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*This electronic newsletter is prepared especially for public practitioners and is sent bi-monthly to members of the **Puerto Rico Society of CPAs**. This e-newsletter features regular commentary from TSCPA Member Bill Reeb, a CPA firm consultant based in Austin. For questions or comments concerning the articles featured in this issue, or to suggest future topics, please e-mail Reeb at bill@tscpa.net.*

From the BILLiverse

With public accounting firms expanding the scope of services they offer, senior-level people in small to mid-sized firms have often managed and done so much of the work that it has led to a trend to build a workflow process that looks like an upside down pyramid. In the previous article of this series, we introduced the upside down pyramid, with the common results of having under-worked and under-trained staff. We also covered the first four steps that can be used to reverse the pyramid and use a different approach to develop people more quickly. In this issue, we will pick up where we left off and start with step 5. This step involves creating developmental managers at the firm, defining their role and building an effective organization chart where it is clear who is responsible for staff development. In addition, we'll discuss how important it is to make sure the developmental managers have the right tools and skills needed to do the job.
Read Reeb's Commentary

Busy Season Tech Prep: Gearing Up with Today's Practice-Proven IT Strategies

As CPA firms address the issues surrounding the constant changes in technology, they are turning to a leading practice management benchmark study to help map their strategies and spending plans. Several major trends have emerged, providing guidance and direction for firms gearing up for busy season. Many accounting firms are proving to be technology early adopters. At the same time, the risks for lagging behind are just as clear – competitive obsolescence.
Rick Telberg takes a closer look

Marketing Tip: It's the Most Wonderful Time of the Year – To Seek New Opportunities

The spring busy season is just around the corner. During the slightly slower period now, why not pursue some business development proactively by expanding your network? This is a great time to seek out new referral sources. Considering the second-best lead source in public accounting comes from external referral sources, these are crucial relationships to foster. A referral source relationship is one in which your referral partner and you have similar or identical ideal target clients, but your individual professions or specialties are not in competition with each other.
Learn more

An A for Arbitration

Client engagement letters, partnership agreements and employment contracts frequently contain provisions calling for arbitration rather than litigation as the way to settle disputes. The conventional wisdom is that arbitration is the preferred track to achieving resolution for most business disagreements. There is both fact and fiction in the often-cited benefits. This article turns the spotlight on arbitration's advantages and limitations.
Learn more

Succession Challenges for CPA Firms to Tackle

A Global Accounting Alliance survey shows that the need for practice-continuation planning is reaching a critical point for U.S. CPA firms. Many firms will lose partners as the baby-boomer

generation retires. However, with proper planning, firms can continue to thrive after the loss of key leaders.
Learn more
http://www.journalofaccountancy.com/Issues/2014/Nov/GAA-succession-challenges.htm

Three Pitfalls to Avoid on the Road to Becoming the Firm of the Future
CPA firms are at an important turning point: stick to known practices and procedures that have helped build success or take the kinds of bold steps that will ensure future relevance and prosperity. If firms don't identify the obstacles preventing them from affecting meaningful change, they risk being left behind. This blog post outlines three pitfalls to avoid on the road to becoming a firm of the future.
Read the blog post
http://blog.aicpa.org/2014/12/3-pitfalls-to-avoid-on-the-road-to-becoming-the-firm-of-the-future.html#sthash.ep67nqpz.qvQ4703m.dpbs

How to Maximize Proceeds When Selling an Accounting Practice
A series of articles from the *Journal of Accountancy* explores valuation issues and calculating the price that should be paid for owners' equity in accounting firms.
Pricing issues for small firm sales
http://www.journalofaccountancy.com/Issues/2014/Oct/small-CPA-firm-pricing-issues.htm
Pricing issues for midsize and large firm sales
http://www.journalofaccountancy.com/Issues/2014/Nov/CPA-firm-pricing

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Developing People Faster Takes a Different Approach – Part 2

By Bill Reeb, CPA, CITP, CGMA

In our first article on this topic, we introduced the upside down pyramid with the common results of having under-worked and under-trained staff. The first four steps we covered were:

Step 1: The Solution or Reversing the Pyramid
Step 2: Understand and Embrace the Critical Importance of the "Learn, Try, Fail™" Cycle
Step 3: Putting the Development Ingredients in Place
Step 4: Everyone Needs to Report to One Boss

