

WEBINAR

EXPLORING CONTINUITY VS. SUCCESSION

INSIGHTS

Powered by FP Transitions



TODAY'S PRESENTERS



KEVIN GOSERUD, CFA
VP of Consulting



MALLORY BOUTIN, MBA
Consultant



LET'S COVER THE **ESSENTIALS**

Fundamentals

Tools &
Resources



Purpose

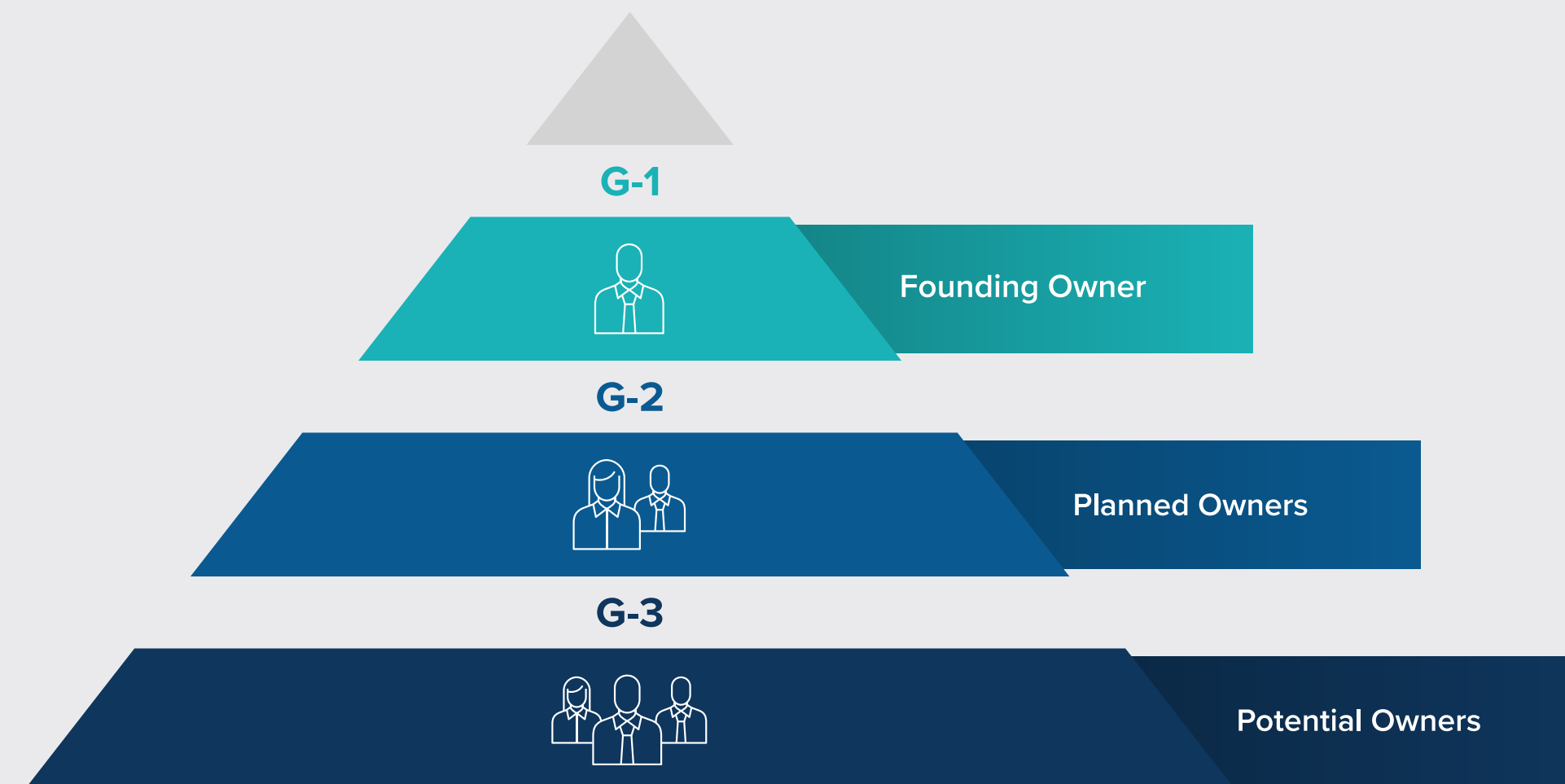


CONTINUITY VS. SUCCESSION

SUCCESSION



- A thoughtful plan that looks beyond a personal endgame strategy by creating the appropriate structural elements to support the growth and profitability necessary to attract, retain, and reward a multigenerational team of owners.



