

5

Disastrous Mistakes Tax Professionals Make



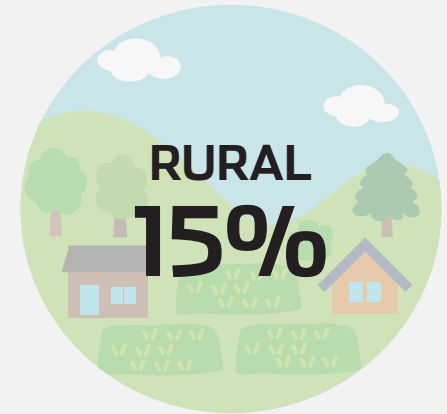
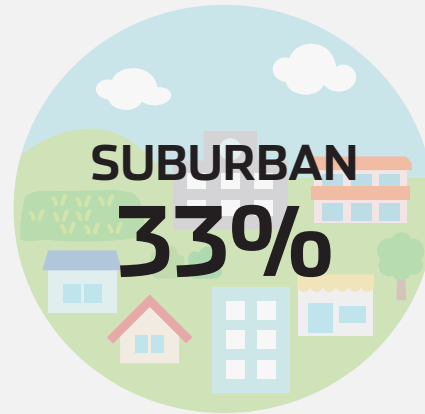
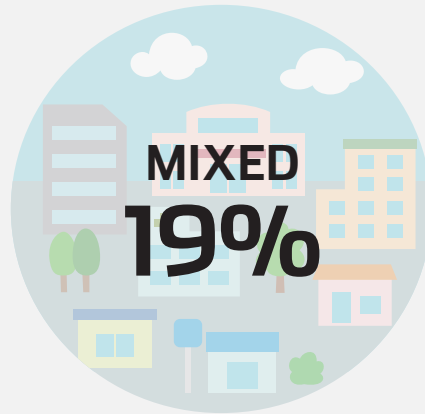
GrunWorx recently surveyed 365 tax professionals to see what they believed were the biggest mistakes in five important areas: customer service, workflow, security, planning, and marketing. Respondents were from more than 40 states, held a number of professional designations related to tax preparation—CPAs, EAs, CFPs, and attorneys—and worked in urban, suburban, and rural markets.

The first five questions gathered demographic data from respondents, the following five asked respondents to rank the available choices in each category, and the final question was a write-in response. While the top choices were mostly uniform across professional designations, there are instances where, for example, CFPs responded differently from CPAs.



