

How to cope with the massive increase of requests for proposals from potential clients?

Oliver Biernat
ITPG Global Chairman

The challenge

Why can there be a massive increase of requests for proposals from potential clients?

- Modern technology makes it easier and faster to communicate. We can be found online via Homepage, Social Media, Google, platforms etc.
- Clients contact many consultants in one go via bulk e-mail („Dear Sir,...“) with a brief description of their situation/services requested, asking for a quotation
- Clients are more price sensitive and expect an answer within short time.
- Often, a fixed fee is requested, which means someone has to calculate it

Consequences:

- It is less probable to win a client
- Time spent on exchanging e-mails and for calculation of a (fixed) fee increases.

How can we react???

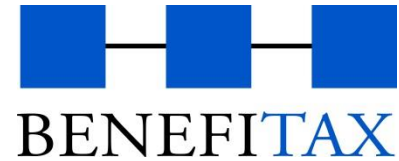
The Panelists

- Ugo Girardi, Italy
- Raghu Marwah, India
- Angel Viso, Venezuela
- Ray Zomerfeld, USA
- Alan Rajah, UK
- And myself from Germany

1) Who should deal with potential clients?

- Partner, manager, associate, secretary, robot?
- Who of them can do what in the process of winning clients?
- Is it a matter of the potential fee amount or of complexity of the case?
- Who can do a first check if you want the client at all?
- In which phase of the process do you do KYC, AML, engagement letter, POA, and give information on compliance with data protection rules, etc.?

Questions to the Panelists

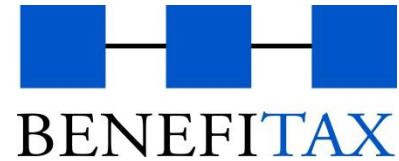


1) Who should deal with potential clients?

- Ugo (Italy)
 - Partner, manager, associate, secretary, robot?
Partner and associate (assistent)
 - Who of them can do what in the process of winning clients?
Partner – discuss case and decide if it is interesting or not
Associate – prepare the relevant docs
 - Is it a matter of the potential fee amount or of complexity of the case?
It is a matter of guess future developments
 - Who can do a first check if you want the client at all?
Partner
 - In which phase of the process do you do KYC, AML, engagement letter, POA, information on compliance with data protection rules, etc.?
When the deal is verbally closed.

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



1) Who should deal with potential clients?

- Raghu (India)
- Partner, manager, associate, secretary, robot?

Manager

- Who of them can do what in the process of winning clients?

initial communication

Is it a matter of the potential fee amount or of complexity of the case?

complexity

- Who can do a first check if you want the client at all?

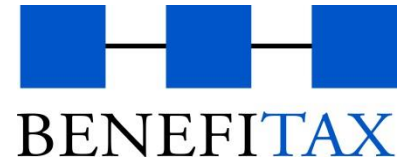
Partner

- In which phase of the process do you do KYC, AML, engagement letter, POA, information on compliance with data protection rules, etc.?

On-boarding stage

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



1) Who should deal with potential clients?

- Angel (Venezuela)

Who of them can do what in the process of winning clients?

Partner for decision making, associate for instrumental matters

- Is it a matter of the potential fee amount or of complexity of the case?

Both

- Who can do a first check if you want the client at all?

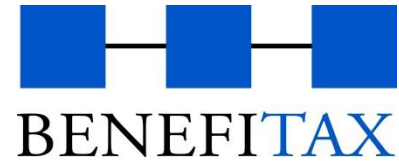
Partner (importance to deal with USA sanctions)

- In which phase of the process do you do KYC, AML, engagement letter, POA, information on compliance with data protection rules, etc.?

Once the potential client asks for a proposal of services

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



1) Who should deal with potential clients?

- Ray (USA)
- Partner, manager, associate, secretary, robot?

Any professional team member can interface with the potential client. All are members of the business development team.

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



1) Who should deal with potential clients?

- Alan (UK)

- Partner, manager, associate, secretary, robot?

Partner & junior staff

- Who of them can do what in the process of winning clients?

Partner – discuss case, Junior – complete proposal

- Is it a matter of the potential fee amount or of complexity of the case?

