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## **Holistiplan: A Tax Planning Solution for Financial Advisors Marie Swift / Kevin Lozer and Roger Pine Conversation April 08, 2020**

**Marie:** As you know, I'm bringing some of the brightest and best minds in the financial services industry and in the financial planning community to you during these times where life may feel like it's a little bit topsy turvy. So, I brought with me today two very interesting gentlemen. They are the co-founders of a software called Holistiplan. They are going to talk to us about why they had their idea and how they got started and why it's important for you to be thinking about being a tax-focused financial planner especially right now. So, gentlemen, thanks for being here. I want to get us started. So, tell us about this idea? How did you come up with and how did you create the software?

**Roger:** Thanks Marie! Thanks for having us come talk to you and thanks for calling us innovative. It started probably actually over ten years ago. Kevin and I are both financial planners by trade. It's what we've done with our careers for over the past decade. I would say three or four years ago I really started to think about the problem of how do we do financial planning at scale? The industry has done a really good job of scaling investment advice, robo advisors, anyone of any size portfolio can now get access to a professionally designed rebalanced portfolio. But, we as financial planners know that financial planning is equally and, in many times, more important and more beneficial and more impactful to our clients than just the investments. So, I was really thinking about what it is going to take for us to be able to deliver that to everybody.

The fact of the matter is because financial planning is not terribly scalable because it is work intensive, it is hard to deliver that to a wide breadth of the population. I was really working on that idea, really thinking about how do we automate certain elements of it? How do we try to be more consistent in certain elements in it? Many firms, my firm included, take steps in that direction. We build checklists. We build deliverables that we can then use for multiple clients. We build templates for emails. Though, what I was really thinking was something more radically more scalable than that. I do triathlons and was looking at the time some online training type systems that are used in triathlons. That really inspired me to take this a little bit deeper.

I'm a self-taught programmer. I started building a product, over a year ago now, I was telling my friend Kevin – Kevin is a friend from the industry that I've known for a lot of years. He is also a financial planner. I was telling him about this thing that I'm working on and he was really interested in it too. He had some really great insights which I will talk about how the whole thing could work. It really started with that. What can we do to make financial planning much

more scalable and much more automated? I came to Kevin with maybe February or March of 2019, I had this thing where you enter in a whole bunch of information about your client and then this expert system would then spit out recommendations and reports for the client. I loved this thing. I was like, Kevin look at this beautiful thing, with eight hundred boxes that you fill in this information about your client on and he made the excellent point of that's scalable on the back end but that's not scalable on the front end because you are still asking someone to enter in that information. So, the really great insight that Kevin brought to the table was we need a way to read that information in without the advisor having to collect that information manually. I think the marriage of those two pieces created a product that ended up being very compelling. The idea of let's use technology to read and pull in the data.

So, we use optical character recognition software to read in and analyze tax returns. Our customers will feed in a tax return, a PDF tax return. Our software through optical characterization recognition (OCR) reads all that in, extracts the data for you and then we run it against that expert system piece where it runs it against a checklist, spits out some observations. Hey, I noticed that you bumped yourself into the higher Medicare premium level. The marriage of those two made Holistiplan and I think it ended up being a pretty compelling story. We now have, at the time of this recording, well over six hundred firms who are on the product in less than a year on the market.

I really think it's struck a nerve because I really think advisors are looking for that. They are looking for a way to scale the planning side of their practice. They are looking for a way to do it consistently so that every person in the office. No matter if you are tired, or if your kid is running around in background because you are working from home, the same tax return will always spit out the same results because it's a consistent algorithm analyzing the tax return for you. The consistency and efficiency seem to really just resistant with a lot of people. We are grateful for all the advisors that have signed up so far and really have supported us along the way.

**Kevin:** Another thing that I would add is the ability then to provide this service to every single one of your clients. One of the reasons why Roger and I were in a NAPFA Mix Group for many years and one of the many things that we talked about through the years was scalability of financial planning. Reaching more people through our services because people deserve our advisory services but how do you make it scalable? Even within a firm itself, I was noticing in talking to a lot of peers and even within the firm that I was with at that time, one of the buzz words four or five years ago was client segmentation. Segmenting your clients so you can deliver certain types of financial planning to a subset of your clients because you can't provide it to all in a profitable way. A lot of people were struggling with, how do I segment my clients into A, B, and C? And what am I going to offer to A, B, C clients that are different? And therefore, maybe the A clients, however you deem your A clients, are going to get potentially more services than your B and C clients. That resonated with me as something that in an ideal world you wouldn't have that. You would provide the same fiduciary, full comprehensive financial planning services for all your clients.

