



A case study:

Making a big impact in wealth management with tax preparation



Advisor practices that are focused on a client-centric experience not only have median client sizes that are 93% larger, they also have lower attrition rates and the ability to move upmarket.

Keep dropping in on any MBA-level business strategy class, and you're bound to find yourself in the middle of an age-old debate on a primary driver of business growth: "Is doing more better" or "Is doing better better"?

Today's successful wealth management innovators aren't looking to parse the academic differences. Instead, they're looking to do both: To enhance the quality of the service they deliver while

simultaneously diversifying how they can provide fresh value, especially to high-net-worth (HNW) and ultra-high-net-worth (UHNW) clients.

As more and more wealth management organizations are discovering firsthand, becoming more holistic advisors through tax is one ideal way to capitalize on the latter opportunity.

Plotting out a smart, sure first step

Jackson Moseley, Tax Director at Houston-based CI Stavis & Cohen Private Wealth, says that for his company, tax has represented both “opportunities missed” and “opportunities gained.”

“Going back a few years ago, we had prospective clients tell us, ‘I went with the other guy because they had tax,’” he explains. “We do a lot of financial planning for our asset management clients, but with the number of tax questions we were getting, we’d end up referring them [the company’s clients] to outside CPAs. Now, though, being able to say, ‘We can also do tax prep’ lets us position the organization as a true one-stop shop. It drops in a key piece of the puzzle that we were missing.”

All modesty aside, Moseley was that missing piece of the puzzle: A self-starter with private wealth management experience at a Big Four firm, he was the ideal candidate to serve as the company’s first practice-builder for tax. He understood its value and how to introduce the topic naturally with existing clients.

“When I came on, we took a stepwise approach with tax. We identified current clients where we thought we could deliver the most benefit preparing their returns in-house,” Moseley says.

Then we went through the process of letting them know about our tax capabilities, quoted them fees, and got the process started. Not all clients came over to us for tax, and we expected that. A lot of them have strong relationships with their current CPAs, and we’re happy to keep working that way, especially since we referred a lot of our clients to other CPAs initially.”

Moseley started as a department of one, so the key to getting initial traction in tax was to take on just the right volume of work. “In this first year, we strived to start out ‘smallish.’ Each client we worked with had a few returns that we’d need to complete, including returns for gift taxes, partnerships, trusts, and so on. Also, some tax returns had to be corrected. It all added up pretty quickly,” Moseley says.

In fact, by the time the spring 2022 tax season rolled around, Moseley was up to approximately 50 returns, a number he expects will grow closer to 75 by year’s end.

“One of the main drivers pushing wealth management companies into tax is technology and being able to do more now with fewer resources,” he explains. “If we were doing things the way the industry was 30 years ago with tax prep, I couldn’t come in here and handle all of this.”





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Ramping up with adaptable, efficient technology

When it came to selecting tax technology to best fit the needs of Stavis & Cohen clients, the Wolters Kluwer CCH® Access™ platform provided Moseley a natural starting point.

“In part, I chose CCH Access based on my familiarity with the software and knowing how user-friendly it is,” he says. “Being familiar with the platform was key, because I knew I would already be learning a lot of other new software with the new position. The integrated approach among all the software pieces in the CCH Access platform made it a natural choice, too.”

In his first year leading the Stavis & Cohen tax practice, Moseley relied on CCH® Access™ Tax, CCH® Access™ Workstream, CCH® Access™ Document, and CCH® Access™ Portal. Using those modules in harmony made it possible to efficiently orchestrate a broad range of tax prep and review tasks, an especially important dynamic given the complexity of some clients’ returns.

In addition to working with a broad range of tax preparation software, Jackson also familiarized himself with financial planning software that the private wealth advisors use, which enhances the holistic financial planning process.

“For some of our clients, their tax situation became considerably more

complicated in 2021 – due to an inheritance, a parent or sibling passing away, or some other high-impact life event – and they suddenly had extra returns to prepare related to those changes,” Moseley says. “We had a couple of them tell us, ‘Hey, I used to do my returns myself. It was easy, but now with this new situation, it isn’t. Do you know someone who can help?’ And we could confidently reply, ‘Yes, actually, we can help.’ Having that capability in our back pocket has been really nice.”

