expensive
- Generic
- FA NOT FO
- Passive Only
- Not True Branding
- No Website, Webinars or White Papers



G “Don’t Know How to Market”

The Evolution of the Family Office Starts Here



Kimberly Perry
Family Office Director

What is a Family Office?

The wealthiest Americans are also the most successful investors, and that is neither a secret nor a coincidence. We believe the reason is simple: they are served by Family Offices.

The Family Office focuses on the integration of tax, wealth, and risk management into one cohesive experience. Typically, in financial services, advice is segregated to very specific expertise versus connected across the different financial services disciplines.

Creating a cohesive and integrated plan can have the same impact once only reserved for the wealthiest. It is now available to every American family.

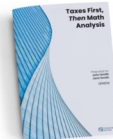


WEBSITE

Control the Controllables™

Request Your Free Taxes First, Then Math™ Analysis

Click the button below to start the process. Use the form to upload all of your investment statements. We will then be in touch with your Taxes First, Then Math Analysis.



LEAD CAPTURE

Upload Investment Statements

Campaign Schedule

Email 1	4/19 (link)
Newsletter	4/28 (link)
n/a	

MONTHLY CAMPAIGNS

Campaign Overview

April's campaign will be abbreviated due to the demands of the end of tax season. This campaign consists of an email and the newsletter to request an appointment with the client to see if a *Taxes First, Then Math Analysis* (FTMA) could be of help. The overarching message being communicated in this campaign is that a prudent person is concerned about taxes — and tax saving — all year round.

I: The Call to Action

This campaign's call to action (CTA) requests clients to make an appointment to see if a FTMA can reduce the client's tax bill for next year. The appointment link will go to the FOD's appointment solution.

Link-click notifications **will not** be used in this campaign. If a FOD receives an appointment or interest from a client, they should inform their Partner as soon as possible.

If you have any questions, please contact **Zach Trimble** (marketing questions) or **Jill Jaglowski** (operational or general questions).

Links to the campaign emails:

Email 1 (4/19)	Newsletter (4/28)	
--------------------------------	-----------------------------------	--

Mutual Funds: High Costs for Long Odds

Costs — not the simple thing it seems

Mutual funds are more expensive than many investors realize. Costs are not limited to management and 12b-1 fees, which sometimes total less than half of the costs incurred by the fund—all of which are paid by the fund's investors.

According to the SEC: "As with any business, it costs money to run a mutual fund. There are certain costs associated with an investor's transactions (such as buying, selling, or exchanging mutual fund shares), which are commonly known as "shareholder fees," and ongoing fund operating costs (such as investment advisory fees for managing the fund's holdings, and marketing and distribution expenses, as well as custodial, transfer agency, legal, accounting, and other administrative expenses). Although these fees and expenses may not be listed individually as specific line items on your account statement, they can have a substantial impact on your investment over time."

WHITEPAPERS

Smaller investors may also be charged an account fee, assessed by the fund company if the investment falls below a certain, specified level.

All of the costs we've reviewed thus far are assessed on an individual basis, and favor the investor committing more time and money to the fund. There are many other costs, however, that are borne by all investors in the fund. Chief among these is the Expense Ratio, which comprises all the management fees and operating costs of the fund.

The incentive structure problem

We need to take a moment to bring up a potentially significant problem that is inherent to mutual funds, and that is the competing interests between the fund company and the investor. The fund company's overarching goal

“Successful investing is about managing risk, not avoiding it.”
Benjamin Graham

Make a free appointment today
As a tax-planning expert and Family Office Director, I can help protect and grow your wealth.

Tax Strategies

- Highly appreciated assets
- Business structuring for tax mitigation
- Asset location for tax optimization
- Tax loss harvesting

Retirement Planning

- Risk alignment
- Liquidity alignment
- Social Security with draws
- Sequence of withdrawals optimization

Wealth Management

- Cost containment
- Concentration avoidance
- Risk-aligned asset allocation
- Control the Controllables™

Risk Mitigation

- Income stabilization
- Asset protection
- Longevity security
- Legacy & estate planning

John Calhoun, CPA, CGMA
Family Office Director

Call for appointment
727-698-2598

John C. Calhoun CPA LLC | 190 Bay Hill Blvd., Ft. Pierce, FL 33484-0884 | john@johncalhouncpa.com
Investment Advisory Services may be provided through Financial Services Family Office Services, LLC, 192 Family Office Center, Ft. Pierce, FL 33484-0884.
Registered Investment Advisor (RIA). Family Office Services does not provide tax or legal advice and is not a licensed public accountant.