Both

- Who can do a first check if you want the client at all?

Depends on the type of enquiry- If complex enquiry needs to be dealt by a partner, otherwise can be dealt with other senior staff.

- In which phase of the process do you do KYC, AML, engagement letter, POA, information on compliance with data protection rules, etc.?

When client decides to engage LG

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



1) Who should deal with potential clients?

- Oliver (Germany)
- Partner, manager, associate, secretary, robot?

Who of them can do what in the process of winning clients?

Partner or Manager – calculate fees on extraordinary services, meet pot. client (if large).

Rest should be done by secretary on templates prepared by partner or manager beforehand

- Is it a matter of the potential fee amount or of complexity of the case?

Both, but if pot. fees are low and no chance for more, a partner will not attend to it. The client is refused.

- Who can do a first check if you want the client at all?

Secretary. If she gets to her limits a partner or manager may be involved depending on the potential

- In which phase of the process do you do KYC, AML, engagement letter, POA, information on compliance with data protection rules, etc.?

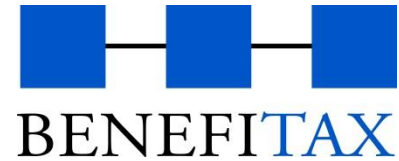
Right after client expressed to accept our general fees and terms & conditions. We think it is important to disclose the fees at the very beginning. This will save a lot of time discussing with pot. clients that look for the cheapest provider.

How to cope with the massive increase of requests for proposals from potential clients?

2) How much time to invest?

- At my firm we face about 40 requests for a proposal in average per month
- Only a few of them are accepted as new clients and accept our proposal
- How can we bring down the time-expenditure spent on this?
- What selection criteria to use (e.g. standard work, minimum fees)?
- Where do you use templates? (Calculation of fees, engagement letters, emails, etc)
- Which software can be recommended? In which countries/languages does it work? Does it comply with all rules in your country?

Questions to the Panelists



2) How much time to invest?

- Raghu (India)

- How can we bring down the time-expenditure spent on this?
- What selection criteria to use?(e.g. standard work, minimum fees)

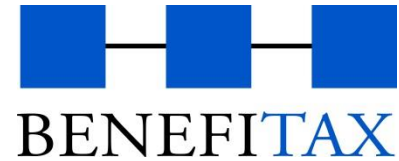
min fee

- Where do you use templates? (Calculation of fees, engagement letters, emails, etc)

costing sheet

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



2) How much time to invest?

▪ Angel (Venezuela)

- requests for a proposal in average per month

Very few per month

- How many of them are accepted as new clients and accept our proposal

We get like a 50% of new clients

- How can we bring down the time-expenditure spent on this?

Standard questionnaire

- What selection criteria to use?(e.g. standard work, minimum fees)

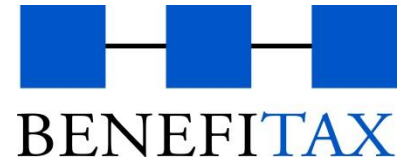
Depends of the kind of work requested.

- Where do you use templates? (Calculation of fees, engagement letters, emails, etc)

Calculation of fees and engagement letters

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists

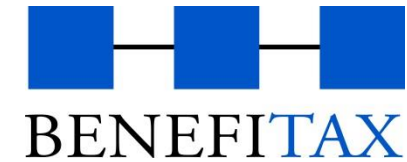


2) How much time to invest?

- Ray (USA)

Depends on size\value of client. Anywhere from one hour to a full day.

Questions to the Panelists



2) How much time to invest?

■ Alan (UK)

- How can we bring down the time-expenditure spent on this?

LG has a standard template for all enquiries.

- What selection criteria to use?(e.g. standard work, minimum fees)

LG has set fees for all types of work that could be undertaken by the firm.

- Where do you use templates? (Calculation of fees, engagement letters, emails, etc)

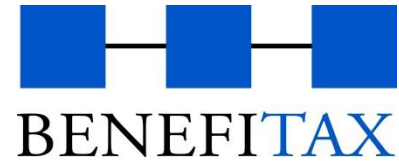
Specialised software

- Which software can be recommended? In which countries/languages does it work? Does it comply with all rules in your country?