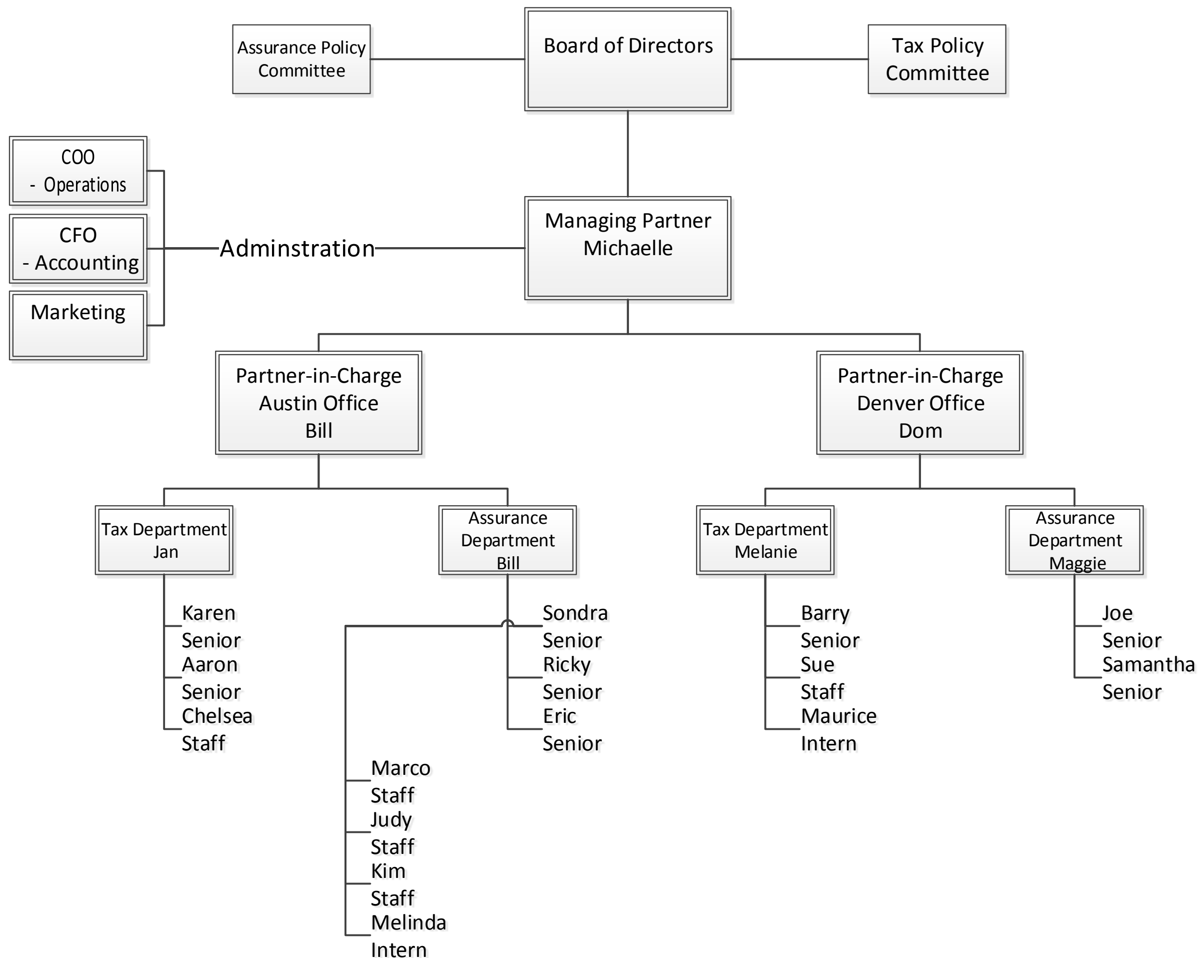
In this column, we will pick up where we left off by starting with step 5.

Create Developmental Managers, Their Role and the Organizational Chart – Step 5

This next step is to develop an organizational chart where it is clear who is responsible for developing whom. In this chart, you might have people listed multiple times as that person may be in charge of a department and then show up again as being the specific developmental manager for specific people. For example, looking at the chart below, Bill is in charge of the Austin office, which means that Jan and Bill (yes, the same Bill) report to him. But Bill is also the leader of the Assurance department, so that means in that role, Sondra, Ricky and Eric also report to him. Michaelle, as the managing partner of the firm, not only has Bill and Dom reporting to her, but so does Administration, which includes the COO, the CFO and Marketing. Drilling down to Sondra, who reports to Bill as the department leader of Assurance in the Austin

office, she has Marco, Judy, Kim and Melinda reporting to her. The point is … everyone reports to someone for development; we will get more into those job roles in a minute.