Part of the reasons why I joined forces with Roger was I wanted to see that through and come up with ways that would allow advisors to more efficiently provide a service across their entire client base and no longer need to segment their clients and choose who gets what service potentially.

**Roger:** Yes! And we are seeing that in the people that are working with us. The advisors that work with us span from big family type planning offices who financial plan and tax advice is clearly part of their offering and has been forever. They are hiring Holistiplan for the efficiency gains. On the other end are a lot of firms who may not have done any tax planning at all previously but now, through Holistiplan they are able to have access to the same type of service that the big family office firm was delivering all the time. So, you get to go from zero to one hundred miles per hour right away instead of having to build that infrastructure over many of years that some of these firms have. Some grab it for the efficiency, some grab it for the ability to just deliver a new service they never did before. Now, they can serve folks in a more comprehensive way that they maybe couldn't before.

An advisor who logs into Holistiplan they have presumably already asked for a tax return from their client. So, the first thing they do when they get into our system is, they upload that tax return. The optical characterization software reads that tax return in. It takes about thirty to forty-five seconds to read it all in, then it's stored in a little database. Then, we run this little algorithm against it. That algorithm is a whole list of observations. I won't call them recommendations, I will call them observations that advisors like us, me and Kevin, but also other people on the platform have suggested. These are things from their own tax return checklist.

So, then the system spits out a deliverable report with some summary information about the tax returns and charts and some of these talking points. So, literally within a minute of uploading a return, the advisor then has something they can talk to their client, or they can call the client and then engage with them on something other than investments right now. They can talk about, this is what I noticed in your tax return, here are some strategies we can look at for the coming year. What's next, and what the advisor can then do after that is there is a scenario analysis tool. So, if you want to start running scenarios for 2020, 2021. If the software said, hey this client is potentially or a lower tax bracket this year, maybe you try to harvest some of that lower tax bracket through the ease of a ROTH conversion. Well, now you must figure what the optimal ROTH conversion side is going to be for the coming year based on other assumptions.

So, the software gives the advisor the ability to model that out too. It's an end-to-end. The idea is we wanted to provide an end-to-end tax planning suite from tax return, all the way to planning for next year's tax return. So, that's what it is in a nutshell.

I encourage people to go to our site, [www.Holistiplan.com](http://www.Holistiplan.com), for a demo. That's what people are getting when they log into our site and system. Like I said, that impacts people on both ends of the spectrum.

**Marie:** So, I know you guys were the award recipient last year for the [XY Planning Network's annual competition for financial technology](#). Could you just talk a little bit about that as a milestone for Holistiplan? Was that an important milestone and really help you get more adoption?

**Roger:** Absolutely! We cannot thank XYPN enough for hosting that competition every year. It's great for their members because their members get a first look at some new technology out there but also startup firms like we were at the time it gives us a much broader and bigger platform to show people what we are doing and get rapid feedback about how we can improve.

We applied for that thing kind of hoping we'd make the short list. If you make the short list, you get a free trip to go to the conference. We thought, hey that would be great. We can show people our product. I don't know Kevin; I didn't expect to win that thing and they said our name. When they presented it, we were seated in the way back of the room, like a mile away.

So, we won the thing and had to go all the way up to the front but yeah, it made an enormous difference for us. It was rocket fuel for us. I would say we are probably six months ahead of where we would have expected to be had we not won that award. So, I'm very thankful for the organization for putting that together and the judges for seeing in us something that was potentially beneficial to their membership. XYPN, I mean that's a pretty broad group of advisors. They have over 1,000 advisors and firms in their network. They span that same range I was talking about earlier. There are firms in there who come from a tax background who have very robust tax planning processes in place. Then you have folks who are literally starting their firms and some that we've met haven't even started their firms who are at that conference. It was eye-opening to see that the story was still resonating with people all along that chain. It was heartening for us and it was great. It did a lot for us and made us very busy in October and November when we maybe didn't expect to be, in a good way.

**Kevin:** From a business perspective, it certainly launched us. A lot of the PR and marketing that came from that certainly helped. We were drinking from a firehose for those next couple of months from a business standpoint and new subscription standpoint. I think the other benefit it gave us though, Roger I think you would agree, up until that point we were so much as an idea and concept and beginning part of a product especially where we are compared six months later and all that we have built into the products since then. So, it validated, at least in my mind that we really had something here and the market was really going to like once we continued to enhance and improved the product. It was validation that we needed just from a confidence and emotional standpoint as well to know that we have something. It was motivating to say, let's make this happen now!

