

Special Report

Adding Tax
Resolution to Any
Law Practice

Richard James and
Michael Rozbruch

Your
PRACTICE
MASTERED

Special Report

Adding Tax Resolution to Any Law Practice

**Richard James
and
Micheal Rozburch**

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

Richard James: Hey everybody. This is Richard James with another call from Your Practice Mastered. Today we're going to be bringing you some information about how you can add real revenue into your firm. Our goal is going to be to show you how you add a practice area into your firm. If you are trying to figure out how to grow your business, one of the ways you're going to be able to do that is by getting more value per client. You've already paid to acquire the client. You've already gotten them into your herd per se. You are nurturing them in whatever way you're doing that and you've got a relationship with them, and there may be a time when they need other services. And so the service we're going to talk about today is a tax resolution business, and Michael Rozburch and myself are going to be on the call. He is a nationally recognized entrepreneur as the founder of Michael Rozburch's Tax and Business Solutions Academy, his training and consulting service that teaches practitioners on how to build a highly-profitable IRS representation practice through proven marketing, sales, and practice management case resolution strategies.

Michael is a CPA. He is a certified tax resolution specialist who has helped pioneer the tax resolution industry for over 16 years. As a matter of fact, he founded and built one of the most successful and reputable tax resolution firms in the country going from zero to 20 million dollars in revenues in ten years. Yeah, I said that right—20 million dollars in revenue in ten years.

Michael is an author. He is a 2011 Semi-finalist at Ernst and Young Entrepreneur of the Year Award. He made the Inc. 500 list twice in 2010 and 2011. He has been featured as a guest expert on over 200 radio and television shows including Fox News, and he's been interviewed and published in Inc. Magazine, Tax Analyst, Tax Notes Today, US News and World Report, The Wall Street Journal, and Entrepreneur Magazine and others. And I met Michael through our mutual mentor Dan Kennedy's organization.

As I read an article about him I said boy if he's helping practitioners do this specifically in my world of attorneys, I've got to talk to him and see what he's doing and I did. I instantly realized he kind of cracked the code on how to help attorneys put this practice area into their practice if they really want to, and because I talked to hundreds of attorneys a month, I can tell you a lot of you do. And so, welcome to the call today, Michael.

Michael: Richard, thank you so much. A great introduction. As you were reading that, I'm going, is that really me. I mean, it looks so good on paper.

Richard: Well, I tell you, you did a great job. You know—so what I love is that we've got a marketer on the phone. That's cool because we're going to be able to show people

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

how to get some real results out of this. You're just not a practitioner who happened to get lucky. You are a marketer who happened to be a practitioner, right? And so you figured out that the hot points and the celebrity created atmosphere that you've done in this Inc. Magazine and tax analyst interviews and the US News and World Report and The Wall Street Journal, and obviously getting Ernst and Young's Entrepreneur of the Year Award concept. And so these things that you've done to build this celebrity or credibility for yourself are the same things we talk to my clients about doing. In my world, as you probably already know, I cornerstone it with a book and the Authorship, Celebrity, and Expert Principle, so that they create kind of their own celebrityism, but having these credential points is a value add. You think it's been of value to you as you built your career through the years?

Michael: Absolutely. There's no way I would have achieved the success I did without branding myself as an authoritative and a celebrity person in the tax resolution world. I mean, one of the things I really enjoyed doing was giving people great information about how they can resolve tax problems because most people don't know where to turn, but getting on these new shows and radio stations. You know, one led to another. I didn't start that way. I started very small, local area in the San Fernando Valley area of Los Angeles with local newspaper, local radio shows, but one led to another and I used to do all of this myself.

In the early years, I used to send out a press release. I called it a PSA press release to everybody I could find and one thing led to the other.

Richard: I love it. By the way, I hear a little accent other than California. Am I hearing that right or no?

Michael: You're hearing that right. I was born and raised in Canarsie section of Brooklyn. I lived in New York for about 25 years and I think I credit a lot of that to my negotiation skills with the IRS. And I have—I've been married to the same woman for 29 years. She's been putting up with me for all that time, and I have two lovely daughters, 26 and 22, you know? I'm here in California, Los Angeles, Studio City to be exact, and just loving life and living life.

Richard: That's great. That's so exciting to hear because, you know—there are attorneys who are going to listen to this who they're at different ends of their curves. Some of them are in the beginning stages and I talked to one the other day and he's got an 18-month-old baby, right? And so they're trying to build a practice to conquer the world, but they've got an 18-month-old right in front of them, and the husband and wife are doing it together. And then there's some who have gone the full circle and their kids are raised and they are out of the house, and hopefully they haven't come back just

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

yet. And they are not quite at the grandparent stage just yet and they are living life, yet they feel like the tail is still wagging the dog a little bit, and they are trying to figure their way out of the practice. Some attorneys that we've got on the call are doing really well and they realized that business either grows forward or it moves backward, but it doesn't stand still so they are trying to figure out how to put another practice area in their business. And then we've got some folks, well one in particular I can think of, that has grown children and decided that they were going to reverse the operation they had to not have any children again, and so he went in for that operation, and voila, at age 45, they ended up with a 2-year-old. So I went and saw him and there he is in his gorgeous Lexus and he picks me up at the hotel and there's the baby seat right in the back seat. It was priceless. It was so awesome.

