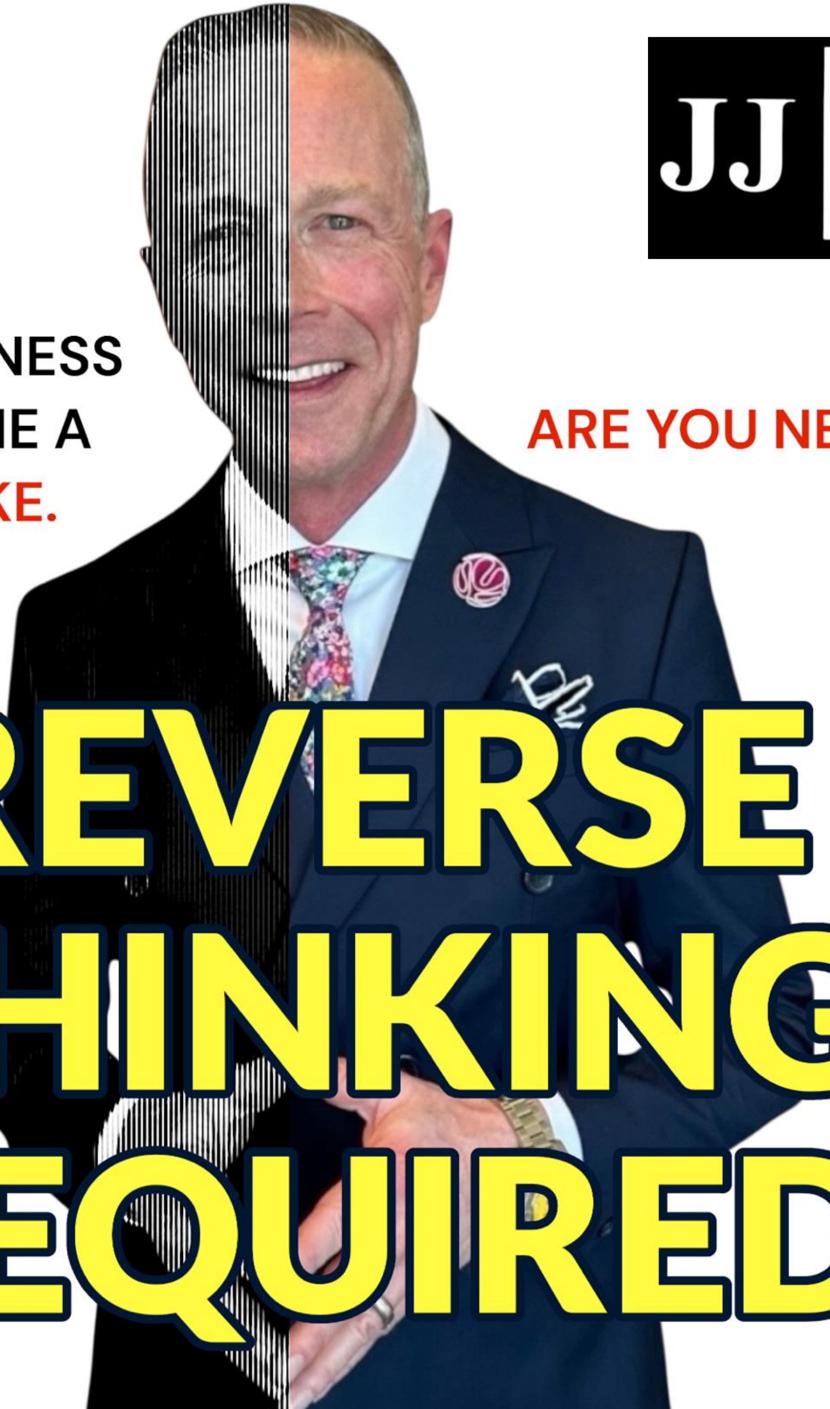
JJ THE CPA®



MY BUSINESS
GAVE ME A
STROKE.

ARE YOU NEXT?

REVERSE THINKING REQUIRED

Informational Purposes Only. Visit www.JJtheCPA.com


JJ THE CPA

JOSHUA JENSON, CPA aka JJ THE CPA®

Joshua has over 33 years of public accounting experience in the field of tax, specializing in LLCs, partnerships, S corporations, and related individual tax matters. He continues to actively practice in the tax industry through the CPA firm he founded 28 years ago.

JJ has traveled extensively throughout the United States, presenting tax courses to thousands of fellow CPAs, covering the latest tax laws and strategies, and delivering virtual tax seminars to CPAs, Enrolled Agents, and tax professionals nationwide.

The U.S. Chamber of Commerce named him one of the top 10 Small Business Experts to follow on social media. He has appeared on local as well as national news programs for the last 20 years, becoming a regular guest during tax season on several local and national radio programs.

JJ the CPA has over 102,000 SUBSCRIBERS and over 8 million views on his YouTube channel “JJ THE CPA,” and has authored 2 books available on Amazon.

Joshua Jenson is a licensed CPA in Oklahoma and Texas, and a member of the American Institute of CPAs, the Oklahoma Society of CPAs, as well as the Oklahoma City Chapter of the OSCPAs. JJ serves on the Tax Committee for the Oklahoma Society of CPAs and has served as the past Chairperson of the OSCPA Educational Foundation. Joshua is a 1993 graduate of Abilene Christian University, where he earned a degree in accounting.

OCTOBER 13, 2021

54

DIRECTIVE TO SURVIVE:

NEVER WORK OVERTIME EVER AGAIN

CONSEQUENCE IF I WORK OVERTIME

YOU WILL BE DEAD BY THE NEXT APRIL 15th

OCTOBER 13, 2021 vs. DECEMBER 15, 2023

Joshua Jenson, CPA

October 13, 2021

- ✓ 272 pounds
- ✓ Little sleep, tired
- ✓ 180/125 blood pressure

December 15, 2023

- ✓ 160 pounds
- ✓ Rested
- ✓ 124/75 blood pressure

OUR TIME TODAY

How can I
make your
life better?

DEFINE ADVOCATE

The role of an advocate is to offer independent support to those who feel they are not being heard and to ensure they are taken seriously and that their rights are respected.

ADVOCATE FOR YOU

Advocate for You

- ✓Health
- ✓Quality of Life
- ✓Profitability

ADVOCATE FOR YOU

Advocate for your tax work

- ✓Integrity
- ✓Objectivity
- ✓Due Care

CLIENT EXPECTATIONS

- ✓ Cheapest
- ✓ Fastest
- ✓ Best result

MAXIMUM HOURS WORKED

Time Management?

- ✓ Get in as early as possible – 5:00 am
- ✓ Work as late as possible – 9:00 pm
- ✓ Sleep as least as possible
  - ➢ Sleep 11:00 pm – 1:00 am
  - ➢ Work 1:00 am – 3:00 am
  - ➢ Power nap 3:00 am – 5:00 am

SOLVE THIS

How many hours do you want to work?

Remove choices.

