



Calling a timeout on conflict

Learning to handle conflict with clients and staff can make your business stronger.

BY LIZ DECARLO
ILLUSTRATIONS BY CATHY GENDRON

When **Jamie Imus, ChFC**, heard one of his clients had mistreated his assistant, he took quick action. “This client is an older guy who works on pipelines, but he’s foul-mouthed and can get bent out of shape quickly. When he did that to my assistant, I called him and told him it wasn’t going to happen again. Otherwise I had a cancellation on my desk I would send to him,” Imus recalled.

“He came in and apologized. Now we’re fine; he understands the expectation,” said Imus, a one-year MDRT member from Bellingham, Washington. “He realized, ‘I like what they do for me, so if I want to stay with them, I have to be on my best behavior.’ Some folks just need to know what the expectations are.”

Any time there is more than one person involved in a situation, there’s potential for conflict. For advisors, these issues may be with a client, an employee or a business partner.

Client conflicts

“Anyone who says they have not had conflicts with clients is probably a new agent in the business, and he or she will face them soon,” said **Pablo Ponce Martinez**, an 11-year member from Puebla, Mexico. “Problems are normal, and we have learned the best way to face a problem is to listen, understand, accept and solve.”

Imus follows a similar approach. “You need to identify what the issue is,” he said. “It might be, ‘I never got a call from you when I was late on my payment.’”

Imus will repeat his understanding of the issue back to the client, to make sure they agree. Often, he’ll set up a time to call the client back and respond with possible solutions.

“I don’t do well on the spot. I need time,” Imus said. “So I’ll ask, ‘Can I call you Monday at 2 p.m.? Would you have an objection to that?’ I ask them to give me a day to think about it and craft a response.”

If a problem arises with a client because of a mistake a team member makes, the situation should be handled immediately with a phone call and an apology, said **Kimberly A. Harding, CLU**, an 11-year member from Woburn, Massachusetts. “It is important as a partner to always take accountability for your firm and accept responsibility, even if it was a team member’s error and not your own.”

It’s essential to find a resolution the client is comfortable and pleased with, Harding said. She also follows up a week later to ensure the client is satisfied with the problem resolution.

Sometimes what a client wants just isn’t tenable, and in those cases, it’s a

matter of letting the client know you’re not able to come to the resolution they’d like.

“I have one farmer who wants a phone call when his policy lapses. I explained we have too many households to do that and it’s the client’s responsibility,” Imus said. He told the client, “We send out four mailings, and that should be enough. If that’s going to be a problem, then we may not be a good fit for you.”

When he first started in financial services, like many advisors, Imus took on any client he could. Ten years into his career, he’s willing to let clients walk away if they’re too difficult to work with.

“Every moment I spend with someone who doesn’t want to be involved with me is stress on my life that makes my job harder and takes me away from other clients,” he said.

Employee conflicts

Harding can walk into her office and know immediately if something is off with a team member, which she attributes to having strong employee relationships and understanding their different personalities.

“When this occurs, I have the team member come into my office and find out what’s going on.

What I have learned is that you must nip any problems in the bud,” she said. “Allowing issues to go unnoticed and fester leads to additional problems, unhappy employees and a disruption in workflow.”

When there’s an in-depth difference of opinion or issue with an employee, Harding and the team member sit down and list the pros and cons of the situation >>

“Our goal is to resolve all conflicts and concerns quickly, while moving forward in a positive manner.”

— Kimberly Harding

from each person's perspective.

"We turn it into a learning opportunity and create ideas together as a team to make sure the issue can be avoided in the future," she explained. "Our goal is to resolve all conflicts and concerns quickly, while moving forward in a positive manner."

"Often, disagreements are due to misunderstandings and poor delivery of a message. By hitting the issue head-on and truly listening to the other's point of view, problems are generally resolved quickly in our firm."

Clarifying each employee's role and responsibilities in detail has helped reduce the potential for conflict in his office, Martinez said.

If a conflict does arise, the first step he takes is initiating open and honest communication. "The one and only rule is to always say the truth, no matter who made the mistake. Then we focus as a team to solve that conflict and learn from it," he said. "The commitment from the group is that the same mistake cannot be repeated again."