Anyway, so let's move on. Tell me. I want to hear more about this practice that you built, you know, from zero to hero, in those ten years. And I want to hear kind of—walk me through. What did that look like from a practitioner's perspective? Tell me what it looked like, where it was located geographically, and we'll start to unpack it a little bit.

Michael: Well, I started off in a 482 square foot office in Tarzana, California. It was myself and I had some part-time help. And prior to that—let me just back up for one second. I was in the corporate world for 18 years prior to starting this practice. And what I realized—it took me 18 years to realize there was no way I could work for anybody and I did a lot of job hopping. I did a lot of job hopping in my corporate career because I either felt I was smarter than my boss, or as you can tell, I have a pretty big mouth. I am a straight shooter and I told people, you know, what the deal was. Being in the corporate world, you've got to play the political game, and I'm not a political player. So it really didn't make sense for me to be there.

And you know one day I came back from a 10-day vacation. I was the CFO of a company in Los Angeles and I was called up to the president's office and he said Michael, your services are no longer required. And the reason was I was there for two years. I cleaned up a huge mess, balance sheets were unreconciled, bank accounts were unreconciled, I changed out the staff, got it running like a Swiss clock, and that was my downfall. Anyone listening on this call, and many of your attorneys are probably in a corporate world, but if they were, always sabotage something in this job so they need you. I never learned that. I always worked like, you know, it was my business.

No severance, no advance warning, no nothing.

Richard: So you were a corporate refugee.

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

Michael: I was a corporate refugee, absolutely.

Richard: Very good. Okay. So you started off in just over 400 square feet. A couple of support staff and off you went. And how did you land on tax resolution issues as it were. Did it start off traditionally of just doing taxes for people or did you immediately land on the tax resolution.

Michael: It was funny. As I was driving back after being let go I drove the car off the road and I don't know how long I was sitting in there, and a vision of the 1997 Senate Finance televised hearings came into my mind. I don't know if you say that or any of your callers remember that, but average Americans were testifying before congress about the abusive and intrusive powers of the IRS. How they closed people's businesses down, how they ruined people's lives without any appeals taking place, any way to escalate their case, and that popped into my head and I said to myself, there's nobody doing this kind of work for those individuals. Where do people go when they have tax problems? They either go to their tax preparer who is a CPA or enrolled agent, and if they didn't do this day in and day out for a living, they mucked it up or they went to an attorney, and most attorneys in tax are schooled in forward-looking transactional analysis, not in collection work. They also mucked it up, but it was so—I decided that I was going to learn this inside and out and open up a tax resolution practice, standalone, which was unheard of. Most people did it as an add-on to their accounting or tax practice. I did it standalone and the rest is kind of history?

Richard: Okay, good. So let's talk about it a little bit. So you started off in this little one-room office and where did you end up as you grew geographically. Where were you located? In one office and just kind of had a national presence because of the nature of the business, or did you actually expand in physical offices as well.

Michael: I didn't need to expand geographically because one thing as an attorney who is uniquely qualified to represent clients before the IRS. Since it's a Federal agency, you can represent a client in all 50 states. All you have to be is licensed in one state in good standing, and you're able to represent clients throughout the country in every single state. There was really no need to have geographical offices. I ended up in 1500 square feet with 120 employees. I had about 20 licensed professionals, of those about 16 were attorneys. But let me say what put me on the map.

We are going to go through some stuff here in a moment, but what put me on the map was a guy from a local radio station used to come into my 482 square foot office and I would throw him out literally every time because he was one of those kind of salesy guys.

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

Richard: And you're from Brooklyn.

Michael: Exactly. But the fifth time he came in, he made me an offer I couldn't refuse and that was buying 20 spots for \$25 each. They were called wide rotators which meant they would play any time the station wanted to play them. Anywhere from 12 noon to midnight. And the station he was selling them on, his station that he represented was KLSX which housed a Howard Stern terrestrial station here in Los Angeles. So a couple of things. People with tax problems don't get good sleep anyway. They are probably up in the middle of the night and that's when my spots ran, but more than that, every now and then one or two spots would run in the Howard Stern show during drive time in Los Angeles. And all two of my phones at the time would ring off the hook. And that really put me on the map.

And the way I did my spots was, you know, to break out from the competition and be out in front and be different, I used to scream at the top of my lungs—I did all my commercials myself. I voiced all my commercials myself in the early days. I would scream, "Be a man! Your IRS problems aren't going away overnight! Get your head out of the sand! Belly up to the bar! Deal with it!" And that was my mantra.

Richard: Really?

Michael: Yeah, I was the Crazy Eddie of tax resolution. If you had an IRS problem and you were in my car and you heard my spot, you were going to call me just to tell me I was either annoying or I love you. That's really how I got started.

Richard: Oh, that's great. And so okay, to be clear. One of my questions was generating leads and here we go. I mean, you stumbled upon the radio. Now before that were you doing other things? I mean 1997-1998, internet was, but not really right? So it was still Yellow Pages to an extent. Actually, quite extensively. It was newspaper ads. What were you doing on the radio before you stumbled on radio.

Michael: And you and I spoke about this earlier. I'm a Dan Kennedy disciple and I did as much direct response lead generation direct mailing as I could. I mean, some of the things I did was besides the normal place—one of the ads I placed in the Los Angeles Times in June when I first started, this was before radio. This was when I was still in my house on my dining room table before I got the 482 square foot office. I put a direct response lead gen ad in the paper that said "Warning! You know, reverse print. Do not pay the IRS another cent until you get my free special report. Call this 24-hour recorded number, blah-blah-blah. Richardard, I had 88 phone calls in four days.