ONE DEFINING OBJECTIVE OF A TAX PRACTICE

How many clients can you served?

HOW WE TYPICALLY DETERMINE THIS

Client expectations

HOW WE SHOULD DETERMINE THIS

Your expectations

WHO CAN'T DO THIS

Those that say "but my client…"

WHO WON'T DO THIS

I can't do that "to my client."

WHO CAN DO THIS SAYS

"I must put myself first."

WHO WILL DO THIS SAYS

"My Expectations Are Required To Be A Client."

ANALYSIS OF YOUR PRACTICE

Number of these tax returns?

1040

1065

1120-S

1120

W-3

5500

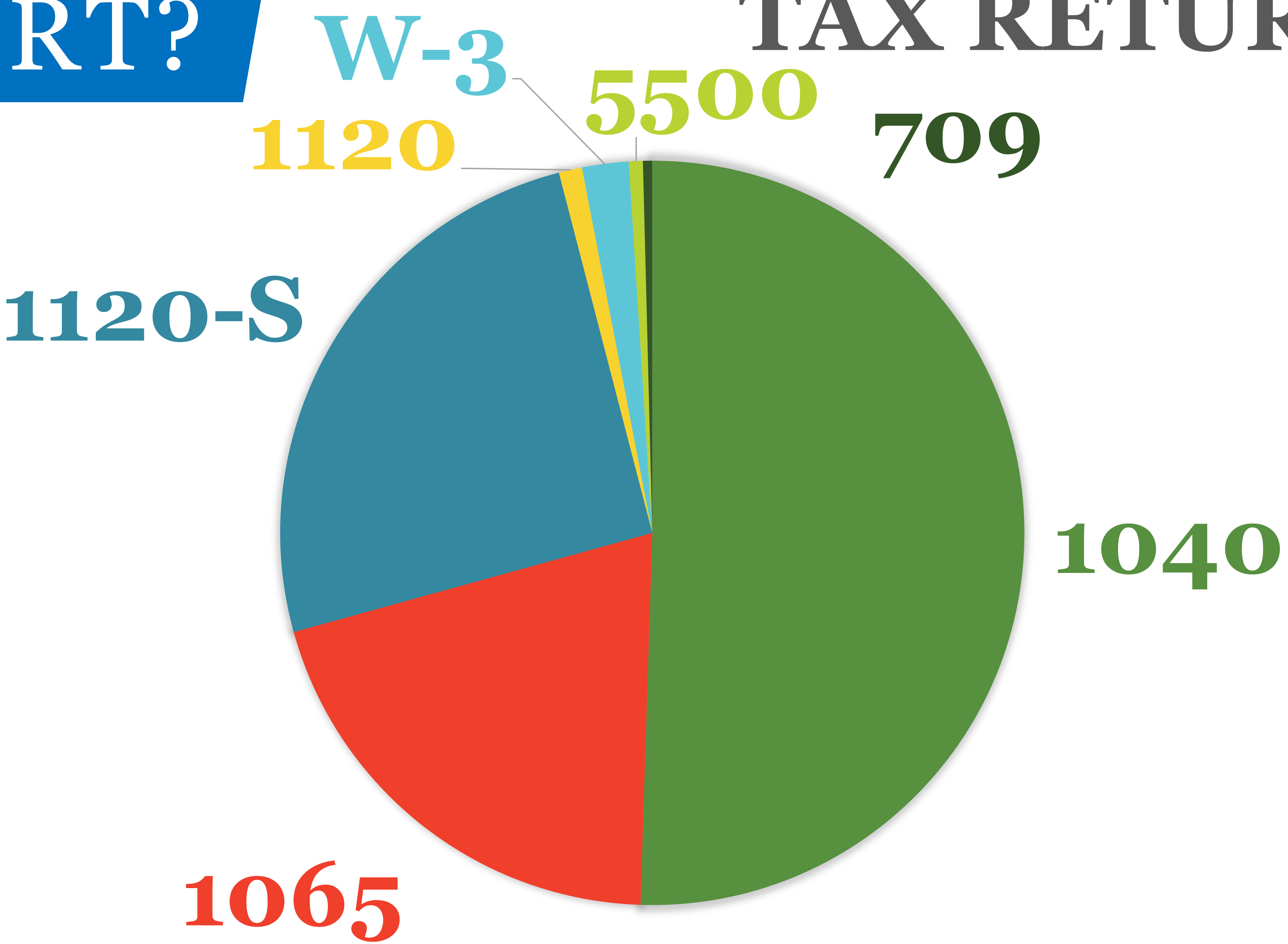
709

HOW MANY DEADLINES

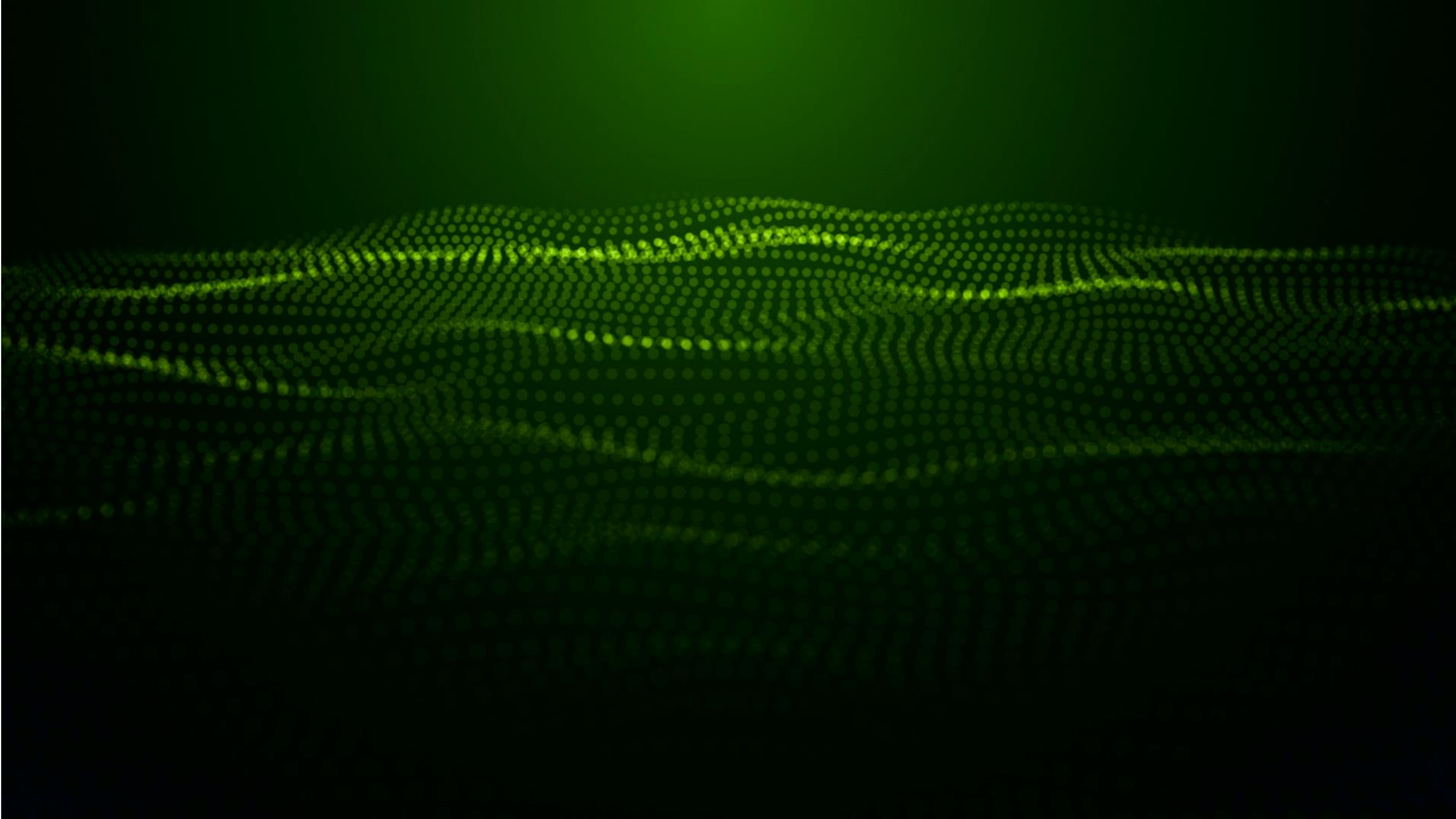
- 1 1040
- 1 1120-S
- 1 W-3
- 1 1065
- 1 1120
- 1 5500
- 1 709