Before we go there, understand that laying out this organizational chart takes a lot longer than everyone thinks. It is normal to work through this three or four times before a firm finally gets to a picture they like. While many people don't need to have anyone reporting to them for developmental purposes (although many of those people in CPA firms will constantly have people reporting to them on a project-by-project basis), everyone needs to show up with only one person as his/her direct boss.



So, what does this direct boss do? As you can see below, it's a number of things. The developmental manager (we are not referring to the function of managing people and not the title in a firm of manager) is:

- assigned to make sure the people reporting to him/her get better;
- responsible, for each person reporting to him/her, to determine what competencies each person needs to develop to do his/her current job (in other words, assess each person's strengths and weaknesses related to the firm's competency model and make sure each person has a development plan to obtain a minimum level of skill and experience so that

he/she can satisfactorily function at least at the minimum level across all competencies the firm expects for that position);

- responsible for setting the annual incentive goals for each of his/her direct reports;
- responsible for monitoring frequently, with formal discussions as to progress, how each person is performing against those goals (at least once a quarter, most likely very short meetings once a month);
- expected to regularly review and assess personally enough work for each direct report to be able to determine whether each person is getting access to the right and necessary experience required to develop the skills expected to perform his/her job; this evaluation would result in the identification of additional training, specific niche areas of training, general and specific niche experience each person should be exposed to, coaching and more to ensure that each direct report is progressing in his/her development plan;
- tasked to reach out to those in charge of scheduling, as well as project managers supervising the developmental manager's direct reports on various projects to request specific job training or experience to be provided to the direct reports;
- tasked with stepping in and resolving conflicts that arise with his/her direct reports; a common conflict is that direct reports will be pulled in too many directions by numerous project managers (who are often partners, principals and managers with the firm) and can't get all of the work done; in these cases, the direct reports are to come to the developmental managers so that the developmental managers can resolve the work overload or deadline expectations; in other words, when a direct report is put in a position where he/she doesn't feel he/she can do the job, either because of time available, timing of the project, skill/experience needed, etc., the direct report goes to his/her developmental manager for a final decision as to what to do (which means that the developmental manager will likely have to get with a partner or principal and work something out); to be clear, the direct report has one boss and when conflicts arise, the direct report goes to his/her boss for direction and when appropriate, the final decision; the developmental manager becomes responsible for finding a solution;
- responsible for the evaluation of all his/her direct reports based on the accomplishment of those goals; while the developmental managers need to seek input from other people who worked with and managed their direct reports on various projects throughout the year, the developmental manager is the only one responsible for making the final evaluative recommendation to his/her boss (the developmental manager's developmental manager);
- partially – but significantly – evaluated and compensated based on the performance of the people he/she directly supervises;
- expected to council or terminate, with the added approval of his/her developmental manager, those direct reports who are not and cannot achieve the minimum level of competency across all of the expected competencies for whatever position the direct reports hold;
- charged with making bonus and salary change recommendations for each direct report based on each direct report's development progress and job performance; and
- responsible for mentoring his/her direct reports to prepare them to be promoted up to the next level in the organization.

As you can see by the list of expectations above, being a developmental manager requires time. And that time needs to be spent understanding, monitoring, proactively guiding training and experience opportunities, coaching, evaluating, rewarding and when necessary, terminating those people who report to them.

It should be no surprise to anyone that very few people in a CPA firm are currently fully prepared to step into this role. The vast majority of CPA firms don't even have a culture that supports this level of development, and even those that do with rare exception have delegated enough authority and responsibility to their developmental managers to carry out their charge. Then even fewer, or better said almost none, reward their developmental managers in a substantial way based on the performance of their direct reports.

For all of these reasons, we suggest that you start this process out slowly, lay out the plan with the entire firm, but roll this out in small groups to make sure you fine-tune the process and expectations. For example, if a developmental manager has five people reporting to him/her and believes four should be fired, then the odds are very high that the developmental manager is the one who doesn't know how to do the job. So, this means that each firm needs to work closely with its developmental managers to ensure those people know what they are doing and are actually doing the job, before turning over the full authority and responsibility of the role to them.

