



Ready, Aim, Fire!

How to Professionally End Your Working Relationship with a Client

By Kevin Lawrence, Business Coach

One of the most predictable, sure fire ways to get a room full of accountants to sweat is discussing the firing of a client who drives them crazy. Some clients cost accountants more than the client could ever pay them in fees. We have all had these types of clients. Accountants sweat over this, as do most business people, because it is a painful situation we will do anything in our power to avoid.

Remember that although firing a client is a very tough thing to do, continuing to work with an abrasive, rude, fee grinding, unappreciative, unethical or incompatible client is much harder on you in the long term. You know the stress these clients create for you and your firm. The truth is that they are not worth the stress and you know it, but you keep hoping they will just go away on their own. If that happened, I would not be writing this article and I would not be spending many hours each month helping people rid their firms of these problem clients.

There is good news. Firing a client is not always necessary. In some cases you can raise the bar and set higher expectations with them. There are very respectful, professional ways to fire clients. This is the focus of my article *Raising the Bar*.

How to Rid Your Firm of Clients You Can No Longer Work With

Stage 1 – Never fire as the first step

Be sure you've raised the bar first. The most important part of this process is to ensure that you have been fair and professional with the client. That means letting the client know your expectations that are not being met.

In most of the cases I see, the accountant is frustrated with the behaviour of a client and out of frustration, wants to get rid of them. The problem is that usually the client does not know that their behaviour is unacceptable to the accountant. The client's methods of getting results may include complaining to get their invoice discounted, paying only after numerous reminder calls, dropping off work without adequate time to complete it and generally being rude to the accounting staff. And, because they've been doing the same thing over and over for the past 15 years, without their accountant suggesting that there was a problem, the client assumed things were fine. The only person to blame here is the accountant, not the client.

There is only one solution to this dilemma. Let the client know the expectations that are not being met and give them a chance to meet them. Be sure to follow up your expectations in writing. If the client does not reasonably meet your expectations, move on to stage two. There are some situations where you may skip stage one altogether, such as those involving criminal activity.



Stage 2 – Firing Should Never Come as a Surprise to the Client

Just as with an employee, firing a client shouldn't come as a shock, unless a criminal or unethical act has been committed.

After the client has been given a chance to shape up (stage one), you can consider ending the relationship.

There are two styles to ending a relationship:

1. the “You’re fired” approach made popular by Mr. Donald Trump, and
2. the “We are not meant to work together” approach preferred by professionals.

Now, I’m not suggesting that Mr. Trump’s approach does not work. It is just not an approach that most accountants I work with would be comfortable using. I think that is a good thing.

Honesty is the Best Policy

The “We are not meant to work together” approach is extremely effective because it relies on honesty and being straightforward. In today’s world, we are bombarded with people telling us what we want to hear because they want something from us. Honesty is surprisingly refreshing. This approach allows people to resolve problems with respect and professionalism.

Steps for Talking Tough

What I want to convey is that it is essential to speak personally with the client. No letters in the mail allowed at this point. That is not respectful. Ideally, meet your client face to face or, failing that, speak with them on the phone. Why? Because it can save you a ton of headaches. One practitioner I know of tried the “mail and pray” approach to firing a client, and next thing they knew, the client was soooo angry at getting fired via a letter, they filed an ethics complaint. That was a mess.

Four Steps to Conflict Resolution

1. Get permission: Ensure clients have time to talk and pay attention when you make contact.
2. The facts: Stick to the key facts of the situation involving the two of you.
3. How you feel: Tell the client about the dilemma you face and the discomfort you are in.
4. Resolution: Communicate how you see ending the relationship.

This is a very simple and effective approach to resolving client conflicts. I’ll share with you a few different situations and what the conversations may sound like when applying this approach.



Situation 1

Your client continues to not pay their invoices on time and you do not want to argue anymore to get paid.

Step 1 – Permission

“Hi Sally, it’s Jane, your accountant, calling. Do you have a couple of minutes to talk?”

Step 2 – The Facts

“Jane, every year we do work for you but need to hunt you down to get paid. We spend a lot of time negotiating our invoice and end up giving you a discount.”