CONTINUITY

- ● A **required plan** to protect against sudden death or disability.
- ● Regardless of your practice size or career path, determining the value of your business and creating a plan to protect it is the single most important step you can take for the future of your advisory career.



PLANNING SPECTRUM



**LEAST
PROTECTED**

**MOST
PROTECTED**

THE **FACTS**

- ◆ Only **15%** of advisors know their **business value**.
- ◆ Only **10%** of advisors have a **written, executable, continuity document**.
- ◆ Clients **expect** advisors to protect their assets.

IMPORTANCE OF **CONTINUITY**

It's about documenting what you want to happen because you will not be actively participating in the process.

- Protect your clients & their assets
- Protect your team
- Protect your family
- Protect your value



4 STEPS TO SUCCESS

P.A.V.E.



STEP 1

PARTNER

Find a qualified & licensed partner
Ensure proper FIT



STEP 2

ASSURE

Formalize in writing
Define terms
Clarify deal terms



STEP 3

VALUE

Complete annual valuation
Document sale price
Ensure financing



STEP 4

ENGAGE

Understand & prepare
Review & update annually
Communicate the plan

CONTINUITY PLANNING - A CORE ELEMENT OF EMS™

Equity Management Solutions® is a membership program designed to support advisors on their journey for protecting, growing and transforming their business.

EMS™ ESSENTIALS

- ANNUAL MARKET VALUE ANALYSIS
- ANNUAL CONTINUITY PLAN WITH UPDATES
- ANNUAL COACHING CALL
- ACQUISITION NOTIFICATIONS
- EXCLUSIVE MEMBER TOOLS AND RESOURCES

EMS™ PROFESSIONAL

- ASSESSMENT OF BUSINESS' EQUITY VALUE
- ANNUAL COMPREHENSIVE BENCHMARKING REPORT
- ANNUAL CONTINUITY PLAN WITH UPDATES
- CONTINUITY PARTNER MATCHING
- KPI CONSULTING
- ACQUISITION READINESS TOOLS
- PRIORITY ACQUISITION NOTIFICATIONS + UNLIMITED INQUIRIES
- ANNUAL MARKET ASSESSMENT OF AN ACQUISITION TARGET
- EXCLUSIVE MEMBER TOOLS AND RESOURCES
- EXPERT INDUSTRY STUDIES AND DATA

CONTINUITY & SUCCESSION

GO HAND IN HAND

- ◆ Continuity Plans are not Succession Plans.
- ◆ Continuity occurs in your absence, while Succession occurs with your guidance and participation.
- ◆ Continuity is a good rehearsal for succession.
- ◆ Continuity + Succession = Ideal

BENEFITS OF **SUCCESSION**



- ◆ **Owners** exit on their own terms.
- ◆ **Successors** grow into their roles.
- ◆ **Client** relationships are preserved.
- ◆ **Company** profit and value optimization.

SUCCESSION



- Succession planning is **not** about winding down and walking away, or about selling what you've built.
- Continued involvement helps:
 - Position successors to thrive
 - Recognize incremental payouts
 - Transition the client relationships