Make Sure Your Developmental Managers Have the Right Tool Kit to do the Job – Step 6

The developmental manager needs training. In our experience, most people don't know how to manage people in our profession; they know how to manage projects. There is a difference. Make sure the developmental manager receives help in learning how to manage and develop people. Spend time and resources giving them training in this critical, foundational skill. The Situational Leadership® training is a great starting point. This is a management course developed by Dr. Paul Hersey and Dr. Ken Blanchard, based on Hersey's best-selling book called Situational Leader, which really created the field of organizational development.

Make sure the people you charge with development have some time set aside to perform the important process of establishing expectations, creating action plans, monitoring performance, and providing timely feedback. ("Timely" can be considered, at maximum, every 90 days, but more frequent feedback is far better.) Don't confuse this feedback process with HR compliance. This is developmental activity that needs to be ongoing and consistent. As well, the developmental manager should not become totally administrative in nature. For example, if we are setting expectations for a technical manager in a firm, we might expect 1,500 chargeable hours (because they basically don't develop people except by teaching them technical skills or giving them on-the-job work experience on the projects they manage). However, for a developmental manager, maybe 1,200–1,300 chargeable hours is right, depending on the developmental load.

When appropriate, leverage tools such as a 360° assessment to provide additional insight regarding performance for the person being developed, as well as to the developmental manager.

Someone needs to provide oversight to anyone in the development role. In CPA firms, it is easy for developmental managers at every level to get overly focused on charge hours and put off the developmental efforts until they have free time, which is often never. Oversight must be provided to those who are charged with people development to ensure that:

- competency expectations are being shared early and often;
- action plans are being timely developed and communicated, including external and internal training, along with on-the-job exposure to experience-based learning;
- frequent monitoring activities are occurring; and

- timely feedback regarding performance is being provided, with action plans being updated and communicated at appropriate intervals based on progress.

This process closes competency gaps at and between every level, creates talented capacity at every level, and builds an army of personnel that is better, faster and stronger much more quickly.

Another point to consider is that not everyone is suited to develop people and even if everyone you have is suited for this role, it is not effective or efficient to get everyone involved in this process. For example, if you have three managers and eight staff, the normal approach most firms would take would be to divide the people between all three managers. However, in our opinion, assuming all three managers are in the same specialty area (like tax) and all eight people mostly work in the tax area, one manager can be the direct boss of all eight of them. This creates efficiency in the process of developing others, generates consistency in the developmental plans and allows the firm to leverage the best people developers among their group of managers.

This same story is consistent as you move down the organizational chart. One supervisor can manage a number of seniors. One senior can manage numerous staff and so on. General management theory says that when a person starts managing around 10 or more people, his/her span of control is starting to get too wide to adequately monitor their activities and process with a reasonable level of frequency. So, when someone is assigned too many people, management effectiveness starts to fail, because that manager is responsible for too many people without adequate time to manage them well.

Finally, as mentioned above numerous times, create (build your own) or adopt (use a third party's model and maybe tweak it a little to work with your firm) a competency model for the various levels of people within your firm. If you want your developmental managers to be effective, and more important, consistent, in the way your people are trained, everyone needs to be working with the same expectations. This means that each developmental manager does NOT get to pick and choose what is expected of his/her direct reports at each level, but rather each is held accountable for developing exactly what the firm has decided is important for its people at each level to be able to demonstrate.

Recognize that once you have a competency model that you are using, it is important to establish minimum levels for each competency, as well. For example, while everyone has strengths and weaknesses, and we want to leverage our people's strengths and minimize the impact of their weaknesses, at what level is someone's weak competency acceptable versus being too low to even meet the minimum standard.

In our next column, we will wrap up this discussion with the final two steps, which discuss accountability and developmental action plans. Happy holidays!!!!!

Busy Season Tech Prep:
Gearing Up with Today's Practice-Proven IT Strategies

By Rick Telberg
CPA Trendlines

Facing a dizzying onslaught of technological change, an increasing number of CPA firms are turning to a leading practice management benchmark study to help map their strategies and spending plans. In research reported by accounting firm technology advisor Roman Kepczyk at CPA Trendlines, several major trends emerge clearly, providing guidance and direction for firms gearing up for busy season.

