



PREVENTING CRISIS PART III

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HELPING CLIENTS IN SPITE OF THEMSELVES

This article is the third in a series focused on helping practitioners to help their clients avoid undue chaos in the face of challenges. The first two articles addressed the importance of client well-being and our inherent desire, as accountants and financial advisors, to help clients to be more effective and successful. In addition, we explored the importance of a consultative approach to client discussions and to advancing client/project goals with a sense of urgency and importance. Now, we will address the subject of helping clients handle difficult situations from a more “boots on the ground” perspective.

Often when companies fall into misfortune, they just slip and slide until they get back on track—if they get back on track. As professionals, one of our biggest challenges is to actively reach out to clients who are facing difficulties. In addition, it can be a bit of a guessing game to find a comfortable entry point for a constructive dialogue. Finally, finding out what is really going on for the client can be a mystery tour and we do not want to leap in, in our enthusiasm to serve, to solve a problem that does not exist.

For these reasons, we will present our approach in three sections: 1) strategic concepts and core services; 2) key areas of change or analysis that fall into the traditional, tactically-driven consulting

projects; and 3) additional considerations for enhancing client connection and interaction for continued success.

Facing client situations can be a bit unsettling. Do we know enough? Will the client listen? Do we have the time to help? Are there other resources that would add value to the process? What questions should we be asking? And on and on. Some quick answers: yes, we know enough to start; a given client will listen initially as well as that client listens now; there are resources to help; and dialoguing will shed light on additional critical information. Most importantly: we have unique qualities that make our participation effective and indeed almost mandatory. Consider the following:

We are the “trusted advisor.” Although we may not be experts in the particular areas of challenge the client is facing, clients do know that we can help and they want us to help, even though they may not ask for it. (After all, that might cost them some dollars!)

We have extensive knowledge about the client/company, the owner/managers, and how this client makes and follows up on decisions.

As service providers, we have an inherent desire to help clients and have a history of doing so—thus we have a strong basis of trust for communication.

As team players, we can be more than just another cost. In fact, we may actually be a cost mitigations resource, and even in some cases a moneymaker.

Because of our client knowledge, we can also serve as a coordinator of resources inside and outside the client’s company.

Clients may be unaware of these distinctive qualities, especially if we haven’t taken the time to educate them. A possible crisis on the horizon is as good a time as any to start the dialogue and the education process.

STRATEGIC CONCEPTS AND CORE SERVICES

The major ingredients for creating a strong strategic approach are:

- Information that is current, important, and usable
- A roadmap or plan that helps drive the process
- A team environment that engages everyone and creates a proactive atmosphere with all team members moving forward on the same page
- A feedback loop to keep everyone informed on how the plan is working and to allow for analysis and course correction

These four components help create a structure, an organizational landscape, and a mind-set that foster a company-wide discipline, all of which set the stage for action and accomplishment. Getting things done, especially the most important items, helps create an environment geared for success and less prone to failure and distress.

Three service areas are essential in trying to help clients avoid crisis in the first place. Strategic and organizational protocols are the most effective in this regard because they help clients anticipate trouble and modify their plans before bumps in the road knock the business off its path. These areas of service are:

Business Planning. This can mean a complete business planning project/program or a simple one-month or even one-week operational plan. We try to keep even major project endeavors to a one-page business model—or sometimes a graphic version. The easier the steps in the plan, the more the company is likely to accomplish

Organizational Development. Organizational development efforts allow an organization to consider changes that will improve their effectiveness. From establishing a formal board of directors to creating job descriptions for all key team members, any meaningful steps forward to create an organizational foundation equate to a stronger company. In the small- to medium-sized business, where the pace can range from hectic to hurricane-like, helping clients to develop form within their companies is a blessing all around. This is an area where our leadership influence can be extremely meaningful.

Feedback Process. When plans, action items, or global imperatives are set in motion, follow-up is a key ingredient in success. Any plan can be fraught with challenges, misinformation, and skewed assumptions. It is, of course, just a plan. Even when implementing what might actually be a great plan, there will still be course corrections, perhaps as soon as one week in. New information, assumptions that don't live up to expectations, erosion of team member support, and many other factors come into play. Therefore, it is necessary to

establish benchmarks—both operational and developmental—create detailed action plans with due dates and follow-up points, and analyze internal and external data (employee responses, customer impressions, public awareness, how individuals and groups in the organization are embracing the changes, et cetera). Waiting until something goes wrong is an inappropriate benchmark, despite the fact that many people operate this way.

CREATING THE TEAM

We often feel that we must be the “be-all and end-all” to our clients. Our role is essential, but realistically we are an integral part of a more comprehensive team to address all the needs of the client. This fact is extremely clear in the crisis or turnaround environment. In these complex and chaotic situations, it might seem obvious that lawyers, accountants, bankers, information system gurus, employee benefit professionals, insurance advisors, and so forth must be called upon. But the same is true for smaller projects, where we as professional advisors are trying to keep our client organizations on the straight and narrow.

When we look at some of the major areas where companies commonly need assistance, we can appreciate that we, as financial, accounting, and tax professionals, may need help from others in order to serve effectively, just as our clients need assistance from us in order to achieve their business goals. Let's take a look at some of the areas where we may need help in serving our clients:

- Organizational development
- Systems and procedures
- Legal assistance:
 - o Corporate governance
 - o Employee relations
 - o Intellectual property
 - o Trusts and estates
 - o Lawsuits
 - o Transactions, i.e. mergers, purchases
- Human resources
- Corporate finance
- IT
- Insurance
 - o Professional liability
 - o D&O
 - o Workers' compensation

- o General insurance
- Re-engineering services

Seeking assistance in these areas is not to say that we can't help with some or many of them, but if these are services we do not perform on a regular basis, someone else should. In fact, we can't allow ourselves the luxury of *not* using other professionals who have the specific knowledge and experience to address the subjects in question. Clients deserve the best—and our best.

The prime advisor sits in an essential place at the consulting table. The role of prime advisor belongs to whoever has the most extensive history with the client. He or she has a relationship with and the trust of the client, which is essential in making change work. Choosing the right person to take on this role can save months of wasted time. The client tends to advance the process faster and more effectively just by the advisor being in that senior role. Trust is a powerful ingredient for change.

The first responsibility of the prime advisor is to help the client to understand what is going on and to appreciate that all the people in play are there for important reasons. Secondly, whether working with one other professional or with ten-plus, the prime advisor's duty is help everyone stay on the same page. It can be a nightmare if each professional believes that he or she is in charge—the client can't win. We are the client's most knowledgeable and most trusted advisor. It makes sense, then, for us to assume the role of primary advisor.

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