**Roger:** Yeah, one of our founding principles behind the company when we first started was, we said, we don't want the product to just be limited by my knowledge and Kevin's knowledge of financial planning. From day one we've been very open about trying to gather the collected intelligence of everybody on the platform. When you go from, I don't know what we had before

XYPN, I mean it was probably fewer than fifty probably on the platform?

**Kevin:** Probably about forty.

**Roger:** So, we were getting traction. I mean the story was working but suddenly we had hundreds of people after it. That was overwhelming to try and get everybody on board and make sure that we support them but, now we have hundreds of voices who are able to contribute to the product and now it's their collected intelligence of hundreds of people rather than dozens of people. In the long run that's going to be the most valuable piece of that whole experience of just getting more voices into the product as quickly as possible. It really helped us reiterate and improve very rapidly.

**Marie:** So, speaking of collective wisdom we have a webinar coming up where you guys are going to take us more on an educational sixty-minute conversation. I know you want to talk a little bit about the collective wisdom on that first webinar. I also know that you may also have some quarterly ideas. So, let's tackle that and then I want to go back to one last question about advisors and the current environment. But let's talk about that webinar.

Folks, this [educational webinar is planned for April 28th at 3:00 pm EST](#). We will push the registration link, a little slide on the back end of this video chat, so if you want to register for that you will have a great sixty minutes with both Roger and Kevin talking about tax returns and why it's more important than ever to bring this up with your clients and you do a good job.

Who wants to tackle this? What's going to happen on the educational webinar on April 28th?

**Roger:** Well, we hope this will be the first of quarterly series that we do. One of the things that has been fun for us within the product is we have the ability every week, every couple of weeks, we pop up a question to all of our users. It's kind of a more structured way of gathering intelligence from everybody using the product. And we are working on a series of questions that says, okay tax planning is not something that you do once, and you leave alone until next year. It's something that you do throughout the year. We've gathered information on what people were doing in the first quarter, second, third and fourth quarters of the year.

We are in the second quarter now. So, our thought is every quarter let's talk about what your advisor and other advisors in the country and doing for tax planning. We share our best practices of what we are doing to have a comprehensive yearlong tax planning capability. Second quarter just happens to be, well normally happens to be, right after your taxes are due. I recognize 2020 is not really the way it's working out. We are still seeing a lot of 2019 getting turned in.

Second quarter is traditionally the time when advisors are doing tax return reviews. They are looking over the tax return for errors, but also for planning opportunities for the coming year. Tax return is an incredibly rich and useful document to planners. So, our thought for this second quarter webinar is to go through what are the things that are in a typical tax return review. We

will be talking about a lot of things our software does, but a lot of things all advisors are or should be doing when looking through a tax return. It doesn't sound like great television or radio, but we are literally going to be walking through a tax return. Highlighting, okay when you see something on this line, what does it mean? What strategies does that trigger? We have an hour scheduled but we will probably have to cut it short to even have to fit it within an hour because when you really dig into a return, there is a lot there.

We hope it's the first of many. We are hoping the third quarter to be talking about some of the strategies people are doing. One thing that is coming up a lot among our clients is the idea of planning of withholding. A lot of times in third quarter someone might be capping out on their social security withholding. Things like that. We've been learning from our group of advisors and so our goal and mission is to make sure we combined that into something useful and broadcast it back out to the world. April 28th, listen to us, read a tax return. It's going to be riveting.

**Kevin:** (laughs) I will leave it there. That's a pretty good summary. But I think it might be okay for radio and television now. You will get a lot of knowledge out of it. You will be able to show your clients you are doing more than just investments. By doing that in an hour we are also going to show you that takes time. It takes time to really evaluate and go through all the forms that we are going to go through on the tax return. Like Roger said, we won't go through them all but we will go through enough where it shows the level of work that it takes to do a good job in reviewing someone's tax situation and finding opportunities in other parts of their financial plan through just reviewing the tax return. Not even to have had a conversation with the client to figure it out. The tax return is a very clear window into someone's finances. Sometimes it's even educational for the client themselves.

**Marie:** Last question before we wrap up. We are in challenging times. It's like we are all in the movie *The Martian*. We are figuring it out alone or together but thank goodness for technology, right? So, advisors, many of whom are in a new landscape waiting through all of this and talking to their clients. What's top of mind for them from your perspective? What planning opportunities could you bring up as a result as a client communications effort that could be helpful for them right now?

