

Seeing Conflict as a Strategic Consulting Opportunity

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As CPA firms continue to differentiate themselves, many are turning to strategic consulting services as a way to offer a unique proposition to the business owner.

“Strategic” implies a highly valued service that the business owner will find important to the future of his or her company or family. The service might be industry specific or tailored to a unique but common aspect among of a group of clients. Sometimes those consulting services are a low margin lead-in to the firm’s more traditional accounting or tax services; other times the offering is a high-margin, stand-alone opportunity.

The Problem

Another aspect of what makes a consulting service strategic is its utility in solving what the client feels is an intractable problem. One such concern faced by almost every closely held or family owned business is the management of interpersonal or organizational conflict. Conflict is a natural occurrence in any organization in which people work together. People’s different ideas, opinions, personalities and values are bound to collide.



If you add to that the propensity to communicate poorly, you have a recipe for dysfunction. Often, conflict in a business or family is tolerated by the participants, and the tension can even produce positive change. At other times, however, conflict brings the forward movement of the family or business to a grinding halt. People get caught up in arguments, generate negativity and gossip, and avoid or even sabotage one another.

Understandably, many accountants I know prefer not to step in the middle of a client’s family or business conflicts. Dealing with financial projections, tax planning, income statements, balance sheets or policy analyses offers a very different kind of problem-solving

opportunity and professional reward than diving into the messy, baggage-laden and potentially explosive feelings and emotions embedded in clients’ family and business relationships, which seem to ebb and flow with events from business cycles to birthdays. Yet these “soft” issues often stymie an entrepreneur’s organizational progress.

The Possibility

Accountants, who are often the most trusted business advisors to their clients, are in a unique position to observe and help mitigate such conflict. The recurring nature of your work, the sense of privacy and confidentiality embedded in your client relationships, and your desire to serve others create a safe environment in which

business owners share their deepest concerns. Furthermore, much conflict surfaces around financial issues, whether or not the disputes are actually rooted in money.

For example, consider the parents in a successful family business. Some of their children may return to the business but at different intervals, while some choose not to come back. Some get along, and some don't. With just those ingredients, here are some of the conflicts that will probably arise:

- Communication difficulties among those working in the business—simply staying on the same page
- Discussion boundaries at family gatherings, when the business participants want to talk “business” and the non-business participants want to talk “family”
- Filling future leadership positions in the business for the sake of continuity
- Spousal (in-law) perceptions of siblings’ relative contributions to business success
- Estate planning strategies that involve unequal (but perhaps fair) distributions
- Compensation strategies among family members
- Performance standards of family members versus employees in the business

The list could go on, but you get the point. In a family company, conflicts are common, and often contribute to dismal succession planning statistics for family-owned businesses. And therein lies the opportunity.

The Process

The opportunity, stated plainly, is to help clients see the consequences of their current path (the conflict) and then help them manage their interaction. Seeing the likely impact of the conflict is a reflective exercise, where you engage the business owner in discussing the likely outcomes of the current situation. If those likely outcomes are not the desired outcomes—which they seldom are—then a conscious gap emerges. That gap is your opportunity to provide a service.

The service you have the opportunity to provide is conflict management, in which a third party (you or someone else in the firm) helps those besieged partners communicate clearly and come to decisions about how they want to move forward. The theory is that if people can hear one another, articulate their own and each other’s positions and interests, and reach a conclusion about their continued relationship, the negative consequences of the conflict are prevented or subside. Even if the parties decide to split the business, the fact that they reached that conclusion collaboratively averts a significant amount of wasted time, energy and money.

Being willing to help your client work through some of their conflicts puts you in a different place than most other advisors. Does it carry some risk? Sure. But if you don't help address the issues, and the client's business or family implodes, have you really gained anything? On the other hand, contributing to the long-term wellbeing of a family or closely held business by assisting with the tougher issues will help solidify a long-term revenue source and differentiate you in an ever more crowded field.

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