Step 3 – How You Feel

“I must tell you, I find this exhausting. I just can’t do it anymore. I find it very stressful and assume it is probably not fun for you either.”

Step 4 – Resolution

“I have decided that it's best for you to find another accountant. This is not working for either of us. We are obviously not meant to work together if all this negotiation is required for me to get paid. To be honest with you, it is too stressful for me. I like you but our business relationship just doesn’t seem to work.

The only other option is to have you pay in advance. I am not sure if you will find this a reasonable arrangement but it is the only way it will work for me. How would you like to handle this?”

Situation 2

A client keeps asking you to do things that you are not willing to do for ethical reasons.

Step 1 – Permission

“Hi Steve, it’s Jack, your accountant. Do you have a couple of minutes?”

Step 2 – The Facts

“Steve, over the past year in working with you it’s become clear that we have two very different takes on the *Income Tax Act*. You really want me to push and do things that are much more aggressive than I am willing to do. It is just not my style.”

Step 3 – How You Feel

“I must tell you that it really stresses me out because, while I do want to help you, at the same time, I have to stick with my principles. I need to feel comfortable with my name on those tax returns at the end of the year and I have to be able to sleep at night.”



Step 4 – Resolution

“I am calling today to suggest you find an accountant who is a better fit with your style of dealing with the government and tax issues, someone who is more willing to look at things the way you do. I just don’t think that person is me. We are going to continue to bash heads and have conflict. From my side, I don’t think it is worth continuing our business relationship.”

Situation 3

A client has moved into a business that is more complicated and requires expertise you do not possess.

Step 1 – Permission

“Hi Sam, it’s Brian your accountant calling. Do you have a minute to talk?”

Step 2 – The Facts

“Sam, it’s so wonderful to see how your business is thriving. I am thrilled for you. The challenge for me is that your business now requires accounting expertise that is beyond the scope of what I am comfortable doing.

Step 3 – How You Feel

“This is not a fun conversation to have because I like you and enjoy working with you. But I truly feel that I would be doing you a disservice if I continue as your accountant. I believe there are other CGAs who could do a much better job for you because their expertise better meets your needs.”

Step 4 – Resolution

“I would like to direct you to two or three other accounting firms or the CGA-BC Association for referrals that you can check out for yourself. They would be able to provide more value for you by meeting the future needs of your company.”

CRITICAL NOTE:

If you have any concerns that there could be a backlash, such as a lawsuit or ethics complaint, as a result of firing this client, be sure to contact Tina Peters, BA, CGA, Director, Public Practice Services & Public Practice Advisor. You will still want to let go of your client, but you also want to make sure you are fully prepared for any reaction your client may have in store for you.

Resources:

Tina Peters, BA, CGA
Director, Public Practice Services and Public Practice Advisor
CGA-BC
(604) 730-6232 tpeters@cga-bc.org



For practice management issues **only** - not ethical issues - you may contact me at:

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Summary

The key to firing a client is to be respectful and professional. Be sure that you have initially raised the bar with the client so it is not a surprise if you actually have to fire them. The most professional way to fire is to use the Four Step Conflict Resolution model to communicate the facts without placing blame. Explain the situation that has led you to conclude that the two of you were not meant to work together.

One final reminder, if you are unsure about this, get help. Eliminating this type of client from your practice will do wonders for your morale and productivity and will make room for more ideal clients to show up. However, you must first get rid of the ones that are driving you crazy. If you are not comfortable doing it on your own, contact Tina Peters at CGA-BC or consider hiring someone like me for coaching. Whatever choice you make, you deserve to have quality clients. I wish you all the best.

Kevin Lawrence is a business coach and speaker who works with accountants and entrepreneurs to help them create their personal version of an "Ideal Business", and to achieve the balance, fulfillment and other results they desire for an "Outrageous Quality of Life."

To learn more about how Coach Kevin can help you, to book him to speak at your event or to subscribe to his free e-mail newsletter, visit: <http://www.CoachKevin.com>, call (604) 313-2229, (1 (877) 564-6224 toll-free in North America) or e-mail inquire@CoachKevin.com.

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