Pandadoc – A US based software that is widely used around the world.

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



2) How much time to invest?

■ Oliver (Germany)

- How can we bring down the time-expenditure spent on this?

Using standard templates

- What selection criteria to use?(e.g. standard work, minimum fees)

Minimum fee is 1.000 €, higher for special work with expert knowledge

- Where do you use templates? (Calculation of fees, engagement letters, emails, etc)

5 Emails for each stage to answer normal enquiries, for calculating fees and engagement letters

Which software can be recommended?

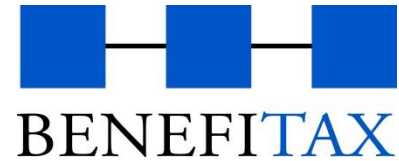
No software available that covers all, only parts of it, e.g. Official Tax consultants fee scale

How to cope with the massive increase of requests for proposals from potential clients?

3) What kind of information to deliver?

- Introducing your company, services, team, etc.
- Marketing: refer to your homepage, SM, YouTube videos, publications, etc.
- Describe the services you are going to offer in detail?
- Describe how the (fixed) fee was calculated, VAT, expenses, terms & conditions,
- Hourly rates
- Call to action
- Follow-up system?

Questions to the Panelists



3) What kind of information to deliver?

■ Ugo (Italy)

- Introducing your company, services, team, etc.

company and team on the potential deal – different if language is not Italian

- Marketing: refer to your homepage, SM, YouTube videos, publications, etc.

No

- Describe the services you are going to offer

Yes

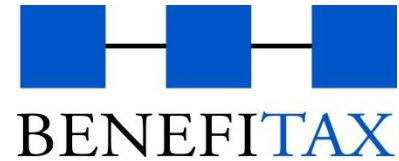
- Describe how the (fixed) fee was calculated, VAT, expenses, terms & conditions,

- Hourly rates, Call to action, Follow-up

Usually a mix

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



3) What kind of information to deliver?

- Raghu (India)
 - Introducing your company, services, team, etc.
 - Marketing: refer to your homepage, SM, YouTube videos, publications, etc.
 - yes
 - Describe the services you are going to offer
 - yes
 - Describe how the (fixed) fee was calculated, VAT, expenses, terms & conditions,
 - no
 - Hourly rates
 - sometimes
 - Call to action
 - Follow-up
 - yes

How to cope with the massive increase of requests for proposals from potential clients?

3) What kind of information to deliver?

- Angel (Venezuela)

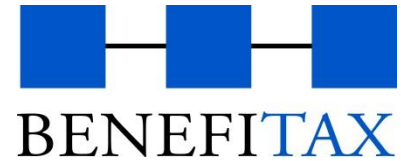
- Introducing your company, services, team, etc.

Standard presentation. May vary according to the needs of the potential client

- Marketing: refer to your homepage, SM, YouTube videos, publications, etc.

Homepage. In the process of working actively with the social media

Questions to the Panelists



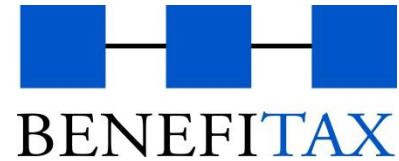
3) What kind of information to deliver?

- Ray (USA)

Anything from a full blown proposal, to a simple email summarizing our proposal

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



3) What kind of information to deliver?

- Alan (UK)
 - Introducing your company, services, team, etc.
[See attached template \(To be provided\)](#)
 - Marketing: refer to your homepage, SM, YouTube videos, publications, etc.
 - Describe the services you are going to offer
 - Describe how the (fixed) fee was calculated, VAT, expenses, terms & conditions,
 - Hourly rates
 - Call to action
 - Follow-up

How to cope with the massive increase of requests for proposals from potential clients?

3) What kind of information to deliver?