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

Richard: Yeah, crazy. And so let's not miss that point everybody. You used the free report which is what we call a lead magnet, and the lead magnet obviously that I teach is a cornerstone is the book, same concept. You can use a free report. You can use a book. There's a placement for both of them, but the point to take away is you used a lead magnet to generate leads in the newspaper at that point, and it worked, right?

Michael: It worked fabulously. And then, people of those first 88 who called, I believe I was retained over a few-month period by about six or seven of them. The other 82 people if you will—I did follow-up sequential marketing. I just put them on an automatic sequential marketing campaign, and they got eight letters from me over 180 days, because in the tax resolution business, and I don't know how it is in your world, but in the tax resolution business, you've got to follow the money. About 67% of the revenues come in from the 14th to the 180th day after you've had the initial contact.

Richard: Okay, so I need to stop there because—like I heard Pandora's Box opening, and so you've invited me in, so forgive me. So you said a couple of things that were just so advanced, I don't want anybody to miss. You used sequential follow-up communication to what we would call unconverted leads.

As you know from some of the conversations we had, I teach this concept of the perfect client life cycle, right? So we identify they generate a lead, convert to an appointment. They show up to the appointment. They decide to hire the firm. They pay their bill and then if they are happy, they are going to refer you business. So in your world you identified that either they didn't set an appointment or they didn't show to their appointment or they didn't hire you, one of those levels of unconverted leads, and you had a sequential automatic, probably with a mail house I'm guessing, system set up that if you identified them as falling into one of those stages, you would send them or drip them physical letters with a stamp on them to follow up with them automatically through that period of time, correct?

Michael: Yeah, my daughter at the time who was in elementary school affixed the stamps that we bought at the post office. 100 stamps per roll.

Richard: You didn't make her lick them, did you?

Michael: No. We had a sponge. But she also did the envelopes and the letters. A lot of it at the beginning we did in my office.

Richard: I tell you. That brings back memories. You know, when I was a kid, so I was about five years old, four years old, and my grandfather owned a funeral home. They only had one funeral home at that time. And my grandfather was convinced that it was vital for

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

him to have his phone number. His main point of marketing was his phone number, and so it was vital for him to have the phone number everywhere, and the one brilliant idea that he had somewhere in his head, and he came up with this all on his own, that he was going to—do you remember the old phones? The rotary phones? They kind of were a square box and they had a face on them and you had to turn them one, click-click-click; two, click-click-click.

Michael: Yeah. I still have one in my house somewhere.

Richard: Yeah, they ring like a fire bell when they go off, right? So they were that. And it had a little flat square section that was on top of the phone, and he came up with it all on his own that he said I bet you I could put a sticker there that would be for emergency so the local phone number for the ambulance and for the fire and for the police, and then on the bottom I'll put our phone number. So we'll give it to people. They will want to put it on their phone because they will have the emergency local numbers. Not just 911. The local direct numbers to the police, and then my number will be on there.

Well, it went over wonderfully and when he started it, he started sending out fifty or sixty, and by the time, you know, I was five or six years old, I can remember we were sending out 500 or 100 every week, right. And so I'd go over to his house and it would be my job to put the little dollop of glue on the little sticker that would go there in the mail piece. I remember clearly what your daughter's had to do. I've had to do, too. It didn't matter how you got it done, the point is, you just got to have it done, right?

Michael: Right. Exactly.

Richard: And that's a good point. Let's not miss this now. One of the things that you said that I thought was brilliant is you said there was a very specific amount of time that you identified from the time that the person raised their hand that said they were interested until the time that you started seeing revenue coming in, how long was that did you say?

Michael: It was anywhere from two weeks to six months, and even beyond that. People used to come into the office two years with a crumpled-up lead gen ad they clipped from the newspaper that was in their wallet, and they would show up in the office. Or from a newsletter mailing. I mean, they had a buyer die. I didn't take him off the newsletter list. After the seven sequential steps, they went on a newsletter list and got mailed every month indefinitely.

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

Richard: I love it. Okay, good. So we've got some real advanced stuff going on, here. Clearly, you had a system to identify who your unconverted leads were. Then, you had a system to automate it via your daughter, who was putting the stamps on everything to get the mail out. And then, you realized, at some point, that people were coming in over a lengthy period of time, so you put a long-term tail drift system (in your case, a newsletter—a printed newsletter, I'm assuming, that you mailed out to everybody, because that was before the days of the e-newsletter), and that there would be some sort of communication, and ultimately an offer of some kind for them to either come back for a free report, or for them to come back for a consultation, or what have you. And you identify that people would come back, that the bulk of the money would come back, as far as 6 months out. That's huge!

And so, you just took—so many people justify their cost of marketing, as to how well it performs today. I talked to a client the other day, and they ran a TV ad, and they generated some leads, and they were mildly disappointed. But the lead source actually was not only self-liquidating in the first run; it was actually giving 2 and ½ times ROI. Now, listen: I want a 4 times ROI like anybody else, or 5 times ROI. But they generated 30 leads over and above the leads that they generated that were self-liquidating. So now, they owned, free and clear, these people who are interested. And they have a drift sequence that they were able to drip on them with. And so, learning that lesson, I think, is a really valuable one.