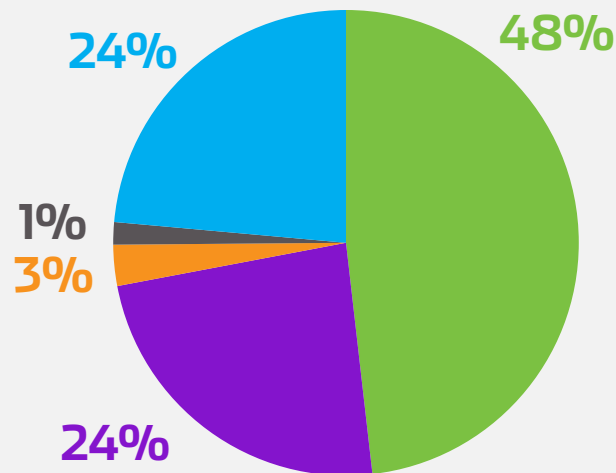
DEMOGRAPHICS

MARKET



PROFESSIONAL DESIGNATION

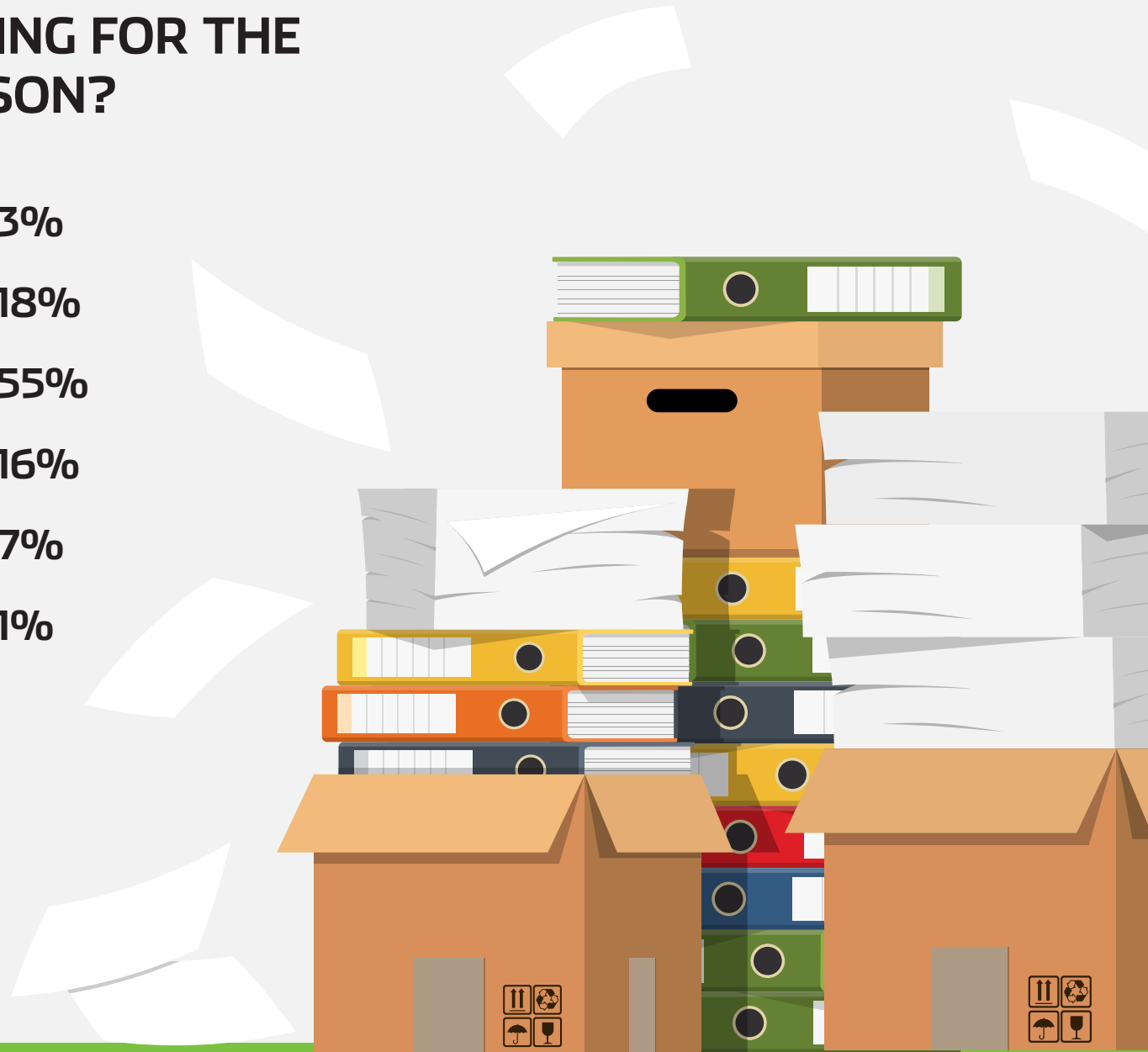
- CPA
- EA
- CFP
- Attorney
- None of the above



DEMOGRAPHICS

■ HOW MANY 1040 RETURNS DO YOU ANTICIPATE PREPARING FOR THE UPCOMING TAX SEASON?

0 - 20 Returns	→	3%
20 - 100 Returns	→	18%
100 - 500 Returns	→	55%
500 - 1,000 Returns	→	16%
1,000 - 3,000 Returns	→	7%
3,000+ Returns	→	1%



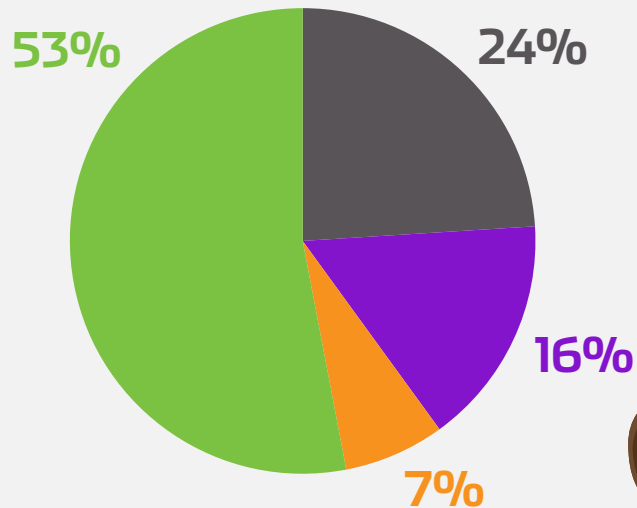
THE BIGGEST MISTAKES TAX PROFESSIONALS MAKE IN...

■ ...CUSTOMER SERVICE

53%

believe being slow to respond to clients is the biggest mistake tax professionals make in customer service.

- Losing your temper.
- Becoming too friendly with clients.
- Too much “professional distance.”
- Being slow to respond to clients.