■ Oliver (Germany)

- Introducing your company, services, team, etc., **yes, but short.**

Marketing: refer to your homepage, SM, YouTube videos, publications, etc. **yes, but short.**

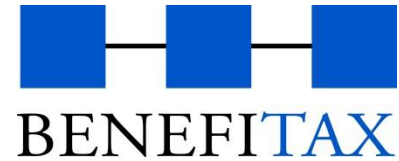
- Describe the services you are going to offer: **yes**
- Describe how the (fixed) fee was calculated, VAT, expenses, terms & conditions **yes**
- Hourly rates, **yes**
- Call to action, **yes**
- Follow-up, **yes, depending on the potential and likelihood of them becoming a client**

How to cope with the massive increase of requests for proposals from potential clients?

4) How to calculate your fees?

- Regular services vs. special request/individual job
- Huge engagement vs. small engagement
- One time requests vs. regular work
- Fixed Fee vs. invoicing acc. to time - expenditure vs. success fee vs. official chartered accounts fee scale - When to use what?
- Do you mention VAT and expenses or even include them?
- How to avoid problems with different understandings/expectations of the scope of work/fees?

Questions to the Panelists



4) How to calculate your fees?

■ Ugo (Italy)

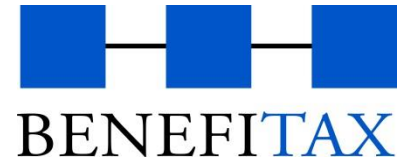
- Regular services vs. special request/individual job

Special request is most common: thus special fee or range of fees

- Huge engagement vs. small engagement We will always take on the job if properly paid
- Fixed Fee vs. invoicing acc. to time - expenditure vs. success fee vs. official chartered accounts fee scale - When to use what? Clients prefer „adjustable“ forfait
- Mention VAT and expenses or even include them? VAT, social charges, travels and out of pocket never included
- How to avoid problems with different understandings/expectations of the scope of work/fees?
avoid totally impossible – trust and written agreement helps

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



4) How to calculate your fees?

▪ Raghu (India)

- Regular services vs. special request/individual job
- Huge engagement vs. small engagement

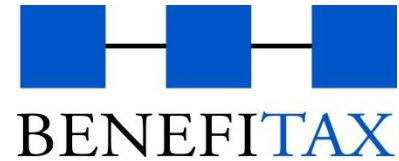
negotiation post submission

- Mention VAT and expenses or even include them?

yes

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



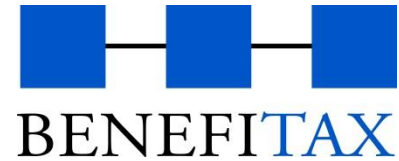
4) How to calculate your fees?

▪ Angel (Venezuela)

- Regular services vs. special request/individual job, *In the first case, standard fees/in the second, depends on the job*
- Huge engagement vs. small engagement, *In principle, there is no small client*
- One time requests vs. regular work, *Both*
- Fixed Fee vs. invoicing acc. to time - expenditure vs. success fee vs. official chartered accounts fee scale
 - When to use what? *Normally, standard fees. Fixed fees for special requests. Success fees in certain cases (especially, litigation)*
- Mention VAT and expenses or even include them? *Always. Expenses in advance (revolving fund)*
- How to avoid problems with different understandings/expectations of the scope of work/fees?
Written agreement , which never solves everything

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists

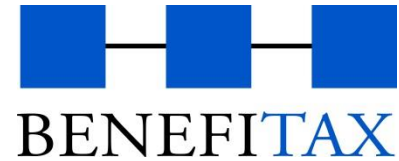


4) How to calculate your fees?

- Ray (USA)

We have a good idea what amount of billable hours will be needed on various engagements. Most times I will provide the client a “range” of fees we would estimate.

Questions to the Panelists



4) How to calculate your fees?

■ Alan (UK)

- Regular services vs. special request/individual job

Regular service – standard fees, Special request – either fixed fee or range of fees

- Huge engagement vs. small engagement, Unless outside our expertise we will always take on the job

- Fixed Fee vs. invoicing acc. to time - expenditure vs. success fee vs. official chartered accounts fee scale - When to use what? Fixed fee – standard fee

- Mention VAT and expenses or even include them? VAT yes – expense - disbursement

- How to avoid problems with different understandings/expectations of the scope of work/fees?