EXPERT?

TAX RETURNS



ANYTHING STAND OUT TO YOU?



ANALYSIS OF YOUR PRACTICE

Number of bookkeeping clients?

- Annual
- Quarterly
- Monthly

HOW MANY DEADLINES

Number of bookkeeping clients?

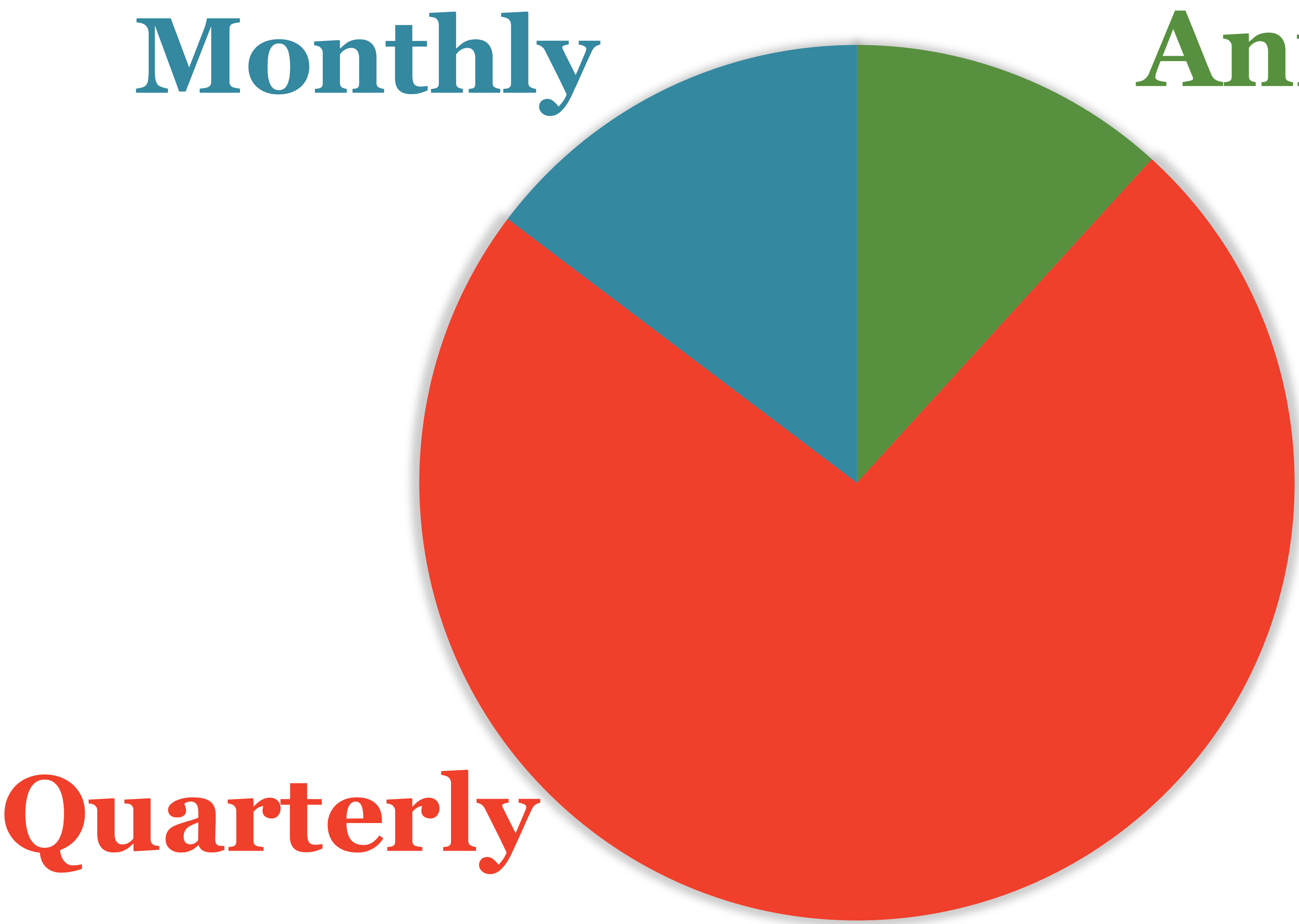
1 Annual

4 Quarterly

12 Monthly

EXPERT?

BOOKKEEPING



ANYTHING STAND OUT TO YOU?


49552.90084
5106.37166
65290.83050
45858.04528
35441.27364
ECO

ANALYSIS OF YOUR PRACTICE

Number of payroll clients?