ACCORDING TO PROFESSIONAL DESIGNATION:

CPA: Being slow to respond to clients - 56%

EA: Being slow to respond to clients - 54%

Attorney: Being slow to respond to clients - 50%

CFP: Losing your temper and being slow to respond to clients - 40% each

None of the Above: Being slow to respond - 47%



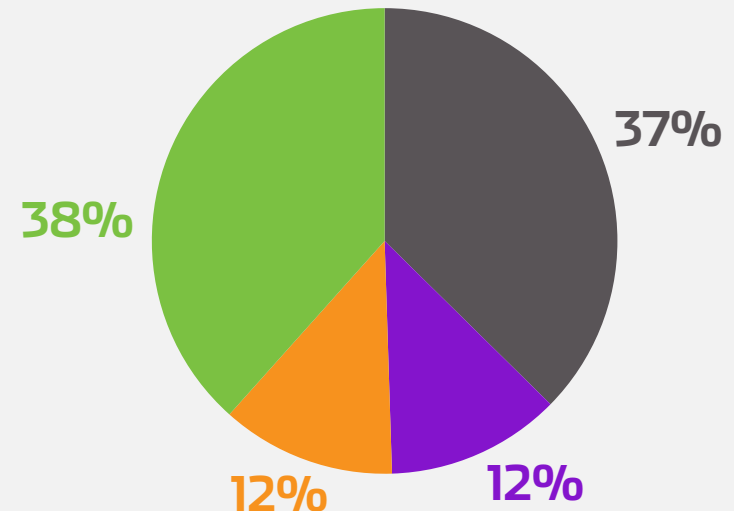
THE BIGGEST MISTAKES TAX PROFESSIONALS MAKE IN...

■ ...WORKFLOW

38%

think not developing internal deadlines was the biggest mistake in workflow—closely followed by having a cluttered or disorganized work space (37%).

- Having a cluttered or disorganized work space.
- Not using a scan-and-fill service.
- Not going paperless.
- Not developing internal deadlines.



ACCORDING TO PROFESSIONAL DESIGNATION:

CPA: Having a cluttered or disorganized work space - 40%

EA: Not developing internal deadlines - 32%

Attorney: Not developing internal deadlines and having a cluttered work space - 33% each

CFP: Having a cluttered or disorganized work space - 50%

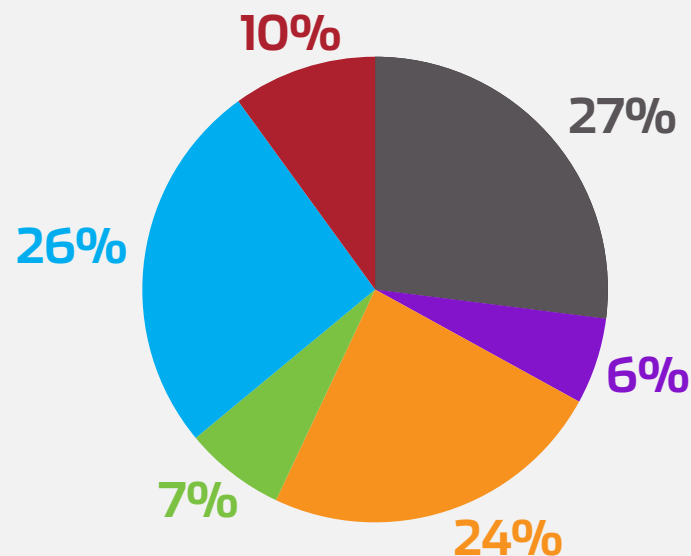
None of the Above: Not developing internal deadlines - 46%

THE BIGGEST MISTAKES TAX PROFESSIONALS MAKE IN...

■ ...SECURITY

The biggest mistake in security was nearly a three-way tie: not having a backup server for your private data (26%), not developing a data security strategy for your office (25%) and using the same password for all online accounts (23%).

- Not having a backup server for your private data.
- Not updating applications on your office computers.
- Using the same password for all accounts.
- Not using a password manager.
- Not developing a data security strategy for your office.
- Not having a secure client portal.



ACCORDING TO PROFESSIONAL DESIGNATION:

CPA: Not having a backup server for your private data - 29%

EA: Using the same password for all online accounts - 29%

Attorney: Not having a backup server for your private data and not developing a data security strategy - 33% each