Let me ask you this: did you use the telephone outbound callers to help convert any of your leads at all? I never asked you that question, so I'm just curious.

Michael: Yes, as a matter of fact. We hired a couple of temps who we actually converted to full-time. But in between the letters going out during the 6-month period, we also sprinkled in phone calls, absolutely. We called everybody; we did both; we called, and we did the mailing.

Richard: OK, good; so you left no stone unturned. You communicated with, at that day and age, the #1 way to do it. Now, let me ask: going forward now, as you're teaching people now, obviously, I'm assuming you still want to see them use direct mail, and I'm guessing you still want to see them use the phone. Do you still like to see your people who come into your system now use new modern technology, like email or mobile marketing or something like that, as well?

Michael: Yeah, absolutely. I mean, the website—you must have a lead capture mechanism on a website, and you also still need to drive traffic to a website, to a landing page, with the same formula, with the same (as you call it, Richardard)—a lead magnet, so that they can get additional information, either a book, an ebook, a video, a CD, or even a

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

physically-mailed hard-copy special report. But the Internet is a huge part today of generating leads and converting clients, absolutely.

Richard: OK, so for the attorney who's super-ambitious, and he's hearing this, and he's going, "Man, I already do business in a couple different geographies; I'd like to do this there"—I think the person who is thinking about doing this in their own practice gets it that they'll bring somebody in-house, but let's talk a little bit—because you built a national footprint, you had people come into your office, but I'm also assuming, because you had a national footprint, you had to do things over the phone; is that right—your consults over the phone?

Michael: Yeah. It's interesting. The first 6 years in business, 95% of the revenues were derived when people came into the office, face to face consultations. That turned 180 degrees when I left a tax resolution services company last year. At the end, we were at 95% of all the business was conducted over the phone. People would give you their credit cards or ACH authorizations for thousands of dollars over the phone. 95% was done over the phone.

Richard: Hmm. And did you find that—what percentage of them did you feel were comfortable enough to pay you in full, and what percentage of them did you feel you had to put on a payment plan?

Michael: There weren't that many who had the wherewithal to pay in full. If you think about it, people with tax problems—they owe 6 figures—a fee for that, let's say, ballpark, is around \$10,000, especially if they have unfiled returns. Most of those folks don't have the wherewithal to come up with that money all at one time. So, the way we work (and it was very successful—we actually got paid before the case settled) was: we would require at least—and we would tell them during the consult that we require—30% to 100% of the retainer now. But reality was that we got about 30% as a deposit, so on a \$10,000 case, we got \$3,000, and often compromise takes at least 10 to 12 months, so we would do an 8-month payment arrangement with them with an authorized credit card/debit/credit card authorization form, or an ACH debit of \$700 a month, or whatever, \$800 a month for the next 7 months—whatever it comes out to. So, we were paid in full before the case settled.

Richard: Good. And did you have scope—to give everybody—or alleviate their fear of this—was there a big collections issue? Were you chasing money a lot? If people just weren't paying, were you able to withdraw from their case? How did that look?

Michael: Well, we actually—what was nice about this, the way we set it up, the way I set it up, was: we had deferred revenue on the books. In other words, very little in receivables,

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

and actually work and money in the bank for which we haven't performed the service yet. So, we had deferred revenue. But when people stopped paying, we sent them—I have a series of letters that we sent out, that I formatted, which basically said, in the last letter, “You have”—we called it the 10-day letter—“you have 10 days to respond to us, either with your documentation or with payment; otherwise we have no choice but to disengage from the retainer and withdraw our power of attorney,” because remember, as a representative on a power of attorney, the 2848 form, your name is on the line. Your name is on the line before the IRS. As far as the IRS is concerned, you're representing that client. So, if they call your office and you don't speak to them because you haven't been paid, that's not good from a being-a-representative standpoint, and you're really not doing the client a service, because you never want the client to get ahead of you when it comes to the fee for the engagement.

Richard: Great; I love it. But what I love most—and I think the thing that we can unpack from that—is: you identified that you needed a system of communication for the people that kind of what we call “fall off plan,” and for a lot of the folks on this call, they're going to recognize when I talk about it; I actually want to try to figure out how to be proactive with our communication, to keep them on-plan, before they even have a chance to fall off-plan. It's a little bit more of an advanced topic, and you and I don't have time to get into it today. But you and I are congruent in our thinking on that. We want to figure out a way to maximize the number of people that are staying on-plan. And what you said is that you used a sequence communication point as a reaction to them falling off-plan, and then you got a bunch of them back on-plan because of it.

And you really didn't have to think about it too much, because once it happened, the sequence just started, right? And then it stopped if they got back on-plan again, I would assume; yes?

Michael: Exactly; plus, if you're in contact with the client—I have what's called a 14-touch-point system, where if you're in touch with the client every 28 days, with a phone call, not leaving a message, not sending an email, but actually physically picking up the phone and talking to the client every 28 days, there's no surprises. I mean, they know that they either missed a payment, and they need to make the payment soon, or they're going to be left out in the cold, because we're not going to be representing them. So, it's not a surprise—it shouldn't be a surprise to the practitioner if they're out chasing receivables, or their receivables are growing, especially if you're in contact with them all the time.