INTERNAL SUCCESSION : **KEY CONSIDERATIONS**



Battle
for Talent



Control



Growth



Capacity



Sustainability



FP TRANSITIONS APPROACH: **SUCCESSION PLANNING**



PHASE 1

DESIGN



PHASE 2

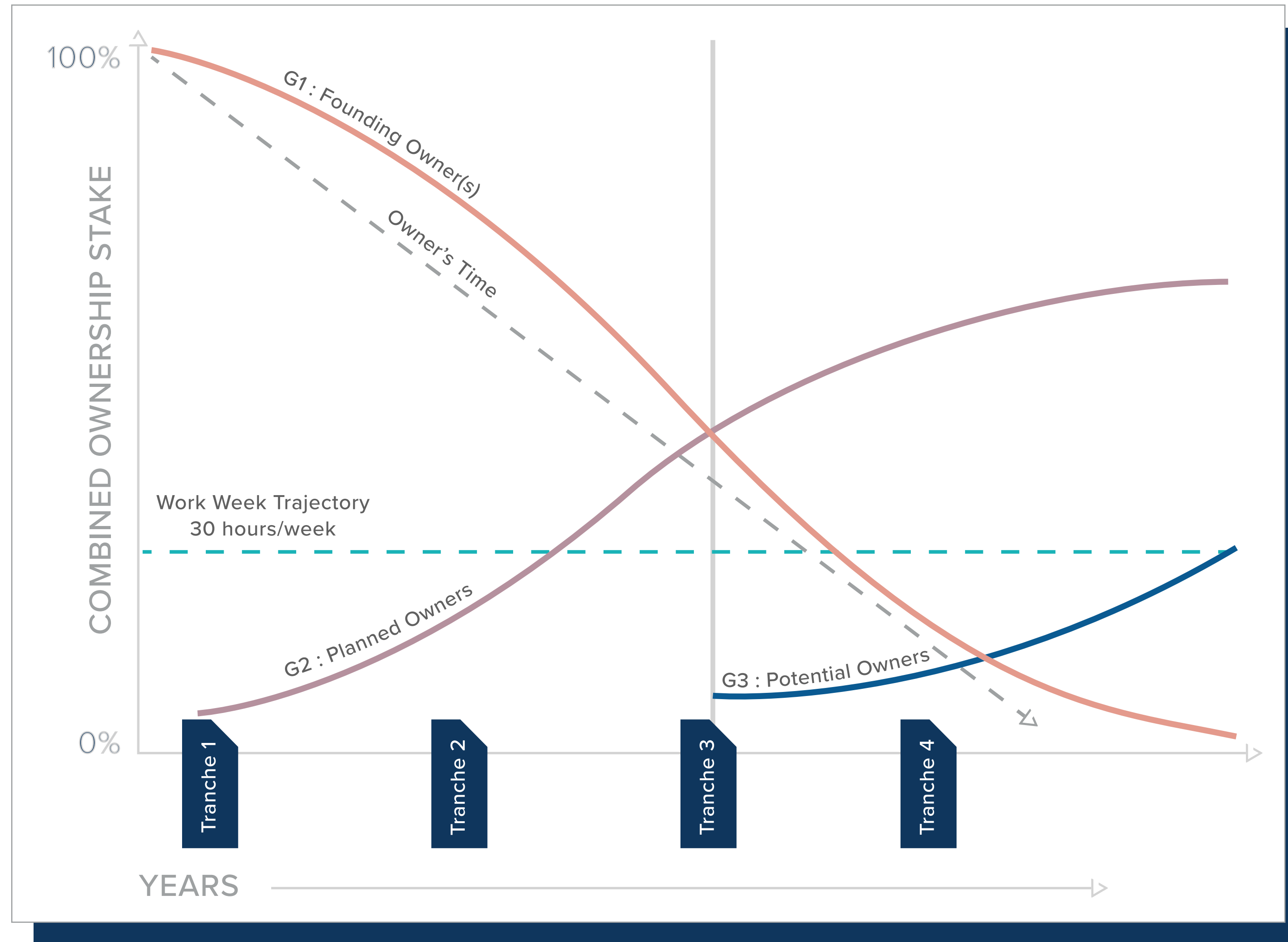
IMPLEMENTATION



PHASE 3

**ONGOING
SUPPORT**

SELLING IN TRANCHEs



OUR BEST ADVICE: **START EARLY**



- ◆ A 10-15 year runway is recommended for most succession plans.
- ◆ The goal is to have open communication between the buyers and sellers.



LET'S HAVE A **CONVERSATION**