CFP: Not having a backup server for your private data - 30%

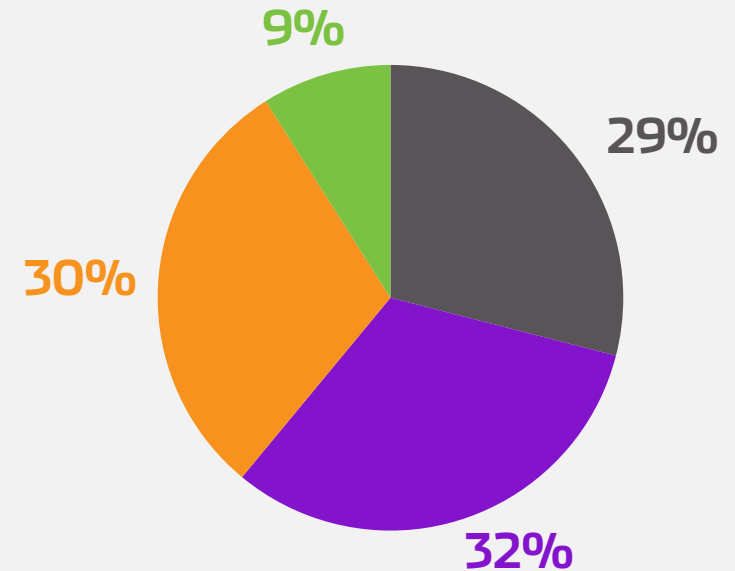
None of the Above: Not developing a data-security strategy for your office - 28%

THE BIGGEST MISTAKES TAX PROFESSIONALS MAKE IN...

■ ...PLANNING

32%

Always saying "yes" to clients was followed closely by not vetting your clients on the front end (30%).



- Failing to follow up with clients during the off-season.
- Always saying "yes."
- Not vetting your clients on the front end.
- Not taking enough time with clients during an appointment.

ACCORDING TO PROFESSIONAL DESIGNATION:

CPA: Not vetting your client - 35%

EA: Always saying "yes" to clients - 38%

Attorney: Always saying "yes" to clients - 50%

CFP: Failing to follow up with clients during the off-season - 50%

None of the Above: Failing to follow up with clients during the off-season - 34%



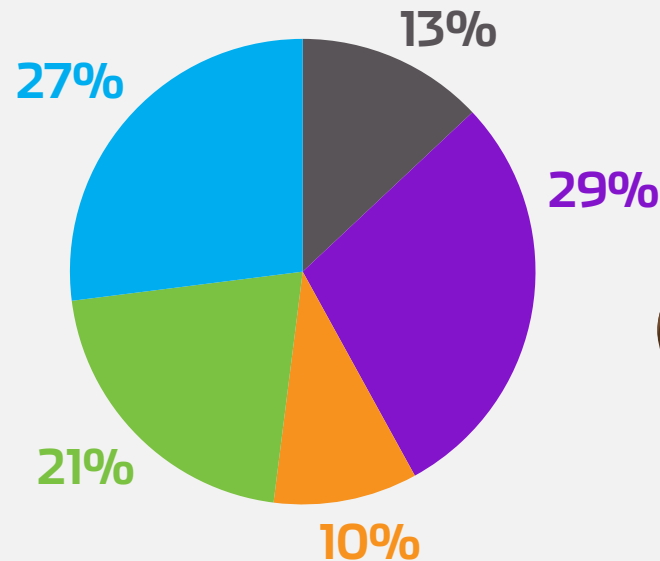
THE BIGGEST MISTAKES TAX PROFESSIONALS MAKE IN...

■ ...MARKETING

29%

of tax professionals believed not having a website was the biggest mistake in marketing your firm.

- Having an out-of-date website.
- Not having a website.
- Not managing a social media site.
- Not having professional credentials.
- Hiring unprofessional front-office staff.



ACCORDING TO PROFESSIONAL DESIGNATION:

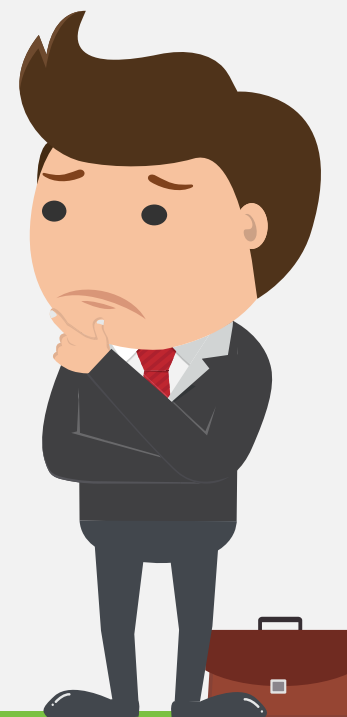
CPA: Not having a website - 28%

EA: Not having a website - 28%

Attorney: Having an out-of-date website and not having professional credentials - 33% each

CFP: Not having a website and hiring unprofessional front-office staff - 30%

None of the Above: Hiring unprofessional front-office staff - 34%



THE BIGGEST MISTAKES TAX PROFESSIONALS MAKE IN...

■ WRITE-IN OPTION

For tax professionals who didn't see what they believed to be the biggest mistake in tax preparation represented in the survey, we provided a write-in option.

Answers ranged from failing to educate clients to "bad mouthing" the competition, but there was one consistent trend among the 98 responses: 13 tax professionals believed that there was an issue with not charging enough for services rendered.



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