Richard: I love it. You get the concept of proactive communication. I call it—we call it a red-yellow-green system, and so, what we like to do is: I teach my clients who have a lengthier case length with their clients, to use what we call a “red-yellow-green.” And

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

basically, they just have somebody communicate with them, as you said, every 28 days, and that person's job is just to indicate whether the case is red, yellow, or green—red meaning there's some kind of emergency situation; somebody in the office needs to deal with it right away; yellow—there's some cautious information; it probably requires management to get in touch. And green means all is good; no problems; everything's happy; they're happy; we're happy, right? And so we use that red-yellow-green system, then, in the offices that I work with on a regular basis.

Michael: Oh, I love that system.

Richard: So, let's keep going. Let's talk about the last leg in this perfect client life cycle that we started to unpack a little bit, which—we got all the way through to getting paid. And now, the last step is referrals. Did you measure how much business came from referrals? And did you have a system specific to getting referrals in the door?

Michael: Yes, we had, actually—referrals, as you know, and your people on the call know, I believe, is the cheapest way, the least expensive way, to get that lifetime value up through the roof, because it's like a cascading effect. But yes, to answer the question, we did have a referral system in place. Every time we settled a case, we sent out a congratulatory letter with, we'll call it, a self-testimonial survey form attached. And we had someone who was dedicated in following up with them to get those testimonials back, so we could use them in our marketing. But even more important, we would also ask everybody—I would ask everybody, even at the initial consultation, if they knew anyone who may have a problem. And there was always a reward for somebody who referred. I would say, Richardard, that 35 to 40 percent, in the beginning, came from referrals. We had a ton of referrals.

As you get larger, that percentage, obviously, is going to go down, especially when you have more of a national footprint, because then you're relying more on marketing to drive leads and clients. But a localized or solo or small-firm practitioner—I would say that you can get a system in place and be generating at least 30 to 35% in referrals.

Richard: I love it. OK, so just to keep everybody going right now—I just saw that somebody joined the call late: this is Richardard James, from Your Practice Mastered, and this month we're on the call with determining how to put more revenue into your firm, and I'm on the call today with Michael Rozburch, and he's talking about his practice that he put into place that built from 0 to 20 million dollars as a tax resolution practice, and soon we're going to be breaking into exactly how we're going to be able to show attorneys how to place it into their practice, as well. So far, we've unpacked the perfect client life cycle for Michael, in the practice that he built, and we're up to the point of referrals. And Michael, the point that you just gave about this referrals—

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

I want to address one item in there. That one item is that you actually started to ask about referrals from the initial consultation, right?

Michael: Yes.

Richard: So, you got it that in order to build a culture of referrals—what I call a culture of referrals—it's a cradle-to-grave event, right? It's from the very beginning to the end. I actually put a script in place for my clients, for when their phone is answered. I actually want them to start putting it from the phone call forward, and that's usually taken aback; nobody really gets it. And you're one of the first people I've heard proactively tell me, "I used to talk about referrals from the very first time I met with them," so I love that, because you've actually, from day 1, from the first moment that they've interacted with you—you've let them know, not only is it appropriate to give you referrals—that you accept referrals, and to a certain extent, you expect referrals; fair enough?

Michael: Yes, absolutely. I mean, everybody in this world right now—everybody knows somebody that has an IRS problem. You can go to a cocktail party, bar, whatever; everybody knows somebody that has an IRS problem. So, 1 in 6 people in this country, about 25 million people, have an IRS issue. Now, of those 25 million, they're probably not all clients for us. Perhaps half or less than half are. But that's still a huge, huge number. So, why not ask for referrals?

Richard: OK, so let's go back the other direction really quickly. So now, we've kind of unpacked the perfect client life cycle. I think we've given everybody some real insight as to how they can go about building the tax resolution firm kind of on their own. But now, I want to talk about two things: one bridge in the tax resolution firm—I'm assuming, having built a bankruptcy firm myself, that you actually had a fair number of people that could require—could use bankruptcy as a tool to help them. And I'm assuming you would send referrals to bankruptcy attorneys occasionally. Is that correct?

Michael: All day long, Richardard, all day long, because the main thing is what's best for the client. And the first thing you'd do on a tax resolution case is get the client's IRS transcripts and interpret them, analyze them. And here's the deal: if someone comes to you with an IRS problem, they most likely have other financial issues. A lot of our clients had huge unsecured creditor/debtor issues with credit card companies. Now, if you do an offer in compromise, and you go forward with the tax resolution, it takes a long time. If somebody is being hounded by creditors, it's much better to do a chapter 7 or a 13 at that point, because you can put the creditors in an automatic stay by doing an offer in compromise, but you can put the IRS at bay with an automatic stay by doing a bankruptcy. I don't know if that makes sense or not, but that—

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

Richard: Oh, yeah, to the bankruptcy attorneys, it's definitely going to make sense; for the non-bankruptcy attorneys on the call, it may not make as much sense; but the point of this is that, by having a tax resolution practice, if you are a bankruptcy firm, you're going to attract people who didn't think bankruptcy was their tool to use—that wasn't what they wanted, because it was a bad word to them, or they had this negative connotation about it—but they just wanted help with a tax resolution issue. And so, by bringing tax resolution leads in, you automatically generate bankruptcy business, because people can use it as a tool. So, that's the first step.