- Bi-Weekly
- Semi-Monthly
- Monthly
- Quarterly

27 PAYROLL DEADLINES MINIMUM

Regardless of Payroll Frequency

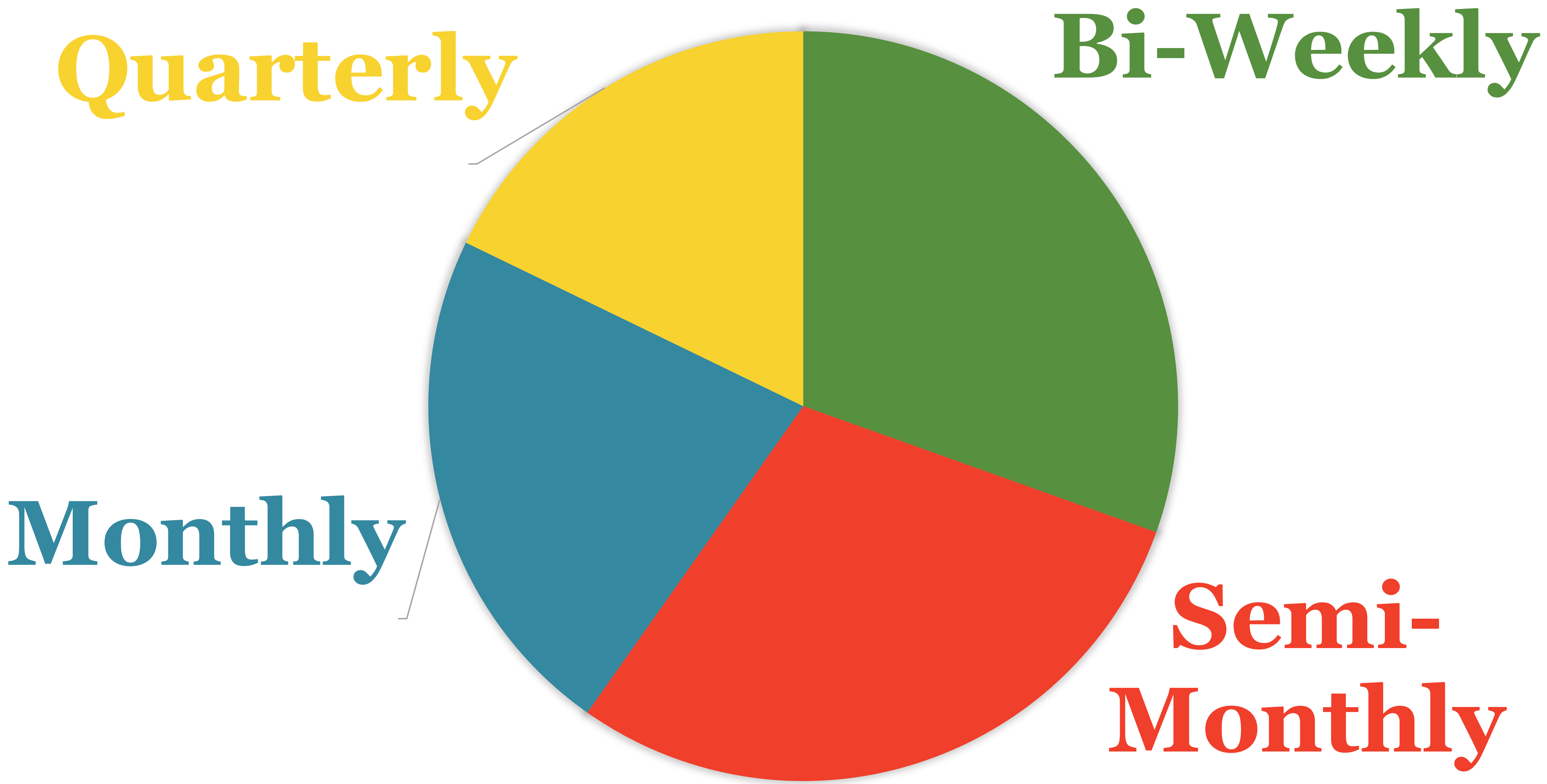
4 x Filing Form 941
4 x Paying 940 Taxes
1 x Filing Form 940
12 x Monthly State Filing
4 x State Unemployment Filings
1 x Filing Form W-3
1 x Filing Form(s) W-2

HOW MANY DEADLINES

Number of payroll clients?

26+27=53	Bi-Weekly
24+27=51	Semi-Monthly
12+27=39	Monthly
4+27=31	Quarterly

EXPERT? PAYROLL DEADLINES



ANYTHING STAND OUT TO YOU?


ROLEX
OYSTER PERPETUAL

HOW DO MANAGE YOUR WORKLOAD

MATCH YOUR WORKLOAD TO TIME

IRS CIRCULAR 230

31 CFR § 10.22 - DILIGENCE AS TO ACCURACY.

§ 10.22 Diligence as to accuracy.

(a) ***In general.*** A practitioner must exercise due diligence—

(1) In preparing or assisting in the preparation of, approving, and filing tax returns, documents, affidavits, and other papers relating to Internal Revenue Service matters;

(2) In determining the correctness of oral or written representations made by the practitioner to the Department of the Treasury; and

(3) In determining the correctness of oral or written representations made by the practitioner to clients with reference to any matter administered by the Internal Revenue Service.

IRS CIRCULAR 230

31 CFR § 10.22 - DILIGENCE AS TO ACCURACY.

§ 10.22 Diligence as to accuracy.

(b) *Reliance on others.* Except as modified by §§ 10.34 and 10.37, a practitioner will be presumed to have exercised due diligence for purposes of this section if the practitioner relies on the work product of another person and the practitioner used reasonable care in engaging, supervising, training, and evaluating the person, taking proper account of the nature of the relationship between the practitioner and the person.

Integrity.

Due Care.

BEFORE OCTOBER 13, 2021

Joshua Jenson, CPA, MANAGING PARTNER
JENSON & COMPANY, CPAs, P.C.

Tax Season Schedule

- ✓ 12 hours per day Monday – Friday
- ✓ 6 hours on Saturday
- ✓ 4 hours on Sunday
  - ✓ 70 hours per week x 15 weeks of tax season = 1,050 hours

Non-Tax Season

- ✓ 10 hours per day Monday – Friday
- ✓ None typically on Saturday or Sunday
  - ✓ 50 hours per week x 37 weeks remaining = 1,850 hours

NO CHOICE: HAD TO DOWNSIZE

HAD TO DECIDE

November 12, 2021 - November 29, 2021

INITIAL RESULT OF CLIENT LIST TO RETAIN

- ✓ Biggest revenue generators
- ✓ 80/20 rule
- ✓ Clients the longest
- ✓ Friends

FINAL RESULT OF CLIENT LIST RETAINED

- ✓ Who meets my expectations
- ✓ Based on my needs
- ✓ With no boundaries required

EXPECTATIONS OF CLIENTS

MY EXPECTATIONS

- ✓ No overtime
- ✓ No work on the weekends
- ✓ All tax returns done by April 15th
- ✓ One tax deadline clients
- ✓ Remainder of year (after April 15th)
  - ✓ Planning
  - ✓ Up-to-date
  - ✓ Available
- ✓ Inside my concentrated industry
- ✓ Within my scope of services
- ✓ No follow up required
- ✓ No boundaries required

