



TRICKS OF THE TRADE

CPAs have long provided financial guidance and expert solutions to their clients. But now many are being asked to navigate a tricky landscape of emotions, family issues and personality clashes, which means drawing on—or learning—an entirely new way of solving problems.

BY LISA VAN DE GEYN

Candy and Andy (not their real names), well past retirement age and ready to spend their days perfecting their pickleball game, have decided it's time to hand over their successful business to their grown children. The children, Randy and Sandy (also not their real names), don't get along, though that has nothing to do with the family firm. There are underlying trust issues, thanks to questionable behaviour decades ago, and after countless miscommunications in the ensuing years, the only thing these two agree on is that their relationship is strained.

On this particular afternoon, the four are sitting in a rather stuffy boardroom discussing the future of the business and its management. There's also a trusted adviser in the room, acting as a neutral party and facilitating the dialogue, Candy and Andy's accountant. At a break in the conversation, a quiet Randy shifts in his chair and looks over at Sandy. "I just want to say I'm sorry for what happened." Sandy sits silently, eyes fixed on a painting across the room. The CPA, with many years of insight,

plenty of experience in negotiations and mediations and armed with impeccable interpersonal skills, recognizes this as a critical moment in the company's future. After a long pause, the CPA turns to Sandy and says with compassion, "Can you tell Randy you heard what he said?" The apology Randy's offered is what some call a "golden bridge" in negotiation—it can allow both sides to advance constructively. Had the CPA in the room not been well-versed in dispute resolution and engaged in active listening, Randy and Sandy might still be at an impasse.

In the past, accountants typically were not seen as advisers with both the soft skills and negotiation know-how required to navigate an example like the story above (predicated on a true story, though with personally identifying details altered). While those who aren't in the profession might have once seen CPAs as technically minded professionals who fancy spreadsheets over people, that perception is changing. With clients turning more frequently to their CPAs for advice and guidance, the accountant's

ILLUSTRATION BY CINDY LUBINIC

role now extends well beyond tax preparation and scouring financials. In fact, successfully helping clients through arduous disputes—divorce, partnership clashes, contract disagreements, estate planning, business dissolutions and the like—by using negotiation and mediation (to avoid costly and time-consuming arbitration and litigation). CPAs are also often expected to have other people skills that rely on emotional intelligence, such as empathy, problem-solving, active listening, etc.

Negotiation and dispute resolution were always a crucial part of Wallace Howick's day-to-day. A CPA, former partner at Deloitte and former national vice-president of wealth management at one of Canada's largest banks, Howick, based out of Burlington, Ont., has spent much of his over 40-year career helping clients through negotiations and disputes. It's been such a vital part of his journey as an accountant that not only has he been formally trained in negotiation at Harvard, but he also teaches it to accountants—from newly qualified CPAs to firm partners. "I became fascinated by negotiation early in my professional life. My first mentor handled a lot of business sales, and working with clients on dispute resolution became part and parcel of what I was exposed to, and what I eventually handled myself," he says. "I was a numbers guy, but I was also a process guy, and negotiation is a process." Howick

believes few people fully understand the role principled negotiation and interpersonal skills play when disputes arise, and how much they can affect the outcomes. And, while some professionals aren't well-versed in these skills—engaging parties, surfacing their underlying interests (not just their stated positions) and helping them find a shared solution to a shared problem—can be honed over time with mentorship and practice. "I think there's a growing recognition in the profession that, with training and experience, accountants can increasingly help their clients through disputes, especially since most of them have financial implications," he says. "Helping clients solve problems in an efficient and effective way builds trust and, at the end of the day, that's what a professional relationship is all about."

Like Howick, Peter Weissman has dealt with his fair share of assisting clients with resolving (often tricky) issues and quarrels. The Toronto-based FCPA

and Trust and Estate Practitioner is a partner at Cadesky Tax and specializes in estate planning and litigation support, corporate reorganizations, private company taxation and tax dispute resolution. He now considers possible contentious controversies—or, rather, minimizing these controversies in the first place—when he starts working with a client. (Example: Dad leaves his business equally to both of his kids. One has the capacity to operate it, the other does not. A decade later, the one who has the capacity to run the company is impaired by the veto power of their sibling. A thoughtful adviser would've recognized the problem early on and discussed it with the client, perhaps suggesting Dad leave the business to the child who could run it, and another set of assets to the other child, or perhaps considering the use of a trust.)

LEARNING HOW TO STEER DISCUSSION AND KEEP THE END GOAL TOP OF MIND HELPS EVERYONE DURING A CONFLICT. SO DOES THE ABILITY TO PARAPHRASE AND REFRAME.

"At the planning stage, we can try our best to create structures that minimize disputes, but we can also have honest, frank discussions with our clients about the non-technical aspects of what we've seen in the trenches," he says. Since much of his work involves planning with the view of lessening the chance of disputes, he's had to have tough conversations with clients. "I encourage parties, such as family members, to talk to each other, even though some of the conversations may be difficult. Where planning has not worked out, or where disputes cannot be avoided, accountants can also provide expert opinions as to how matters could be resolved or assist the parties in mediation."