The other step is: if you're a non-bankruptcy attorney, and thinking to yourself, "Well, why would I want to put tax resolution into my business?"—well, because you may very well get referrals for your current practice from other attorneys, and maybe those are bankruptcy attorneys. And so, if you put a tax resolution practice into your world, and you started referring business over to bankruptcy attorneys, because you don't handle the bankruptcy case, now all of a sudden you can start building goodwill as they can send cases back to you for your main area of practice.

And finally, if you really wanted to turn it on its head, and you really wanted to grow your business, and you didn't mind getting into another practice area, theoretically, you could start a bankruptcy practice as a spur off of the tax resolution practice. And by the way, I say this stuff, and trust me, I'm fully aware that it's not as simple, because if you're a divorce attorney, you don't know anything about bankruptcy, probably. And it's a complicated area of law, and if you're a PI attorney, you probably don't know anything about tax resolution. I get it that there's a learning curve, and I think we're going to unpack a little bit of that soon here. So, I don't want to dismiss the fact that I'm just easily, offhandedly saying, "Open a new practice area." But nothing worthwhile is easy, I find.

So, let's keep going; as we find that there's this natural referral network between tax resolution and certainly bankruptcy, have you found other bankruptcy attorneys interested? As you've been doing this now, have you found that there have been bankruptcy attorneys, or other attorneys in general, interested in adding tax resolution to their practice area?

Michael: Yes. As a matter of fact, I have several members right now who are worker's comp attorneys that are adding this as a practice area. And they feel that, even though they don't have the knowledge (I'm going to teach them that), it's very similar to the worker's comp-type cases, because you're dealing with a governmental agency (usually the state), and the cases take a long time, so you need to track the cases; you need to inventory the cases; you need to be in touch with the client. A lot of the work, also, in tax resolution, as in worker's comp and probably a lot of areas of law, can be

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

done by non-licensed professionals. You don't have to be a licensed professional to do the actual grunt work. You do when you need to negotiate with the IRS. So, it fits very well into the way their practice is set up already, where they're working cases, and sometimes a lot of volume of cases.

Richard: Great; I love it. And you know, I think, for me—well, I know you believe this, and I know the people on the phone that are believers in what I teach, or drink my Kool-Aid®, for lack of a better term, believe this too, in that the most valuable asset that all attorneys have is their relationship with their list, agreed?

Michael: Absolutely.

Richard: And so, regardless of the practice area you're in, if you have a relationship with your list, if you've been nurturing that relationship, either by giving good-quality service, or by dripping on them through a newsletter, or seeing them in the community, or whatever it is you're doing to nurture your relationship with your list, the moment that you let them know that you're doing something else that can solve a problem that they're having (and in this case, as you said, 20% of Americans have a problem like this with the IRS), it's funny how they'll raise their hand and trust you to do it, as well, because they trusted you to do something else. And so, it doesn't matter your practice area; if you're looking to add revenue to your firm, we know that the vast majority of people that you're working with in your firm, depending on your practice area, naturally, but most likely, I think, that fits that statement, is going to have a tax resolution issue, or they're going to know somebody that has a tax resolution issue.

So, let's talk a little bit about working with attorneys, because you know, I work with them all the time, and I don't mean to classify them as "them," but I think, if you ask them specifically, they would tell you that there's a certain quiriness about the practice of law and attorneys, because of the way that they were trained, or the way that they were taught in school, or maybe not taught, about the act of business. What has it been like for you to start to interact with them and bring tax resolution to them—both the good and the bad? What have you found that worked well, and what have you found that maybe is getting in their way?

Michael: What's worked well is the concept of the marketing I'm teaching, what we spoke about earlier—the sequential follow-up marketing. A lot of the attorneys I'm working with get it or are trying to get that part of the program. I think the difficulty lies in—some of them are fearful of, "Well, if I'm going to go to the IRS and get all my clients deals, aren't I going to be a target? Am I going to have a target on my back from the IRS because I'm negotiating deals, or I'm taking money away from the IRS by getting a deal for my client?" And the answer to that is, "Absolutely not!" As a matter of fact,

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

the IRS loves working with practitioners. They'd much rather work with a practitioner than the client themselves, because the client doesn't know what's going on. And that's a problem, too. A lot of people try to do this themselves, without professional help, and they get walked on, and their rights get trampled. So, I don't know if I answered that—

Richard: You did; that was great; that perfect. It's just two things: one was—it worked well—I'm going to paraphrase for you, but this idea of lead generation through the free report and lead magnet and the sequential follow-up marketing—not only have they learned how to add that into their practice for the tax resolution area, but they built the bridge between this “aha moment” that they had that said, “Oh, I wonder if this would work with my regular practice area, too!” And so, they're finding that to work there. And then, secondarily, you find that there's the—sometimes, when you work with attorneys, there's the outlier situations that sometimes get in their way. But what if that happened—this outlier that's so far-fetched that odds are against it happening—that they get in the way of the entrepreneurial spirit a little bit. And we find that, too; and attorneys—there's no other way for them to overcome that than just overcome it. But this concern about “they'll become a target” is, like you said, not a concern, because they don't want to do away with the practitioners, simply because the practitioners make the IRS's job a little bit easier. It's hard enough as it is. If you think their job is easy, just go call them one day and see how long you're on hold, right?