EXPECTATIONS OF CLIENTS

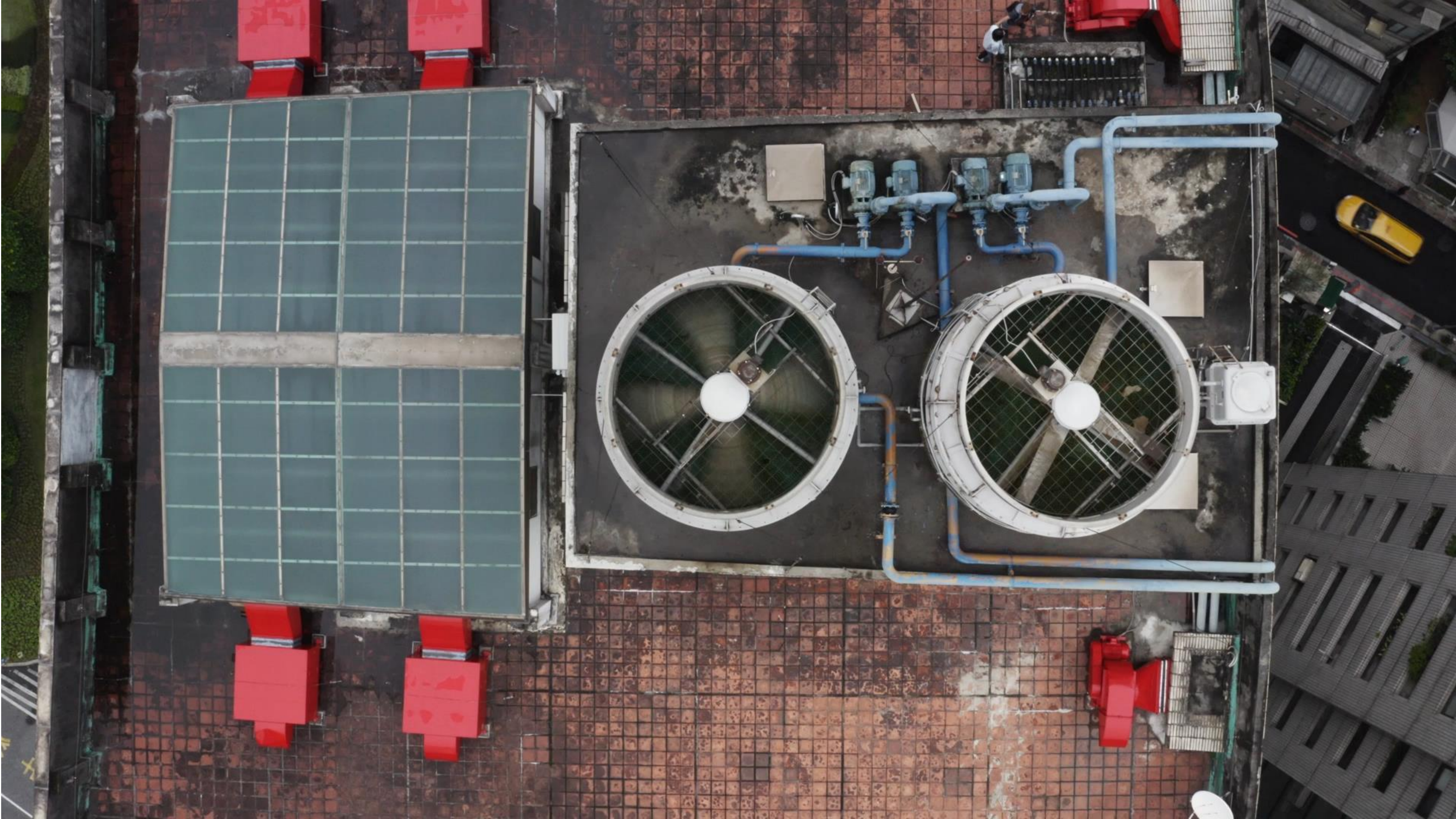
WHAT TYPE OF CLIENTS GOT CUT

- ✓ My biggest client – $50,000 annual revenue
- ✓ Many of my original clients that had been with me 25 years
- ✓ Clients that required extending due to their procrastination
- ✓ Clients outside the industry we worked with the most
- ✓ Unnecessary deadline work
- ✓ Services expected outside my scope of services

EXPECTATIONS OF CLIENTS

WHAT TYPE OF CLIENTS GOT CUT

- ✓ Required boundaries
  - ✓ My biggest client – $50,000 annual revenue
  - ✓ Many of the original clients had been with me 25 years
  - ✓ Some friends
- ✓ Unprofitable work
  - ✓ Free or near-free tax returns
  - ✓ Clients who required extensions due to their procrastination
  - ✓ Clients outside the industry we worked with the most
  - ✓ Unnecessary and multiple deadline work
  - ✓ Services expected outside my scope of services
- ✓ Required follow up
  - ✓ Multiple requests
  - ✓ Reactionary