ADS





Winning

What World Champs Have in Common:

- A Strong Organization with a Common Goal
- A Great Coach
- Talent Diversity
- A Winning Playbook
- Best (Not Perfect) Execution
- The 12th Man





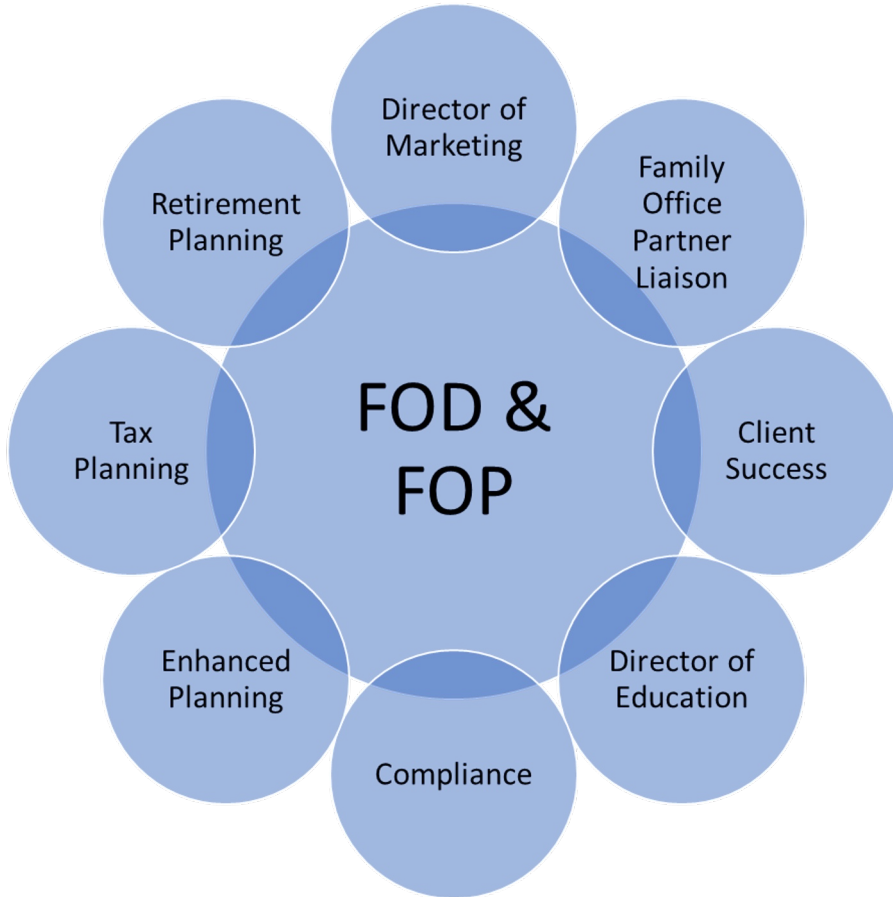
Great Coaching

- Those Who CAN do Teach
- Bona Fides of FG Talent Pool and Leadership





Talent Diversity



Kimberly Perry, CPA

Family Office Director

[Email](#)

[Make Appointment](#)

CA State License #18422043



John Pollock

Family Office Partner

[Email](#)

[Make Appointment](#)

John Pollock doesn't just talk about entrepreneurship - he lives it. John is also disrupting industry standards - for the better. After seeing the lack of integrated advice for business owners across tax planning, financial services and business strategy, he created the first national tax firm specifically designed to help entrepreneurs reduce their personal tax liability by an average of \$3,000.



Scott Winters II

Family Office Partner Liaison

[Email](#)

[Make Appointment](#)

Scott Winters II assists John Pollock as a Family Office Liaison.



Jill Jaglowski

EVP of Client Success

[Email](#)

[Make Appointment](#)

Jill Jaglowski has been working closely with Advisors for over 20 years overseeing all aspects of the advisory services side of the business where she trains and supports the advisors on the wealth management platforms, programs, and services offered through the RIA. In addition, Jill has worked closely with the Chief Compliance Officer where she has helped develop and monitor ongoing policies and procedures. She currently holds her Series 7, 66, and 24 licenses.



Ed Lyon, J.D.

Tax Strategist and Tax Lawyer

Ed Lyon earned his Bachelor's from Hamilton College and his JD from the University of Cincinnati College of Law, where he served as Executive Editor of the University of Cincinnati Law Review. He has nearly three decades experience in the tax and financial services industries, where he focuses on helping business owners take advantage of the tax code's legal "green lights" to pay less. He's the founder and CEO of the Tax Master Network (previously TaxCafe) Software and currently serves as Chief Tax Strategist for Financial Gravity companies.