Moseley adds that onboarding CCH Access solutions was quick and hassle-free.

“The upfront training walked us through everything we needed,” he says. “I think there have been maybe one or two cases where we’ve called to submit a support ticket when a specific question or issue arose, but generally, we’ve been pretty much good to go on our own since we started.”

Once Moseley had Stavis & Cohen up and running on CCH Access, the value of another key feature – efficient communication through the CCH Access Portal – also became readily apparent. “It’s in our company’s nature to get back quickly to our clients. That’s just part of us being there to help them – we put a premium on timeliness, so that’s been a big thing for us,” he says. “We can export and communicate data in the ways that are best suited to each client. That flexibility has generated a lot of positive feedback.”

Setting the stage for quick growth

The ease and proficiency with which Stavits & Cohen has integrated its tax practice from Day One hasn't gone unnoticed by the company's clients. "They're very happy with this so far. We think year one to year two is going to be our biggest growth, as well. We already have another 15 or so clients that want to start tax next year with us, and we didn't even announce we're doing tax prep until January," Moseley reports.

Moseley has heard that within a five year period, the number of wealth management firms in the U.S. that added tax to their suite of services went from less than 5% to closer to 10%-15%. As consumer and industry trends continue to place a high premium on convenience, Stavits & Cohen will be well-positioned to capitalize on opportunities to integrate tax for more high-net-worth clients who want the benefit of having a tax expert

at the table right along with those directing investments, banking, family office management, and more.

"Taking a holistic approach is really our main pitch for tax prep," Moseley explains. "Having everything in-house eliminates gaps because we are monitoring the tax side on their behalf. We didn't start tax prep with the expressed goal to make more money. Yes, we expect that practice to turn a profit, but we started it first to ensure we could offer clients a true, comprehensive perspective on their financial situation.

"One of our mottos is 'we help individuals and families write their own story,'" he adds. "We explain, right up front, 'We want to help you write your story.' And that's not just on the financial side, but from a lifestyle perspective, too. There is some truth to 'money can't buy happiness,' but it sure can greatly affect your lifestyle."



About

CI Stavis & Cohen Private Wealth and Wolters Kluwer

Headquarters: Houston, Texas

Industry: Wealth Management

Services: Integrated, holistic wealth management services that include retirement and benefit planning, investment management, tax, estate and legacy planning, charitable giving, risk management and insurance, business succession planning.

Challenges

- Offer tax services that have been previously only outsourced and create a more comprehensive client experience
- Integrate tax with existing services and build a holistic system that drives higher client satisfaction rate
- “Future-proof” tax through a solution that would evolve as the company’s needs changed

Solutions

- CCH® Axxess™ platform, including the following modules:
 - Tax — an intelligent, scalable and fully integrated tax preparation, compliance and workflow solution that’s been developed specifically for the cloud and is suitable for firms of all sizes.
 - Document — electronically organizes and stores all types of client documents and business communications in one place to support a truly paperless work environment.
 - Portal — secure, bi-directional electronic document exchange and storage for client files of all sizes.

- Workstream — streamlines work and ensure consistent project management processes by monitoring due dates, managing projects, and mapping processes into standardized steps.

- CCH® ProSystem fx® platform, including the following modules:
 - Scan and AutoFlow Technology — reads, identifies, and bookmarks client documents so you can easily find and access the information you need.
 - PDFlyer — Adobe® Acrobat® plug-in that gives you advanced functionality such as adding sticky notes for preparers and reviewers, inserting accounting-specific tick marks and sign-off stamps, and more.

Why CCH® solutions

- User-friendliness and staff familiarity with the software
- The functionality that helps tackle a variety of tax return situations
- Ability to scale up with the growing demands
- Ability to engineer a smoother customer experience
- Vendor’s expertise in professional accounting

Results

- Bringing tax on board positioned the company as a trusted advisor with comprehensive offerings.
- Tax automation allowed to work on multiple tax returns during the busiest season with limited resources.
- Stavis and Cohen reinforced its delivery on the firm promise of a truly holistic approach to wealth management.



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About Wolters Kluwer

Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services. Wolters Kluwer reported 2021 annual revenues of €4.8 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 19,800 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands. Wolters Kluwer shares are listed on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

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