Partnership conflicts

Sometimes conflicts occur because roles within a business have changed over time, for instance when the junior partner becomes more senior, said Tanya Rapacz, co-founder of The Partnership Resource, which

THINK BEFORE YOU ACT

Perhaps the best advice and process for resolving conflict involves incorporating the T-H-I-N-K model, which hangs in many grade-school classrooms. (We can learn a lot from those much younger than us!)

Before you speak: **THINK**

Is it True?

Is it Helpful?

Is it Inspiring?

Is it Necessary?

Is it Kind?

specializes in assisting advisors with partnerships.

Initiating a conversation in this situation can be challenging, she said. "The senior is saying, 'I grew this business,' but the junior says, 'I have an equity stake and I need to know what the plans are.'"

Rapacz suggests junior partners approach senior partners by acknowledging the founder's role. "Say something like, 'I'm really getting a lot out of this firm you created. I appreciate this partnership we have embarked on together, and I'd like to talk about where we're at going forward.'"

It's in the best interest of the senior partner to engage in this conversation and work it out.

"Sometimes, they've spent a lot of time with a junior partner who then leaves, and the senior has to start over again, which may not work with their timetable," Rapacz said. "So both the junior and senior partner have an interest. The senior partner has to understand that ceding some of the control might be the right thing. They might want to compromise to let the junior partner rise up."

The positives

Not all conflict is bad; sometimes working through a situation leaves all parties in a better position than when they started.

"You need some robust conversations and to have the other person really advocate for their decisions, because then the decision is more vetted," Rapacz said. "We're not conflict-avoiders. We encourage conversation, but not getting personal or entrenched."

Martinez has seen firsthand how something good can come out of difficult situations. When conflict arose around his firm's collection process, it led to the detection of some failures with the insurance company.

"We're not conflict-avoiders. We encourage conversation, but not getting personal or entrenched."

—Tanya Rapacz

"As a consequence, we took action, and now our process is super-vised frequently and is much more efficient."

Harding has also seen positives arise from conflict, whether it has identified a breakdown in office procedures, created new and better systems, or forced team members to accept constructive criticism and grow in their profession.

"Although the initial road may be bumpy, if conflict is handled correctly and quickly, it can be used as a way to evaluate your team and your practice, and lead to a better firm to serve your clients," Harding said.

Martinez agreed. "A conflict doesn't necessarily mean that we have failed in a task. Generally, it means that our business is moving and we are growing. You don't have to be a specialist to resolve a conflict — often it just requires the right attitude and common sense." ■

CONTACT:

Jamie Imus: jamie.imus@countryfinancial.com

Pablo Ponce Martinez: pablo.ponce@protegeseguros.com

Kimberly Harding: kim@hardingfinancial.net

Tanya Rapacz: tanya@thepartnershipresource.com

FIVE STEPS TO RESOLVING CONFLICT By Tom Green

1 Acknowledge that conflict exists

- It usually begins with one person who realizes there are differing positions and the best process is to explore differences.
- Call a timeout — point out the conflict to others involved. Take time for tension to subside.
- Succinctly describe the problem — including others' views. Assess the situation, describe your role and views; let others assess.

2 Gain common ground

- Describe how the issue is in the way of team goals and relationships.
- Pinpoint areas of agreement.
- Prioritize highest goals.
- Summarize the benefits if the issue is resolved, and how both parties stand to lose if it's not resolved.

3 Seek to understand all angles

- Provide everyone the privilege to voice their opinion — all opinions are expressed and honored — to better understand the problem and discover the solution.
- Suspend biases.



- Encourage robust and balanced discussion.
- Ask questions to clarify needs and expectations (see T-H-I-N-K on Page 22)

4 Attack the issue, not each other

- Focus on cause and effect — not just symptoms like pain, tensions, discomfort and frustration.
- Acknowledge feelings with mutual respect.
- Seek to understand all points of view.
- Work for what is best for the team, the client and the organization — not individuals.

5 Develop a way forward

- Decide on a solution — preferably using consensus — meaning everyone can and will support the resolution and way forward.
- Document the action plan. Who's going to do what by when?
- Summarize the learning — how we are better and will do better next time.
- Schedule a debrief if necessary.

Tom Green is a leadership consultant, coach and CEO of The Discussables Group, a firm dedicated to teaching leaders and teams how to speak up to achieve their business goals. Contact him at tom@discussablesgroup.com.