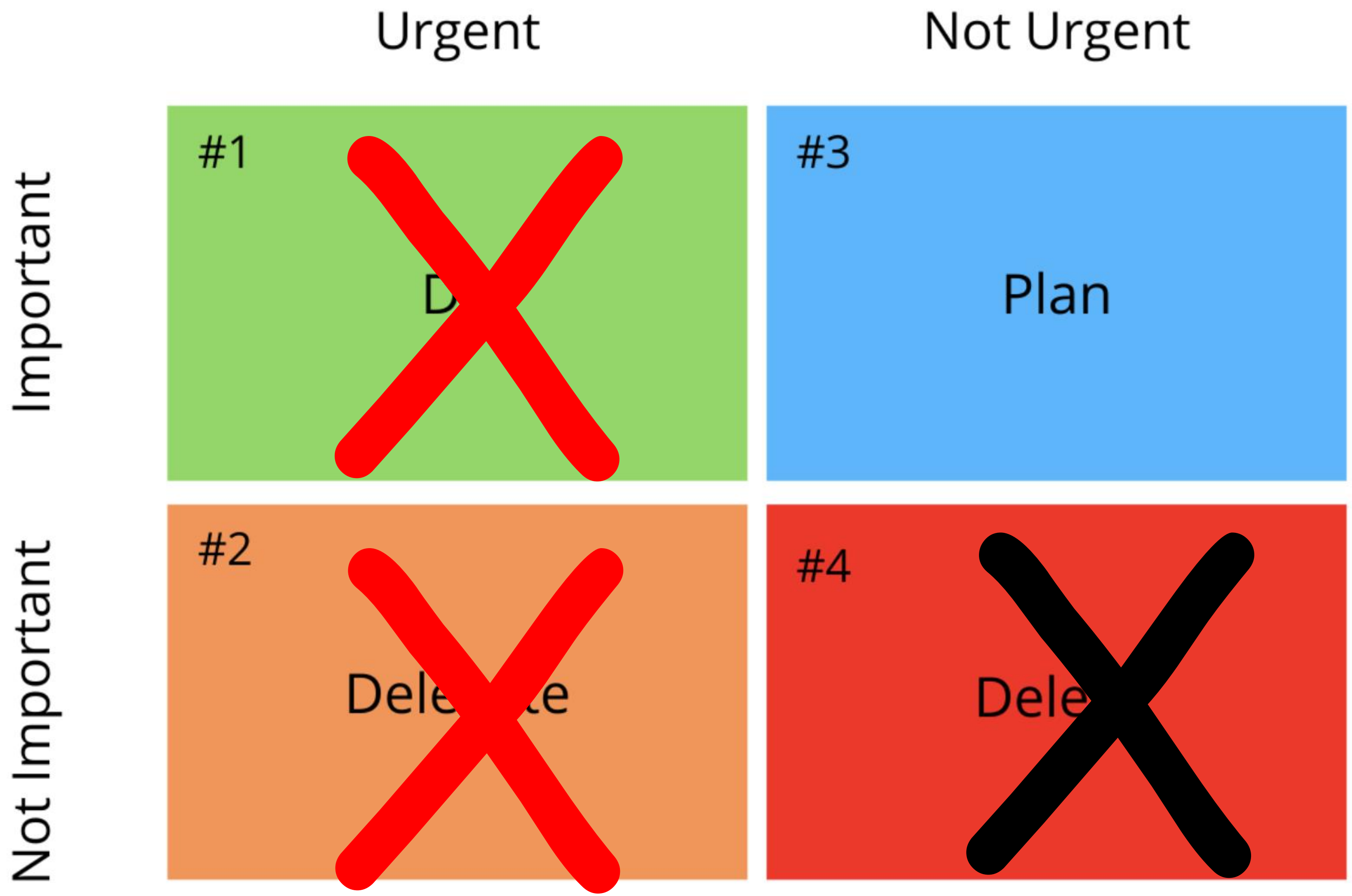
EISENHOWER MATRIX

	Urgent	Not Urgent
Important	**Do** Do it now.	**Decide** Schedule a time for it.
Not Important	**Delegate** Who can do it for you?	**Delete** Eliminate it.

EISENHOWER MATRIX

	URGENT	NOT URGENT
IMPORTANT	Crying Baby Kitchen Fire Some Calls	Exercise Vocation Planning
NOT IMPORTANT	Interruptions Distractions Other Calls	Trivia Busy Work Time Wasters

JJ THE CPA’s MATRIX



OCTOBER 13, 2021 vs. November 2, 2025

Joshua Jenson, CPA

October 13, 2021

- ✓ 272 pounds
- ✓ Little sleep, tired
- ✓ 180/125 blood pressure

November 2, 2025

- ✓ 168 pounds
- ✓ Rested
- ✓ 124/75 blood pressure

HOW I LOST 113 POUNDS WITH NO EXERCISE

Lifestyle change

- ✓ Removed choices
- ✓ Removed goals
- ✓ Removed an end to these changes

Daily Routine

- ✓ In bed by 9:30 pm with no alarm clock set
- ✓ No eating past 8 pm or before 8 am
- ✓ Only drink water
- ✓ Single ingredient food only: Meat, vegetables & fruit
    - ✓ That means
        - ✓ No processed anything
        - ✓ No bread
        - ✓ No added anything because it's only fresh food

LOSING WEIGHT APPROACH TO PRACTICE MANAGEMENT

To Lose Weight, it Requires

- ✓ Cut things out of our lives

To Reform a Tax Practice

- ✓ Cut things out of our practice

DEFINE YOUR PRACTICE

Who are you?

- ✓Fastest
- ✓Cheapest
- ✓Best

What services do you provide?

- ✓One service
  - ✓Services leading to the one service
- ✓One deadline

DEFINE YOUR PRACTICE

When do you provide your services?

- ✓Required before then
- ✓Required during that time

What do you charge for these services?

- ✓One method


lyles

CLIENT EXPECTATIONS

COMMUNICATE YOUR EXPECTATIONS

THERE IS NO CHOICE BUT TO MEET YOUR EXPECTATION

CLIENT'S DECISION TO BE A CLIENT OR NOT

FORMULA IN ACTION FOR TAX SEASON 2022

TIME AVAILABLE TO PREPARE TAX RETURNS

JANUARY 1, 2022 – APRIL 15, 2022

HOURS WANTED TO WORK BY FIRM

- 4 TEAM MEMBERS
- 2 FULL-TIME @ 40 HRS EACH (30 HRS EACH ON TAX WORK)
- 2 PART-TIME @ 30 HRS EACH (15 HRS EACH ON TAX WORK)
- TEAM HOURS AVAILABLE PER WEEK: 140 HOURS
  - 90 HOURS OF TAX WORK PER WEEK
- TAX SEASON @ 15 WEEKS MULTIPLIED BY 140 HOURS
  - TAX SEASON @ 15 WEEKS MULTIPLIED BY 90 HOURS
- 2,100 HOURS OF TIME WANTED TO WORK BY THE FIRM
  - 1,350 HOURS AVAILABLE FOR TAX WORK

FORMULA IN ACTION FOR TAX SEASON 2022

1,350 HOURS FOR TAX WORK

DIVIDED BY 2.5 HOURS PER TAX RETURN

EQUALS 540 TAX RETURNS MAXIMUM

FURTHER RESEARCH CONDUCTED ON TAX RETURNS REQUIRING MORE THAN 2.5 HOURS

EQUALED 408 TAX RETURNS

= 408 CLIENTS

What if you asked, *what clients meet my expectations* instead of *what are my client's expectations?*

Would this allow you to reverse engineer your tax practice?

Would this lead to reclaiming your life?

How many clients can you serve? = How many hours can you work?

37% Cut in Clients

648 tax returns cut down to 408

43% Cut in Hours

1,050 hours worked during tax season cut down to 600 hours

Removal of hours available

Removal of non-profitable services.

Removal of services that did not require a CPA.

Removal of tasks others are capable of performing.

Automate client communications.

Syncing services to specific periods of time.

Maintain excellence

Practice in the areas of expertise.

Deliver services with integrity.

Prepare tax returns with due care.

Make decisions based on objectivity.

Clients retained based on

Who will meet my expectations?

Who can fulfill my practice's needs?

Who will require no boundaries?

Define 3 Key Areas of Input to Determine Your Output

Efficiency

=

Output

÷

Input

1. Define your area of expertise.

What is your chosen area of expertise where you have command of the tax law that allows you to specialize and brings you enjoyment when strategizing with a client?

2. Define your ideal client.

What clients bring a smile to your face when you see their name on your to-do list? Consider your client's attitudes, price sensitivity, and responsiveness. What industry are they in? What's their size? Do they have a business? What is their complexity and scope of services? What geographical area are they in? What's their stability? All the considerations you find important.

3. Define your time capacity.

How much time does your practice have to provide its services, regardless of the services? How much time does each team member have available? Is there availability for essential services?

Example Based on the Analysis of My Tax Practice

Expertise

- Small Businesses
  - Federal and Oklahoma income tax matters only
  - Pass Thru Entity - LLC structure
    - S-Corp for active businesses
    - Partnerships for passive business
  - Individuals who own a business

Ideal Client

- Service business in Oklahoma with one to two owners, grossing less than $2 million and less than ten employees
- Scope of services
  - Income tax returns only
  - No bookkeeping services (Client prepares their own books)
  - No payroll services (Client only uses ADP for payroll)
- Immediate responsiveness to requests for documents and payment with no extension required except caused by third-party
- No boundaries are necessary to serve the client's needs

Time Capacity

- **Input:** January 1 – April 15 (15 weeks)
  - 4 Employees (2 full-time, 2 part-time)
  - Per week: 90 hours for tax prep
  - Per week: 50 hours for admin
    - 1,350 hours for tax prep
    - 750 hours for admin
  - Average time per tax return
    - 3.25 hours for tax prep
    - 2.00 hour for admin
- **Output:** 408 tax returns (with margin)

Define 3 key areas of input to determine your output

Efficiency

=

Output

÷

Input

1. Define your area of expertise.

2. Define your ideal client.

3. Define your time capacity.

Automatic client list refinement

Move clients through your defined funnel

- Expertise match required first
  - If it is not a match, the client is dismissed
- The ideal client consideration is required second
  - If it is not a match, the client is dismissed
- Capacity determined last
  - If there is a lack of time, the client is dismissed

Which clients match your expertise?