**Roger:** Both Kevin and you touched on it. Well, right now I get that financial planning, particularly looking at taxes may not be top of mind. There is a little thing called investments that I know a lot of advisors are having a lot of conversations with clients about that, as they should be. This is unprecedented time in the investment world.

Advisors are doing fantastic work, talking to their clients, making sure they are okay. That is the main part of the job. To make sure your clients know they are okay and feel okay and working to their plan. But the plan is always for a comprehensive advisor, the plan is always more than investments. I think Ben Franklin said it, "death and taxes."

There will be taxes due this year no matter what happens with pandemic or markets, we are

going to have taxes this year. We are going to have taxes next year. It's another way that we can prove our value as financial advisors to talk about taxes proactively. To find ways to prove to our clients, to see that they are seeing the bigger picture of their finances goes beyond what just happened today or yesterday in the S&P 500.

So, I think it can be very attractive to leave tax planning and financial planning alone and focus just purely on investment at the moment. But really, this is the time where we prove our worth that by showing that it's a comprehensive service that we are doing. Our hope is that on Holistiplan that little slice that represents tax planning that we can help make that much more efficient, user friendly, producing reports that are more client friendly. That is our hope.

We can help advisors. Yes, many of them will look back at these six months as one of their most challenging of their careers, I suspect. So, this is a time when I hope we can make their lives a little bit easier. And, maybe a little more lucrative and hopefully years from now clients will remember my advisor was looking out for me. They were going through a tough time, but they were proactive, and they found that one thing in my taxes I never knew was there. They are really smart!

**Kevin:** I think the other thing besides investment that advisors are focused on right now with their clients is all the legislation that is coming as a result of the pandemic – the CARES Act; as well as the SECURE Act. Each one of those, you've got to stay on top of and most cases, this legislation has some sort of tax impact to it. The CARES Act with the RMDs for an example. In 2020 the RMDs the need to take those is being eliminated. That's portfolio related, that's tax related, that very impactful for all of the clients that have RMDs or are doing other strategies around RIAs. So, I say that also because there's probably more legislation coming down the pike as well. That's at least what we hear.

Keeping up with that is very difficult. Advisors are looking for ways that they can easily digest all this. Our software captures all that so they don't have to remember to update their spreadsheets or print out a new form on their desk to remember what the key metrics were. The best part of what I think Holistiplan will be doing in the future, I think, will be easing advisors' minds that they don't have to remember everything as it relates to this new legislation.

**Roger:** It brings up such a good point Kevin that when I look at competitors of Holistiplan, the number one competitor of Holistiplan is that Janky spreadsheet that advisors have that isn't fully updated that they copy the field down. A lot of advisors, that's how they are doing a lot of their tax planning. It's totally true.

But just in the CARES Act alone, there were a couple of things that really immediately impacted your tactical planning for next year. But, did advisors factor in the new three hundred above the line deduction? Did they work that into the spreadsheet? The 100% AGI cap on charity? I mean these are things as a software company our obligation is to make sure those are pushed out on time, and they were pushed out on time so advisors won't have to fiddle with that spreadsheet

in the corner.

They can focus on delivering the advice, instead of building solutions in house. By the way, Kevin and I were financial planners/are and we had that spreadsheet. I know it exists; I've seen it and I've touched it with my hands. People that are watching this are probably chuckling because a few of them have that spreadsheet in their office and they are delivering advice to clients based on that spreadsheet. I'm saying maybe this is the year to stop and let someone else do it.

**Kevin:** I was that guy in my previous firm. I was that guy that updated, that created, the spreadsheet and found someone to quickly transition that to because I didn't want to do it every year. It was a lot of work.

**Marie:** I have to believe that the Holistiplan experience from a client perspective is much better in reassuring and maybe even better looking when the reports come out.

**Roger:** Yeah, that's the idea. We have a lot of respect to our clients that have been not shy about telling us about what improvements they want to see in the system. Many of times they have been absolutely right. We've made adjustment to those deliverables with them in mind. Ultimately, they had in mind their own clients and what would be palatable to them.

**Kevin:** And, we continue to integrate in that way too. We are launching new revisions weekly or bi-weekly of things that we have a nice list on our product roadmap from mostly suggestions from our users. We are continuing to reiterate the report, the scenario analysis, so that folks are using exactly what they want, the way they want to use it.