In some ways, many accounting firms are proving to be technology early adopters. At the same time, the risks for lagging behind are just as clear – competitive obsolescence.

Here are some of the most important revelations:

1. More than nine in 10 firms are already using multiple desktop monitors. However, accepted practice is no longer just two. Half of all multi-owner firms are using three monitors per desk. Almost one in 10 are using four.

2. About four in five firms are scanning documents at the front-end – as they enter the office workflow – establishing a digital production process from the first touch. "Administrative personnel need to be well trained on tax document organization and have a workspace where they can immediately review, organize and save the source documents," according to Kepczyk.

3. With most accountants working at least one day a week out of the office, laptops are an essential tool. Today's laptop Ultrabooks are light, thin and fast, meaning no one need ever be too far away from urgent or important client or colleague needs.

4. Few firms have yet to go completely to cloud-based software. But most are already adopting parts of it, such as email and Microsoft Office. For most firms, it's probably too early to give up on file servers. If it's been more than four years since you upgraded your server, it's overdue. And there's no time to waste. Some firms need up to three months to install a new server.

5. Check your backup policies. While most firms routinely back up to local drives, about half have no offsite systems in place. If you're still using tape drive backups, it's time to move to networked drives, such as storage area networks (SAN) or network attached storage (NAS). These systems can restore lost or damaged files faster and easier than retrieving a tape from offsite. You still need to evaluate Internet-based remote storage. About six in 10 firms are already backing up all their data to the Internet at least once per month. Small firms are most often using hosted services, such as McAfee Online Backup, SOS Online Backup, CrashPlan, or Carbonite.

6. Windows XP is dead. Most firms are using Windows 7. And you may need to make some hardware upgrades before wholly adopting Windows 8. Windows 8 seems destined to become the standard that will usher in a new era for CPAs working across all mobile platforms.

7. The Internet has become every firm's lifeline. So some of the best firms are upgrading their Internet packages for higher speeds and adding second accounts with a separate line. The second line is usually a leased T1 line or straightforward DSL, cable and wireless options. Internet access is completely dependent on what is available in your region, and specifically to what service is running down your street and can be connected into your office. Firms should re-evaluate their digital cellular contracts,

because some telecom companies, namely AT&T and Verizon, are now offering “combined contracts,” allowing firm members to “share” data plans rather than have each person purchase bandwidth individually.

8. Like everyone else, accountants are moving beyond phone calls and email for routine communication. In today’s firms, professionals are using digital fax, instant messaging and video calls as commonly as anywhere else. Two thirds of firms already use digital fax systems; one third use video phones (i.e., Skype and FaceTime) and one quarter use instant messaging. iMessage, Google Talk and Facebook and AIM are just some of the apps that have migrated into the workplace.

In reviewing the research, Chicago-based practice management consultant Marc Rosenberg reports in CPA Trendlines that, “CPA firms are a lot more innovative than many of us think. In fact, technology is the major area of innovation for CPA firms. The way accountants do their work has been totally transformed and continues to change every year.”

A straw poll of managing partners reveals their own best strategies for maintaining their firms’ technology edge:

1. Seek out national CPA industry technology experts.

2. Make the IT director an integral part of the firm’s management team.

3. Find ways to obtain the input of a good cross-section of firm personnel on the state and direction of the firm’s technology.

4. Think strategically about technology budgets.

5. IT directors need to interact with their peers.

6. Don’t trust vendor salespeople.

7. Managing partners should acknowledge what they don’t know and find ways to fill that knowledge gap.

8. Don’t be stingy on IT spending.

9. Don’t be an early adopter.

Nevertheless, a third nationwide survey of CPA firms reported by CPA Trendlines reveals some serious flaws in how accountants are using – or wasting – their technology opportunities.

The study, *The Accounting Firm Operations and Technology Survey*, shows for instance, that 42 percent of the larger firms, those with 50 persons or more, are increasing tech budgets this year, but only 17 percent of solo practitioners are increasing their investments.

“Some firms are waiting as long as possible to get the most out of their existing equipment and not following a particular replacement plan,” the authors report. “The risk in not following a replacement plan,” they warn, “is decreased firm-wide productivity and the risk of failure during busy times.” In addition, they say, most CPAs seem oblivious to the long-term performance improvements an upgrade can deliver, more than making up for the one-time expense.