Obtain signed Letter of engagement

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



4) How to calculate your fees?

▪ Oliver (Germany)

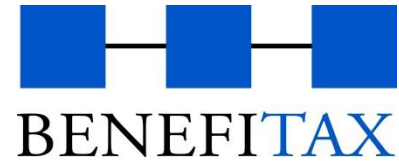
- Regular services vs. special request/individual job, Regular services – standard fixed fees, Special request – invoice by time expenditure, and give an estimation based on assumptions provided by the client
- Huge engagement vs. small engagement
the larger the potential job the more time we would be willing to invest in calculating the hours and fees
- Fixed Fee vs. invoicing acc. to time - expenditure vs. success fee vs. official chartered accounts fee scale - When to use what?
Fixed fee only for standard services, tax declarations acc. to Official German Tax advisors fee scale, success fee very rarely as often not accepted or impossible without detailed knowledge on the client, in all other cases invoicing by time expenditure
- Mention VAT and expenses or even include them? Absolutely. If not, it may create a problem later
- How to avoid problems with different understandings/expectations of the scope of work/fees?
Name all terms and conditions in the engagement letter. Specify the scope of work in details, esp. If you offer fixed fees.

How to cope with the massive increase of requests for proposals from potential clients?

5) Give advice before engagement letter is closed?

- Some clients ask for that in order to „find out about your quality as advisor“
- Do you offer that?
- If yes, is the time for that limited?
- If a personal meeting is requested, does the clients come to your office or do you go to the client?

Questions to the Panelists



5) Give advice before engagement letter is closed?

■ Ugo (Italy)

- Some clients ask for that in order to find out about your quality as advisor
- Do you offer that?

usually yes. Especially for colleagues

- If yes, is the time for that limited?

Within reason unlimited

- If a personal meeting is requested, does the clients come to your office or do you go to the client?

Most of meetings outside office with no charge

How to cope with the massive increase of requests for proposals from potential clients?

5) Give advice before engagement letter is closed?

■ Raghu (India)

- Some clients ask for that in order to find out about your quality as advisor
- Do you offer that? **yes**
- If yes, is the time for that limited? **yes**
- If a personal meeting is requested, does the clients come to your office or do you go to the client? **Size of client would determine**

5) Give advice before engagement letter is closed?

▪ Angel (Venezuela)

- Some clients ask for that in order to find out about your quality as advisor

In my experience, it is not worth giving any advice beforehand. Maybe some basic legal information

- Do you offer that? No
- If a personal meeting is requested, does the clients come to your office or do you go to the client? It depends. May be both ways

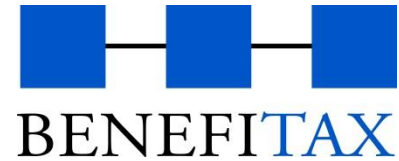
5) Give advice before engagement letter is closed?

■ Ray (USA)

- Some clients ask for that in order to find out about your quality as advisor
- Do you offer that?

We will provide advice for \$350 to \$500 fee in advance of the EL being signed, and if client agrees and signs the EL, we will credit that fee to the future services we provide.

Questions to the Panelists



5) Give advice before engagement letter is closed?

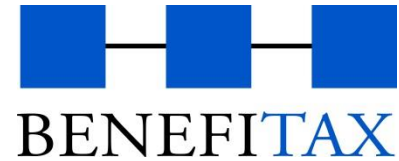
■ Alan (UK)

- Some clients ask for that in order to find out about your quality as advisor
- Do you offer that? **We offer that service to GGI members only**
- If yes, is the time for that limited? **No time limit for GGI members**
- If a personal meeting is requested, does the clients come to your office or do you go to the client?

Generally no time charged for initial meeting in the office. Any meeting outside the office is chargeable. Where a solution will be provided at the first meeting, prospects will be charged for that meeting.

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



5) Give advice before engagement letter is closed?