Are you exercising due care if you retain clients you do not have the expertise to serve?

Of those clients, which clients are your ideal clients?

Can you genuinely provide service with integrity if the client is not your ideal client?

Of those clients, which clients do you have the capacity to serve?

Can you objectively service a client you do not have time to serve?

Determine capacity and identify efficiencies

	Management Priorities: Role & Duties	Needs & Obligations: Ownership Requires All	Client Needs & Obligations
Administrative Professional	Organize tax documents received & set up tax files.	Needs tax documents from client. Obligated to starting and follow the tax return process.	Obligated to provide tax documents used to prepare tax return.
Tax Preparer Staff	Enter tax information & determine questions.	Needs tax documents organized and reviewed. Obligated to finalize tax returns for review.	Obligated to provide missing or additional tax documents to complete tax return.
Tax Reviewer Staff	Review tax information & resolve questions with client.	Needs tax return prepared and answers from clients. Obligated to finalize the tax return.	Obligated to provide answers to questions related to finalizing tax return.
Para-Tax Professional	Send tax returns to clients and file tax returns with government.	Needs tax returns finalized and signed by client. Obligated to file with IRS & collect payment.	Needs tax return filed timely. Obligated to sign and pay fee.

Compare the needs and obligations of the tax professional to the needs and obligations of the client. The capacity of the tax practice is determined by the client's one critical need.

Stress Reducing Technology

The key to choosing and implementing the right technology is for it to reduce workload and stress as well as automate routine tasks. Technology should NOT first be considered because it would allow for more clients and work to be added.

Tax Return Assembly Line: Implement a model in which the assembly line is NOT per the client's tax return and variations. Instead, align an entire tax practice into an assembly line based on the timing of the tax practice's needs to meet its obligations to the client related to filing the tax return timely.

Start
The process only starts when tax documents are received from the client

Prepared
Tax Return can't be prepared until tax documents are organized

Reviewed
Requires the tax return to be prepared

Updated
Requires the client to respond

Finalized
Requires all prior steps complete

Filed
Requires client's approval & signature

Paid
Requires all be complete

January | February | March | April

Client Relationship Management (CRM) + Automated & AI Communications

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January

30
Bookkeeping & 1099s

February

30
Prepare Business Tax Returns

March

30
Prepare 1040s

10
Extensions

April

Finalized
Clean Up

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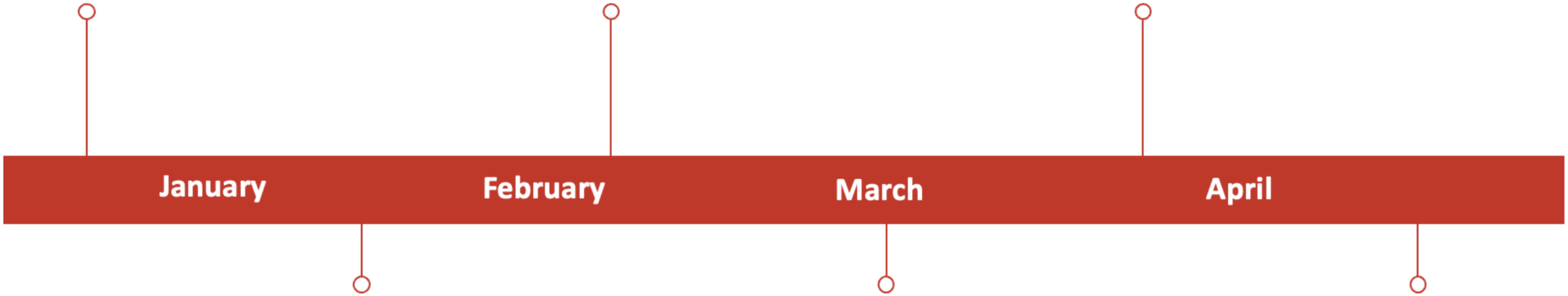
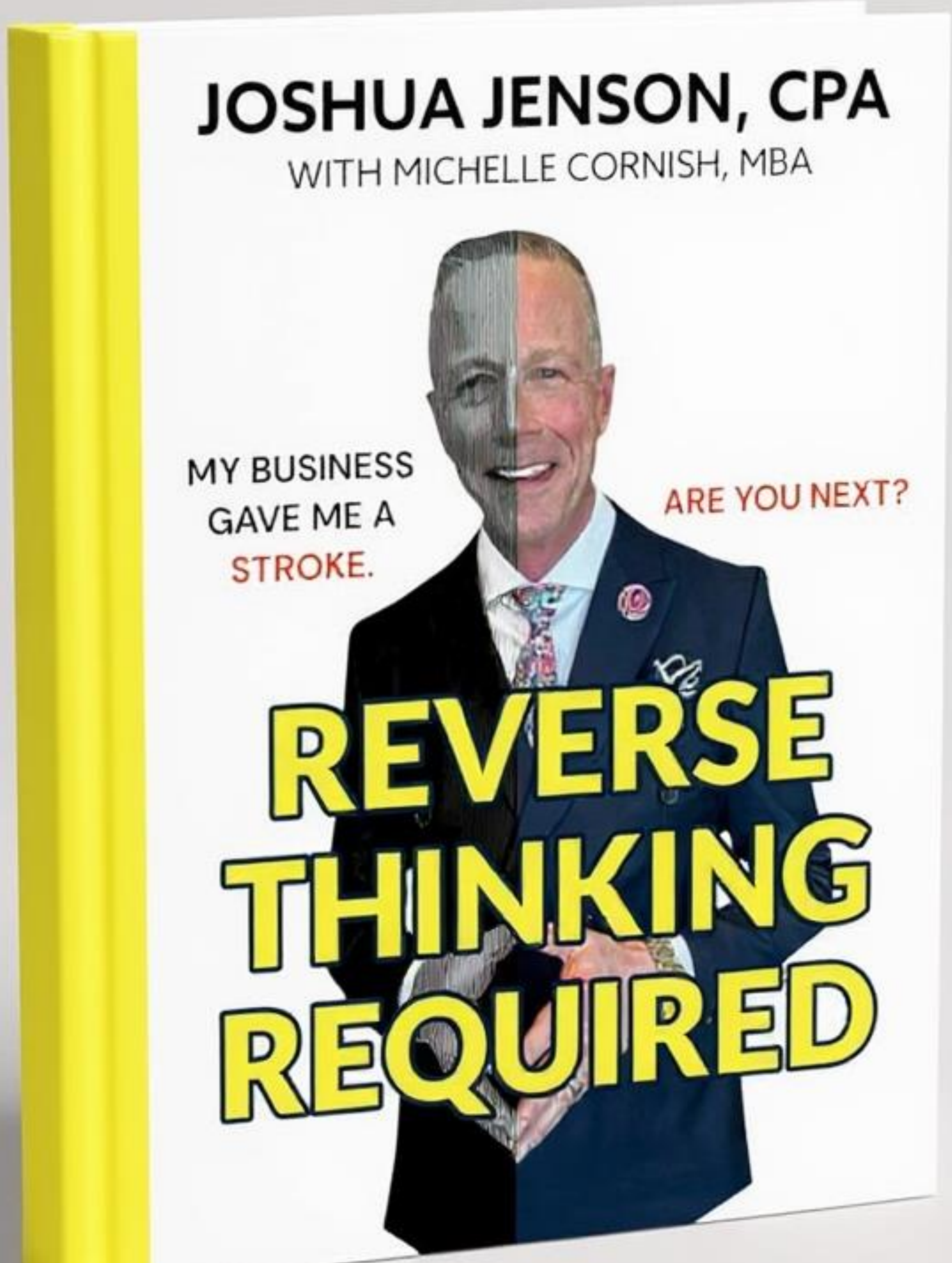


