



New Hampshire Society of Certified Public Accountants

CONNECTION

Photography by Peter E. Randall

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SB-189 SAFE Act Passes House Back to the Senate for Concurrence

By Bruce Berke

Legislative Consultant to the NHSCPA

On Wednesday, May 25th, the House PASSED an amended version of Senate Bill 189 that the House Commerce Committee had unanimously recommended for passage. The bill is now on its way back to the Senate for concurrence. The Commerce Committee made a minor amendment to the bill at the request of the NH Banking Department. The amendment does not significantly change the intent of the bill, which is to ensure that CPAs are not prohibited from giving advice to clients about mortgages in NH.

Based upon all discussions to date, the Senate will likely concur with the House change. The bill will then move forward to the Governor's desk for his consideration. The NH Society of CPAs expects that the Governor will support the bill.

The final text of SB-189, as amended, will be posted to the website as soon as it is available from the State Legislature.

Annual Awards and Past Presidents' Night



PAST PRESIDENTS

David Barradale, Art Buonamano, C. Bennett Brown, Jr., Steven Burke, Tom Doyle, Gerald Dupont, Armand Genest, Maurice Gilbert, Dean Kenney, Jon Lang, Stephen Lawlor, Marie McKay, George O'Brien, Joel Olbricht, Alison Perrella, Lucy Potter, Richard Silverman, Robert Walsh

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Client Separation: How to Fire a Client

By Hugh Duffy

No matter the size of the firm, there are going to be some tough decisions to make along the way – and one of the most difficult is firing a client.

We no longer live in an environment in which the only repercussions might be the initial awkward conversation when the firing occurs. Today, we have positive and negative social media. In our always-on world where a negative blog or Twitter posting can go viral in a matter of moments, accounting professionals will want to ensure they do not suffer potential negative consequences.

Why Fire a Client?

There are many reasons to sever the accounting/client relationship. Take a look at these reasons and think about whether this has happened in your practice.

1. The client takes up too much time. This is the number one reason we fire clients. Heard of the 80/20 rule in which you spend 80 percent of your time on the bottom 20 percent of your client base? These are the clients who are not adding to your bottom line, so your return on investment is very slim. It's better to get rid of the bottom 20 percent of your clients so you can focus on the remaining clients who will generate more revenue.

2. The client withholds information. If you find clients not being honest with a particular situation or withholding valuable information that enables you to do your work in the most ethical, legal manner possible, it's time to part ways. You cannot afford to damage your reputation with a client who has the potential to do harm to himself, and in turn, to your practice.

3. Clients do not want to be helped. As strange as this sounds, we've all had clients who did not want our professional assistance, no matter how simple or complex the situation may be. A client who does not want to be helped will never accept your advice and will not respect your intentions. It's time to find clients who will benefit from your professional experience and knowledge.

How to Fire a Client

Having to say "so long" to anyone isn't pleasant; think about the times you've had to let an employee go. Nevertheless, when it's time to cut the cord, you have to do it in the most professional way possible.

Looking at the three scenarios above, it's easy to see why you would want to fire a client, but one of the main traits we have as human beings is the "likeability" factor. For example, you may have a client who will literally give you the shirt off his back if you ask him for it, but is a lousy businessman and costs you time and money.

If this happens, you need to separate your personal feelings from your professional beliefs. After all, you may see the client in religious or social situations. Perhaps you belong to the same Rotary or Lion's Club. What are you going to say to the fired client the next time you see each other?

The best way to move on is to have a professional conversation with the client, explaining to him or her why you need to part ways. You must be prepared and provide concrete examples. Just as you document activities when you fire an employee, you need to do the same when you fire a client.

Be reasonable and explain in plain terms what the problem is. While it's most likely not going to be surprising to the client that there is a problem, no one wants to be faced with rejection, so the initial reaction may be more anger than anything else. If this happens, reassure the client that this is a completely private matter between the two of you and should remain so. You will not talk to anyone about this, and you would appreciate it if the client would do the same.

"...a negative blog or Twitter posting can go viral in a matter of moments..."

Back to social media: what do you do if the client says something negative on LinkedIn, Twitter, Facebook or in a blog posting? You may very well have to get an attorney involved. However, watch your own temper. It would be unprofessional of you to lash back in retaliation. Take the high road; the best stance is to do nothing. It's better to let the client stumble over his or her words than to react to them.

If it escalates to the point that your colleagues and perhaps even your other clients are aware of the problem, it may be time to communicate via letter or e-mail to explain the situation. Still, don't reveal any information that can be used against you later on. Again, an attorney can guide you through this difficult situation.

There are multitudes of business matters each one of us is faced with, but we often forget the human side of the equation. Firing anyone isn't pleasant, but with planning, communications and calm demeanor, you're going to emerge positively from the situation.

Hugh Duffy is co-founder and chief marketing officer of Build Your Firm, a practice development and marketing company that services small CPA firms. Hugh teaches a series of Accounting Marketing Workshops; writes an e-mail newsletter reaching thousands of accountants; and is frequently published in various publications, including The CPA Technology Advisor, Progressive Accountant and state CPA society newsletters and magazines. He can be reached at 1-888-999-9800, ext. 151, or at hugh@buildyourfirm.com.

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