■ Oliver (Germany)

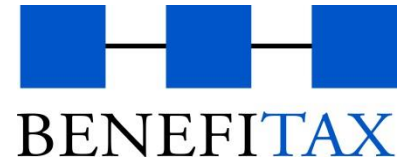
- Some clients ask for that in order to find out about your quality as advisor
- Do you offer that? **No. Exceptions possible with huge potential clients.**
- If yes, is the time for that limited? **Yes.**
- If a personal meeting is requested, does the clients come to your office or do you go to the client? **98% done in our office or online. 2% in their office if in Frankfurt or close by and only if they are huge potential clients and the probability of them becoming a client is high. Visits to far away places only for paying clients.**

How to cope with the massive increase of requests for proposals from potential clients?

6) Ask for advance payments?

- Do you generally ask for that or in which cases do you ask for that?
- What are alternatives to advance payments?
- What can be done if clients have no money at the moment and promise to pay later?
- How much of your fees charged to clients do you book out (in % per year)

Questions to the Panelists



6) Ask for advance payments?

▪ Ugo (Italy)

- Do you generally ask for that or in which cases do you ask for that?

Not often. Usually for one time request

- What are alternatives to advance payments?

30% when the work has begun.

- What can be done if clients have no money at the moment and promise to pay later?

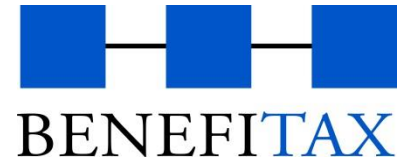
It depends on clients reliability. If we are too „conservative“ we could have zero clients

- How much of your fees charged to clients do you book out (in % per year)

5%

How to cope with the massive increase of requests for proposals from potential clients?

Questions to the Panelists



6) Ask for advance payments?

- Raghu (India)

How to cope with the massive increase of requests for proposals from potential clients?

6) Ask for advance payments?

■ Angel (Venezuela)

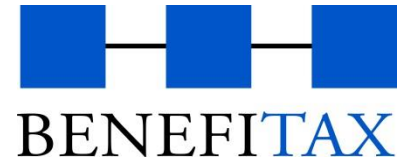
- Do you generally ask for that or in which cases do you ask for that?

Always for international clients. Frequently for national clients

- How much of your fees charged to clients do you book out (in % per year)

Around 10%. The problem is the late payments (Inflation/devaluation)

Questions to the Panelists



6) Ask for advance payments?

■ Ray (USA)

- Do you generally ask for that or in which cases do you ask for that?

Always! Retainers are required for all new clients.

Questions to the Panelists



6) Ask for advance payments?

▪ Alan (UK)

- Do you generally ask for that or in which cases do you ask for that? **Always!**
- What are alternatives to advance payments? **50% advance payment. Balance payable before filing / report is submitted.**
- What can be done if clients have no money at the moment and promise to pay later? **We don't act for time wasters!**
- How much of your fees charged to clients do you book out (in % per year)

Average 90% recovery rate throughout the firm.

- We have the following policy for reducing our debt and improve collections:
 - Tax returns / Govt. documents will not be filed until fees are settled
 - Client managers chase client for o/s fees
 - Client's work will be put on hold until o/s fees are settled
 - KPI's are presented every month to partners to ensure partners are able to make decisions to increase recovery of fees.
 - Practice accountant undertakes credit control every month.

How to cope with the massive increase of requests for proposals from potential clients?

6) Ask for advance payments?

▪ Oliver (Germany)

- Do you generally ask for that or in which cases do you ask for that?

Always for new clients!

- What are alternatives to advance payments? Security deposits (no VAT is due)

What can be done if clients have no money at the moment and promise to pay later?

New clients are refused. „Stop working“ for regular clients for a certain time

- How much of your fees charged to clients do you book out (in % per year)

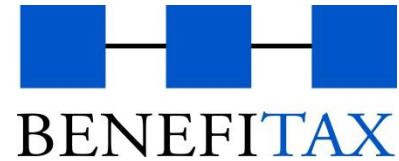
Average 99% recovery rate, as we do not accept bad clients.

Conclusion/Recommendations:

- Quite different approaches in different countries and firms
- Maybe the answers helped you to re-think about your own procedure?
- Inspiration for new approaches/changes?

If time allows: Pandadoc Presentation from Alan

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Thank you for your attention !



Oliver Biernat

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