Dr. William R. Nelson, Ph.D.

Chief Investment Officer

Dr. William R. Nelson is an expert in asset management and the associated technology. As the Co-founder and Chief Investment Officer of EQE Capital Management, Inc. for over a decade, he was instrumental in the development of technology including their proposal generation system, reporting system, and Mutual Fund Stress test.



Dave O'Rourke

Director of Education

Dave is President of Financial Gravity Asset Management. FGAM creates and delivers Active, Passive and Hybrid investment portfolios using its proprietary Real Risk System. FGAM is also a turnkey asset management platform that automates bespoke RFS creation in the context of the investor's maximum loss exposure. In addition, FGAM provides IncomeIQ, an application that features FGAM's proprietary Time Optimized Planning®.



Kaiti Winters

Compliance Officer

Kaiti has extensive compliance experience at one of the top 3 Broker/Dealers in the US, one of the fastest growing FINRA's, as well as audit experience with both FINRA and the SEC. Her broad-based knowledge of both the BD and the RIA side of the industry will prove extremely helpful. She has her Series 7, 66, 24, and Insurance licenses.



Winning Playbook



**Best
Story**

MFO Model



**Best
Value Prop**

TFTM



**Best
Philosophy**

Control the
Controllables



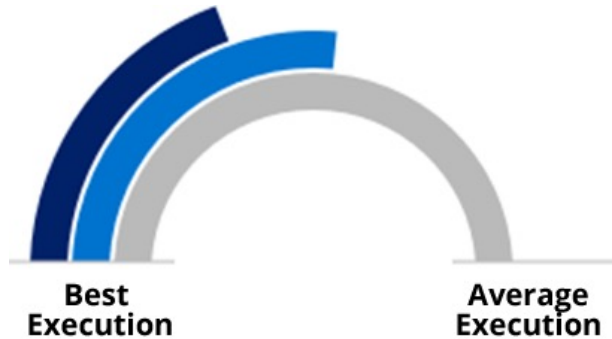
**Best
Tools**

Real Risk Meter,
Incomize, etc etc





Best Execution



- Perfection NOT Required (*or Possible*)
- Lived Experience Aligns with Expectations
- Business Processes Take Years to Create
- Client Development Process
- Client Uptake Process
- Client Servicing
 - Portal
 - Responsiveness
 - Transparency





Referral Engine

- Ratcheting up Your Business
- Redefining your Brand
- 80 great Clients More Valuable than 800 Customers*





Best Decision Test Ever



Is This Move Objectively Positive
/ Good / Improving For:

- **Your** Clients?
- **Your** Coworkers?
- **Your** Company?
- **Your** Career?

*When All Four Are "YES", the Decision Becomes **Easy**.*





Tale Of Two Choices

DIY, but not the cool Home Show kind,
Partial Checklist – Available on Request

- Become RIA
- Hire Compliance Company
- Get Compliance Software
- Determine Decision Making Paradigm
- Get Learn Analytical Software for Proposals
- Pick Income Planning Software
- Get Client Facing Aggregation Software
- Compliant CRM for perioding Audits
- Build Marketing Pieces
- Build new Compliance Approved Website
- Pick a e-sign Software for Insurance and RIA
- Buy Compliance Archiving Software
- Start Insurance Agency
- Get Insurance Licensing Software or do each state with paper
- Determine how to track all the passwords for every state, carrier and software you will use
- Plan, write and get approved Wealth Centric email
- Calendar Software
- Find Tax Planning Software
- Find Tax Savings Estimate Software
- Plan, write and get approved weekly tax centric email
- Pick Custodian
- Find Money Management Platform
- Pick Marketing Engine
- Learn and Build relationships with all the potential strategy partners
- Hire the various team members to run the different aspects
- Learn what forms will be needed for each piece of advice
- Write internal Systems
- Work 24/7





Tale Of Two Choices

DIY

Projected Cost

\$100k – \$250k a Year

Timeline

One – Three Years





Tale Of Two Choices

OR

**DFY Multi-Family Office Charter \$1,199 a month
Full List**

1. Guaranteed Success Map - \$50k in Revenue in the First Year
2. Weekly ½ Hour Cadence Coaching Calls
3. We set up all the Technology with a bit of information from you
4. We set up Marketing Infrastructure with a list, headshot and Bio from you
5. Monthly Alumni Calls
6. Your clients will love you more than you can imagine





Thank You for Attending:

**The Future of the
Entrepreneurial Tax
Professional**

A Bold Vision for the Future of Tax Professionals