Client Relationship Management (CRM) + Automated & AI Communications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WITH MICHELLE CORNISH, MBA
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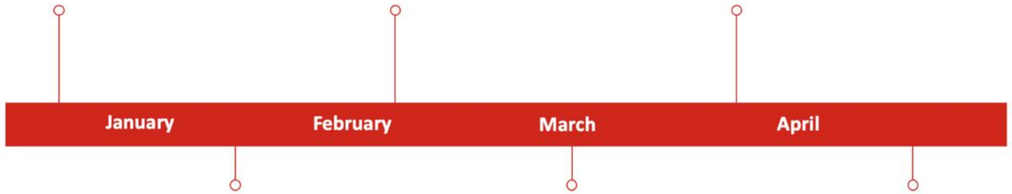

Client Relationship Management (CRM) + Automated & AI Communications

MY TAX PRACTICE'S WORKLOAD TIME

TAX PREPARATION	Phone/Text/ Email Time	Admin/ Gathering Documents Time	Preparation/ Determine Questions Time	Tax Review / Resolve Questions Time	Finalize/ Process/Sign/ E-File/ Bill/Collect	TOTAL TIME*
1040						
1065						
1120-S						
1120						
W-3						
5500						
709						
SUB-TOTAL						

Tax Season Time Per Person (15 Weeks x 40 Hours) 600 Hours

BOOKKEEPING	Phone/Text/ Email Time	Gathering Statements, Documents Time	Preparation/ Determine Questions Time	Review / Resolve Questions Time	Finalize/ Process/ Bill/Collect	TOTAL TIME*
Monthly Bookkeeping						
Quarterly Bookkeeping						
Annual Bookkeeping						
SUB-TOTAL						

PAYROLL	Phone/Text/ Email Time	Gather Payroll Info/ Update/ Run Payroll Time	Preparation/ Processing/ Payments Time	Review / Filing Reports Time	Finalize/ Bill/Collect	TOTAL TIME*
Bi-Weekly Payroll						
Semi-Monthly Payroll						
Monthly Payroll						
Quarterly Payroll						
SUB-TOTAL						

	TOTAL ADMIN TIME	TOTAL PARA-PROFESSIONAL TIME	TOTAL TAX PROFESIONAL TIME	TOTAL EXPERIENCED TAX PROFESSIONAL TIME	TOTAL EXPERIENCED ADMIN TIME	TOTAL PRACTICE TIME
YOUR PRACTICE						
EMPLOYEE(S) NEEDED						

To Determine How Many Employees Per Role: Divide the Total Time (Add all Sub-Totals Above) By Any One Employees Average Annual Work Time in Hours

1,680 Hours Per Any One Employee of Average Annual Work Time Estimated at 35 Hours Per Week for 48 Weeks (Excludes 2 Weeks Vacation/Sick & Holidays)

YOUR TEAM'S ANNUAL TIME ALLOCATION	TIME SPENT ON ADMIN	TIME SPENT AS PARA-PRO	TIME SPENT AS TAX PRO	TIME SPENT AS EXPERIENCED TAX PRO	TIME SPENT AS EXPERIENCED ADMIN	TOTAL TIME
Employees Name						
Employees Name						
Employees Name						
Employees Name						
Employees Name						
Employees Name						
TOTAL TIME						

* "TOTAL TIME PER" IS CARRIED TO OTHER WORKSHEET

MY TAX PRACTICE'S WORKLOAD

TAX PREPARATION	HOW MANY?		DEADLINES PER		DEADLINES	PERCENTAGE	TIME PER*	TOTAL TIME
1040		x	1	=		%		
1065		x	1	=		%		
1120-S		x	1	=		%		
1120		x	1	=		%		
W-3		x	1	=		%		
5500		x	1	=		%		
709		x	1	=		%		
SUB-TOTAL						100 %		

Tax Season Time Per Person (15 Weeks x 40 Hours) 600 Hours

BOOKKEEPING	HOW MANY?		DEADLINES PER		DEADLINES	PERCENTAGE	TIME PER*	TOTAL TIME
Monthly Bookkeeping		x	12	=		%		
Quarterly Bookkeeping		x	4	=		%		
Annual Bookkeeping		x	1	=		%		
SUB-TOTAL						100		

PAYROLL	HOW MANY?		DEADLINES PER*		YOUR DEADLINES	PERCENTAGE	TIME PER*	TOTAL TIME
Bi-Weekly Payroll		x	53	=		%		
Semi-Monthly Payroll		x	51	=		%		
Monthly Payroll		x	39			%		
Quarterly Payroll		x	31	=		%		
SUB-TOTAL						100		

* 27 Minimum Deadlines for each plus frequency (941 Filing x 4) (940 Payments x4) (940 Filing x 1) (State Filings x 12) (State Unemployment x 4) (W-2 x 1) (W-3 x 1)

YOUR PRACTICE	NUMBER OF ENGAGEMENTS	RENT + PAYROLL ALLOCATED PER ENGAGEMENT %	NUMBER OF DEADLINES	RENT + PAYROLL ALLOCATED PER DEADLINE %
Tax Preparation		%		%
Bookkeeping		%		%
Payroll		%		%
Total		100%		100%
		(A)		(B)

(A) & (B) Multiply the Total Core Costs (Rent + Payroll Costs) by the Percentage

	CORE COSTS
Annual Rent	
Annual Payroll	
Annual Total Rent + Payroll	

These are the core costs. You can add any additional costs you want.

* Time Per is from other worksheet

JJ THE CPA®

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THANK YOU!