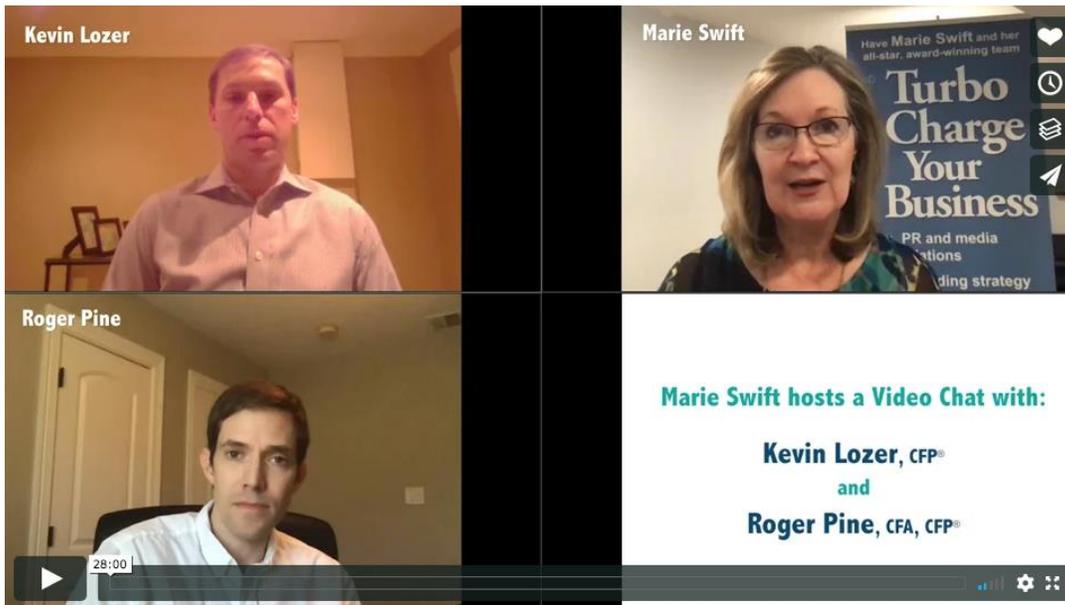
**Marie:** Well, I got to say, I can't wait to see you guys walk through a tax return on April 28th. I never thought I would say that, but I'm excited about it!

**Roger:** You clearly have been cooped up for a very long time (laughs) if that's what you are saying but we will take it!

**Marie:** So, we will see you the 28th of April and we hope to see some of our viewers from today's video chat as well. Thank you, gentlemen.

**Kevin:** Thank you Marie, we appreciate it!

**There are a number of screen shots and visuals that you will see if you watch the video interview from which this transcript was derived.**



[Watch The Video](#)

**Also, be sure to register for the upcoming webinar happening April 28, 2020 at 3pm ET.**



### Reviewing a client's tax return to find the potential planning opportunities

Tue, Apr 28, 2020 1:00 PM - 2:00 PM MDT  
[Show in My Time Zone](#)

Holistiplan is a new kind of tax planning software for advisors built to systematize and automate the process of reviewing a client's tax return to find the potential planning opportunities. Given all the complexities that tax-focused financial advisors are seeing now, this could be one of the most important webinars you will attend in 2020. Plus having a conversation with clients about something other than investments shows you are adding value and taking a comprehensive approach.

Holistiplan co-founders Roger Pine, CFA, CFP, and Kevin Lozer, CFP, will walk attendees through a tax return and point out all the planning opportunities you can uncover with a little bit of elbow grease and the Holistiplan software. This will be the first in a series of quarterly webinars where Pine and Lozer will share the collective wisdom gleaned from the Holistiplan community of tax-focused financial advisors.

Both Pine and Lozer were financial advisors in independent advisory firms prior to starting Holistiplan. Roger even taught himself computer programming on the side, implementing custom technology improvements for his own firm, before deciding to shift into becoming a full-time FinTech entrepreneur himself. Kevin still works with clients as a financial advisor but Holistiplan is taking up more of his time and energy these days so he has limited the number of clients he serves. These two tech entrepreneurs have walked in the financial advisor moccasins. They understand what keeps you up at night.

Holistiplan won XY Planning Network's fourth annual Advisor FinTech Competition in September 2019. The award-winning tax planning software solution for financial advisors was recognized for its automated review of 2018 tax returns, providing client-ready reports that identify financial planning opportunities.

The webinar on April 28, 2020 will be an illuminating 60 minutes with Pine and Lozer (facilitation by Marie Swift, CEO and founder of Impact Communications).



[Register for the Webinar](#)