The fact is – as 43 percent of CPA firm decision-makers seem to understand – technology can provide a competitive edge. The question is, what will the other 57 percent do?

Rick Telberg is president and CEO of CPA Trendlines, a provider of actionable intelligence for tax, accounting and finance professionals, at cpatrendlines.com.

It's the Most Wonderful Time of the Year – To Seek New Opportunities

We're approaching the end of the year, which means the spring busy season is just around the corner. During this slightly slower period, why not pursue some business development proactively by expanding your network? Now is a great time to seek out new referral sources. Considering the second-best lead source in public accounting comes from external referral sources (the first is referrals from your clients), these are some important relationships to foster!

A referral source relationship is one in which your referral partner and you have similar or identical ideal target clients, but your individual professions or specialties are not in competition with each other. A referral source might be a banker or attorney – someone your ideal target client would use for an aspect of their business. Ideal referral sources are those who serve an almost-identical client profile as you would like to serve.

You can seek out new referral sources through networking activities. LinkedIn is a great tool for finding people who would be valuable in your network. You can use the search function to find bankers, attorneys or others in your geographical area and who specialize in your firm's niche areas and learn more about their businesses. You will also be able to see if you are connected to them through a mutual second or third degree connection. Keep your LinkedIn profile current and actively sign in daily or several times a week so that you stay up to date with your network.

Another avenue for developing new referral source relationships is joining a networking group or attending association meetings in your community. Group members attend meetings and events so that they can find opportunities to learn, collaborate and potentially source new business. Search networking groups in your area; ask your firm's partners and/or marketing personnel and you're sure to find several options to try out. However, going to one meeting won't suffice. If you realize right away that the group members do not have the same ideal target client or that the relationships will not be a fit for what you're looking for, move on. However, if you don't know whether there's a fit yet, attend several events or meetings. By meeting many of the group's members, you'll be able to determine if there's potential and if there is, it's important to build a presence by being active in the group.

Whether it's someone you met via LinkedIn or someone in your networking group with whom you want to explore business opportunities, ask them to meet with you so you can learn more. If you're meeting them on LinkedIn and you have a mutual connection with them, you can use that person as common ground by saying, "I see that we both know Sue and I happened to notice that you serve construction clients. I also serve construction clients in the area - what do you think about getting together by phone [or in person] to explore ways that we can collaborate?" You could also ask the mutual connection to introduce you, if needed. The goal of your initial phone call or meeting is to first determine if you like and trust one another. If you do not feel a

connection there, don't try to force it. If you do feel a connection, you can move on to determine whether you have similar or almost identical client service philosophies and whether you're serving the same type of clients. If so, there might be opportunities to collaborate. The relationship has to be mutually beneficial, a win-win, for it to last long term.

In your conversations, ask more questions and do less talking initially so you can really get to know the other party. Then, if appropriate, share about you, your firm and, when the timing feels right, what your ideal target client profile is. You want to learn as much about your referral source as possible, and vice versa, so that you both understand how you can be of help to one another. Let the referral source know that you're interested in new business and share ways you two could work together or benefit from each other. As mentioned previously, if you can't see a fit or a benefit for both of you, let it go and move on to other opportunities. It may take several meetings with different referral source prospects before finding one you feel is someone you could develop a long-term relationship with and comfortably refer clients.

It's important that you keep your referral source relationships evergreen. Sometimes, it's easy for them to stagnate or fall into a pattern of meeting regularly, but not talking about actual business topics. Make sure you're keeping each other updated on what's going on in your career and with your clients so that you're always keen to new business opportunities. Schedule breakfast or lunch with your referral sources, call and check in periodically, engage when they post things on LinkedIn or other social media sites – let them know you are paying attention to them and that you value their relationship.

Additionally, there's always opportunity to pass the importance of referral source relationships on to your firm's future leaders. Introduce them to your referral sources and have your referral sources do the same by bringing their own up-and-comers to meetings. This will help your future leaders learn about this aspect of business development and provide a foundation for continuing your already-nurtured referral source relationships into the future.

Use these next couple of months to seek new opportunities for referral source relationships. With the holidays approaching, networking groups often have fun, festive events and people might be more apt to think creatively and be more open to new opportunities. Now is the perfect time to start developing new referral source relationships that can deepen in 2015.