For Weissman, the most onerous disputes to help settle are the most personal ones. "Divorce, estate litigation and dealing with the family cottage—clients come to me for these types of consultations as opposed to just tax issues." In one case, he



represented one of four siblings who were to each receive one-quarter of their father's estate. His client had mental health issues, which precluded her from working. "Her father had been supporting her and the one-quarter of his estate was quite modest; it would not have allowed her to survive financially. Her lawyer filed what's called a dependent's relief claim, asserting she was entitled to more than what had been left to her," he says. "There was a tax-deferred pension plan in the estate that could be transferred to my client tax-free because of her health situation. None of the advisers realized this, and there was a stalemate in the dispute resolution process. When I was brought in, I confirmed the deferred pension plan could be transferred to my client without tax. The saving of the tax allowed the parties to settle because there was more money to settle with."

Weissman adds that emotions often play a big role in these matters, and he focuses on balancing emotional issues with the desired objectives to settle disputes. This requires empathy, understanding

and collaboration more than technical skill. "I'm constantly involved in sensitive or difficult situations where soft skills are very important."

Some of these soft skills are obvious, but you can't help a client if you're not listening to the client. Problem-solving, compassion, creativity, teamwork and evaluating non-verbal cues are also on this list. But there's more to conflict management and how best to work clients through challenges in constructive ways. One is employing process and structure—both skills in an accountant's toolkit. Learning how to steer the discussion and keep the end goal top of mind helps everyone. So does the ability to paraphrase and reframe. "Once someone truly feels heard, you can then look to reframe, and the ability to reframe a point of view in a non-adversarial way is key. It's hard for people to see options when we only have one solution in our minds, so paraphrasing and reframing helps to shift from positional black-and-white thinking to a problem-solving, forward-looking perspective," says Tanya Sterling, a Victoria-based CPA and chartered financial divorce specialist in collaborative practice who has certificates in collaborative dispute and resolution, and negotiation. "Using language like 'Help me to understand. I hear you saying X. What is important to you about X?' helps find their underlying unmet need. You can help shift the focus from blame to problem-solving, where everyone is working together to find a solution instead of fighting about who is right."

Sterling shares an example: In this case, the client is in a shareholder dispute. "They're not getting along; it's a common situation where one thinks she's doing more than the other and they're at the point where they're not even talking to each other anymore. In mediation, we want to disentangle the situation with open communication. So, when one says, 'You never do what you say you're going to do,' after digging deeper to get a better understanding of the situation to ensure the person feels heard, the blame statement is reframed to 'It sounds like you're looking for some accountability,' she says. In this way, the people in conflict can start to hear each other's version of the story and then shift to generating options. If you can lessen the combative language, uncover their interests and find shared goals, you're turning the heat down in the situation. "You just have to be careful not to shift to reframing or coming up with solutions too quickly, as everyone needs to be heard before taking the next steps." In situations where they just don't agree, that's okay. "Instead of focusing on the conflict, we focus on an outcome and how we can get there."

ILLUSTRATION BY CINDY LUBINIC



**“OVER THE YEARS,
I’VE COME TO REALIZE
THAT I DON’T SELL TAX
PLANNING—I SELL TRUST.”**

Even if their shared goal is to deal with the dispute out of court and not spend more in fees, that's a mutual goal and we can go from there.”

Perhaps one of the best ways to help a client is to identify when you don't yet have the expertise required to advise on the dispute alone. Alana Geller, CPA, CBV, CFF, FEA and partner at Richter, an advisory firm with offices in Montreal and Toronto, has worked on dispute advisory and conflict prevention for many years. She has been involved in resolving a number of significant disputes—succession planning, ownership arrangements, governance and the valuation of private companies in the context of transition planning and transactions—acting as an adviser or independent expert. Geller recognized she wasn't experienced enough earlier in her career to have the kinds of relationships with clients that would entice them to turn to her with these issues. “I witnessed senior accountants who worked with and engaged in sensitive matters with clients, and I learned a great deal from them. As I matured and enjoyed relationships with business owners, wealth owners and senior executives, I began to advise in these areas,”

she says, adding she also obtained her chartered business valuator designation to enhance her ability to advise. “I don't have the technical expertise to do all this work, but I do have the client's trust and deep knowledge of their situation, and that enables me to coordinate and execute on various matters working together with other professionals—lawyers, bankers, strategy consultants, etc.—with complementary technical expertise to mine,” says Geller. Her guidance garnered trust and loyalty with her clients, and she says she often remains a close adviser after the dispute has been settled.

Weissman echoes the notion of the trust that comes with helping clients resolve major distress-causing issues, and the way good advice from a reliable adviser retains business and ultimately advances the relationship. “Over the years, I've come to realize that I don't sell tax planning—I sell trust. And when you've assisted clients through a dispute resolution matter, trust is enhanced,” he says. “It's not the dollar amounts in settlements or savings that I remember most. I think about what the problem was and the relief my clients feel when these matters are finally resolved. That's a beautiful thing.” ♦