Michael: And you're bringing them money they would never ordinarily get, especially of clients who go underground. I know a lot of people with tax problems go underground, and as they get older, they want to fix the problem, so the attorney or the CPA is actually helping the IRS collect something, and getting this person on the future tax rolls. So, you're bringing money into the IRS.

Richard: I love it. OK, so let's try to give them a process by which they can get started. We've identified what you did in your practice, and I think it's pretty transparent about how they could do it. But we've identified that there's a lot of reasons why attorneys would want to add this practice area into their practice. And if there's something that's resonating with them, let's give them something that they can sink their teeth into today, to get started. So, let's unpack it for you. I think when you and I talked, that you have basically a 5-step process. So, why don't you let me pass you the football and carry it, and if you say anything that I think needs unpacking, I'll stop and ask a question about it.

Michael: OK, so let's say somebody wants to get in this for the first time, from scratch, probably has an existing practice, knows nothing about tax resolution. The first thing that I

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

help my clients create, my members create, is a simple 8 ½ x 11 piece of paper marketing plan. And I devise a marketing plan to get three clients, five clients, and ten clients each month. And let's take the three new clients a month. I have determined that you need 27 leads, 27 qualified leads that would convert into 3 new clients. And I go through where the sources of those leads, and the number of those leads per source—where they're coming from that adds up to the 27. That's the first thing I would do. And again, I have one for a 5-new-client marketing plan and a 10-new-client marketing plan. The second thing—go ahead.

Richard: So, just to be clear, that comes under the adage of “people don't plan to fail; they just fail to plan.” So, let's start with the end in mind, right?

Michael: Exactly, because look: if you're calling from your cell phone, and you're lost, and you call somebody and ask directions, what's the first thing they ask you?

Richard: Where are you?

Michael: Where are you? And the marketing plan is akin to a road map; you know where you are right now, and here's what you need to do, to get to the destination.

Richard: OK, good; #2.

Michael: #2 is: I have what I call a New Services Introductory Letter. For example, let's say, Richardard, you were going to open up a tax resolution practice. I have a letter that starts out that says, “Richardard James, LLC, announces new IRS tax problem representation service for Mesa, Arizona, residents.” So, I would have this letter mail-merged with every existing and previous client in your database, and it gets mailed out, and it should get mailed out with also a 100% devoted tax resolution brochure and a business card, but you don't need the brochure to mail out the letter. Letters should go out, and you'll be surprised how many phone calls that's going to generate, because like I said, your clients know somebody who has a problem, or now they know that you're doing this work; they may raise their hand and say they have a problem.

Richard: Yeah. And everybody who's in my world knows that if you're sitting on the island of Richardard James, I believe that marketing is arithmetic, right? So, I'm going to want to track that; I'm going to want to make sure we're tracking where they're coming from, so as a little side note, we're going to obviously want to have a tracking phone number on there, and any other kind of tracking landing pages on there—not to make it complicated, just to make sure we're measuring what's getting done, yeah?

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

Michael: Absolutely.

Richard: All right, #3!

Michael: #3 is—and this falls kind of under the whole referral machine system—the #3 is: I have letters that you mail out to other professionals—for example, realtors. Realtors are huge referral sources for people with tax problems, because usually a federal tax lien on the title report or credit report blows up the deal, and a realtor would love to refer that client to somebody who can get them fixed up and then sent back to the realtor to complete the transaction. Bankers, mortgage bankers, escrow officers, financial planners—we have letters for CPAs, credit counselors, and also attorneys—other attorneys are great. Once your colleagues know that you're doing this, you're more apt, I believe, to get referrals from maybe a fellow attorney who doesn't do this type of work.

Richard: I love it. I love it. I call it the referral development program, and in the referral development program, you have to have a specific plan of how you're going to start to get business from allied service professionals. And the great news is—I agree—we're going to start to communicate with them that we're going to let them know we're in business. Basically, what you're saying, both to existing clients and your past clients, and to the referral world, is that you're basically wanting to announce to the world, "I'm open for business," right? That's what you're basically saying.

Michael: Yeah, absolutely.

Richard: Good! All right, so #4.

Michael: OK, #4 is that I would place lead generation or combo lead generation/direct response, which means—on the lead generation ad, you're not selling anything. You have a strong call to action for them to call to get your special report. But you could also combo that ad with, "If you need immediate assistance, please call the office at this number to schedule a free consultation." So, I would place a lead-gen/direct response combination ad in a myriad of newspapers. I don't want to say that you need to spend a lot of money on newspaper advertising, but you know those weekly red throwaways that, when you come out of Denny's, you see all those boxes lined up with all of those? Believe it or not, people read those weekly magazines, those weekly newspapers. They read them, and it's very inexpensive to advertise there. So, that's one place I would go. What's been very successful are the sports section pages. And I don't want to offend anybody, but the closer you can get to the enlarged ads, the more phone calls you're going to receive. And it's just—I'm not judging; I'm just

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

observing. That's been my experience. I've been doing this a long time, and I know it works.

Richard: I'm not even going to—I could touch that one, but I'm not going to. But I'll say this about what you said: the big pick-up on this is: let's not just say—let's not just try to attract the buyers, right? The buyers are people who are ready to act now. Let's make sure we put an ad out there so we get the people who think they want more information; they're just not sure if they're right, right? Is that what you were saying, basically?

Michael: That's what I was saying. Thanks for cleaning that up for me.

Richard: You're welcome. All right, #5.