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An A for Arbitration

Accounting firm client engagement letters, partnership agreements and employment contracts frequently contain provisions calling for arbitration rather than litigation as the way to settle disputes.[1] The conventional wisdom is that, for most business disagreements, arbitration is the preferred track to achieving resolution. Like all "urban legends," there is both fact and fiction in

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[1] AICPA Code of Professional Conduct Rule 1.228.030, *Alternative Dispute Resolution*, permits the inclusion of arbitration provisions in engagement letters with attest clients.

the often-cited benefits and suitability of arbitration. In this brief article, we will turn the spotlight on both the advantages and limitations of arbitration.

Myth #1 – Arbitration is Cheaper

Whether in arbitration or litigation, lawyers invariably represent the parties. Legal fees mount quickly, and the setting is largely irrelevant. In arbitration, the parties pay for the arbitrator(s), usually one or three, in addition to the fees of their separate counsel. Arbitrators are typically lawyers or retired judges and often charge as much per hour as the attorneys. In a trial, the taxpayers pay the salaries and costs of the judges, clerks and other staff, and the physical facility. Just like in a court case, arbitration frequently involves discovery, depositions, expert opinions, motions and memorandums – all adding to the legal and other costs.

Myth #2 – Arbitration is Speedier

The dockets in our judicial system are undoubtedly overflowing and even the simplest cases can take years to conclude, a decade or more for really complex ones. In arbitration, the parties have, in effect, created their own private judicial system and matters usually move along fairly quickly. As noted above, left unguided, arbitrators often allow the parties to engage in much of the same procedural behavior as they would in a trial, which can lengthen the process. In addition, there is a minimal amount of time required to conduct an impartial and reasonable adjudication of a controversy that is not readily short-circuited, no matter the forum. Nevertheless, the parties to arbitration have considerable freedom to define and control the process, if they so choose.

Myth #3 – Arbitration is Private

Not only is arbitration an exclusive judicial venue for the parties, the proceedings are usually confidential, although companies may be required to disclose the existence and general nature of the dispute to investors, regulators and others. Although arbitration is intended to be quiet, there can be leaks, and the existence and outcome of arbitration may be difficult to conceal from clients, employees and the professional community.

Myth #4 – Arbitration Decisions Cannot Be Appealed

One of the perceived advantages of arbitration is its finality – once a decision is rendered, the matter cannot, as a matter of right, be further adjudicated. However, the inability to appeal is also seen as one of its negative features, particularly if you're on the weaker or losing side. Accordingly, parties are increasingly including the right of limited appeal, by another neutral party, in their arbitration agreements. Although this can prolong the final determination, it does offer greater flexibility, an opportunity to customize the steps for dispute resolution and some comfort that a potentially "arbitrary" decision can be reviewed.

Myth #5 – Rulings Will Be More Reasonable

The fear of runaway jury awards is real and has fueled the use of arbitration. Nevertheless, arbitration alone does not guarantee that the result won't be just as surprising. Arbitrators are given considerable latitude in making their rulings and awards. They often operate without much restraint and, as noted above, their interpretation and application of laws and court decisions is not subject to review. In addition, in cases before a single arbitrator, the findings may reflect the

subjective notion of fairness of one individual, unlike a multi-person jury that has the potential for a more diverse point of view.

In Praise of Arbitration

On balance, it appears that for the accounting profession, the benefits of arbitration generally outweigh its negative features. Most cases involving accounting firms are not factually complex. Instead, it is the application of fairly arcane accounting rules, regulations and standards that make them challenging. Arbitration conducted by an experienced arbitrator with accounting profession expertise, supported by a clearly defined and tightly controlled process, is likely to lead to a swift, less expensive and fair decision.

In addition, in accounting profession quarrels, privacy is likely to be a high priority given the usual financial nature of the dispute. Arbitration is more likely to provide the necessary protection. If alternative dispute resolution is the chosen path, it is imperative that engagement letters, employee agreements and other contracts contain provisions specifically tailored for the accounting profession, as well as those outlining orderly procedures and clear boundaries to direct the arbitrator.

Finally, arbitration should be the last step in the process, but proceeded by good faith and committed business negotiations, with mediation as an option if the parties want some help to come to a resolution.

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