Michael: #5 is: for all the unconverted leads—I love that term, all the “unconverted leads,” you put them into your 8-letter, 180-day, sequential follow-up marketing system.

Richard: Yep, and that can be as simple as, “Hey, we're still here; call us,” or that can be as complex as using a professional copywriter that gives copy that works, right? So, somewhere, either as simple as a dog delivering a note, with a note in his mouth, walking up to their door, giving them a “Hey, don't forget about us,” or as complicated as some kind of multi-step, multi-dimensional conversion piece. But let's not over-complicate it; it doesn't have to be. The point is: let's make sure we have something that communicates with them, as you said, until they “buy or die.” And let's keep them in the loop, yes?

Michael: Yes, that's—if I was advising somebody to get into the business, those are the five things that I would do, from the get-go, to drive new business.

Richard: Well, listen: I have to tell you; we've let them drink from the fire hose here. You and I gave them a lot of information in a very short period of time, and the information that you gave them, I feel, was not only valuable, but pointed, very specific to how to get this done. And I feel that I do a lot of these calls, and not always can we give them a specific way to get started. And I think you did that. Now, while I know that you fundamentally have a business that teaches them how to do this if they want more help, and they know that, too, I think we've played fair here. I think we gave them good-quality information that will allow them to get started right away. But they may want some more information, and so I'd like to give you the opportunity to let them communicate with you. So, I want to step into that.

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

But before I do, I want to stop, just for a second, and say, “Let’s paint a picture for them, really quickly, about what it looks like if they were to do this.” Give them an idea of what a tax resolution—if they were to build a tax resolution practice for themselves, if they even did the 3 or 5 clients a month, or even the 3 clients a month, concept, how much would that generate for them in revenue? What does it look like?

Michael: Well, the average tax resolution client generates between 5,000 to 6,500 dollars per client, because a client—half of the clients that are going to come to you, 50% of them, need delinquent returns filed, and we can get into how the attorney doesn’t touch doing the returns. But 50% are classified as non-filers. So, the fee in total to do the resolution, the tax prep, the compliance, the transcript investigation, is 5 grand to 6,500 dollars each. So, if you’re taking in three new clients every month, like clockwork, which—those 5 steps we just talked about would do the trick there—you’re talking about 15,000 dollars a month in additional generated revenue for an attorney or anyone getting into this practice.

Richard: Yeah, so those people are sitting on the phone right now, going, “That’s about as much as I did last year.” And so, there’s some people going, “Wow! That would make a significant difference in my life, especially if I didn’t have to do it with a whole bunch of advertising.” And there’s other people on the phone going, “Eh, that might be a 10% bump where I am right now,” and that’s OK, too, right?—because it means you’re adding 10% straight to the bottom line. Yeah, there will be some overhead involved, but there’s no client acquisition costs if you’re building it right from your referral market. And so, wherever you are, don’t underestimate the power of what you just said. So, that’s great; I wanted to give you some scope, so that they understood exactly what they were looking at here, in size and scope of numbers.

So, let me give you the opportunity to tell them how to get in touch with you. I’m assuming you might have some resources you can give them to learn more about you and go through the process, yes?

Michael: Yes, thank you, Richardard; absolutely. If the listeners go to rozstrategies.com, if you enter your email address in the upper right-hand corner of the homepage, it will immediately, via download, get you the 7 Essential Steps to Marketing Success in the IRS Problem Niche. And there’s a lot of information on the website in general; there’s an “About” page and a “Products” page. You can see the manual that we actually sell, that contains four of the modules. It’s almost like a turnkey system, business-in-a-box thing. But they can get the download for free, and get some more information on the website.

Richard: That’s great. So again, that’s rozstrategies.com, and—

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

Michael: Richard, they can also email me direct: michael@rozstrategies.com, as well.

Richard: Good! So, you can email Michael direct if you have any questions. That's a perfect segue, because I was going to ask that. Naturally, anybody can email me if you have questions or concerns. It's Richard@yourbusinessautomated.com. I'd be happy to pass them on to Michael, if you wanted to ask me a question before it got to him, or whatever; we're always going to make that available to you. Michael, I just want to say, "Thanks for being on the call today." I think we've provided some real value for everybody. If they wanted to get into the tax resolution business, I think we've given them at least the necessary steps for them to get started. Any parting comments for everybody?

Michael: Hey, I just wanted to say, "Thank you, Richardard." This is doable; it's not—when opportunity knocks, work answers; so there's no magic wand that anyone's going to wave that's going to get the new revenue in the door. It's not for lazy people; it's for folks that are not closed-minded. But you know what? The stuff really works, and if you want to change your business and your life, there is opportunity out there. Those are my parting words.

Richard: I love it. All right, everybody, this has been Richardard James with another edition of Your Practice Mastered. Our website is theRichardardjames.com, again, theRichardardjames.com. And today, I'm dedicated to helping you build your firm, one new practice area at a time; thanks so much for being on the call today, everybody!

1201 S. Alma School Road, Ste. 10200, Mesa, AZ 85210

(866)-986-5380 - Fax (480) 907-2133

www.TheRichardardJames.com

Support@YourPracticeMastered.com

Your PRACTICE MASTERED

YOUR PERFECT CLIENT LIFECYCLE



Copyright 2014 by Automated Business Results, LLC. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without permission in writing from Automated Business Results, LLC.