



**PLAN  
FOR  
SELLERS  
WORKBOOK**



**FP TRANSITIONS®**

# INTRODUCTION

As you prepare to sell your business—gathering all the knowledge you can about the process and what to expect in terms of deal making, negotiations, documentation, taxes, and compliance issues—you should take care not to overlook personal preparations.

Before you decide to sell and take on the emotional journey that comes with it, you should identify and acknowledge your goals, priorities, and expectations. Taking the time for this will avoid surprising personal challenges and decisions that WILL come up. Address the whole picture ahead of time and you can avoid making a quick decision that might not ultimately align with what you're really looking for in your transition and exit.

This workbook is meant to help you nail down your personal, and perhaps previously unacknowledged, goals and priorities. So, take a moment by yourself—or with your spouse—pour a nice glass of wine or cup of coffee, and consider the following:



# FIRST THINGS FIRST

These first—and most important questions—will help shape your deal making and buyer criteria. **BE HONEST**, remember this is between you and yourself right now. There are no wrong answers.

- How concerned are you about what happens to your clients after you leave the business?

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- Are you more focused on monetizing the business than finding a buyer who will service your clients with minimal disruption and maximum retention? Using the scale below, how would you balance the two priorities?



- Do you really only care that the buyer be “qualified” to take over the business?
  - *What does qualified mean to you?*
    - *CFA? • CFP? • Fiduciary?*
    - *5 years or more as an advisor?*

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These answers will help you choose your battles at the negotiating table and prevent you from making decisions you may regret.



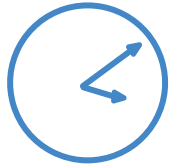
## WHY

Next, think about your decision to sell and what factors influenced that decision.

Which of the following reflects your own reasoning?

- I just want out. I'm not satisfied with this career. I'm ready to move on to the next chapter of my life as quickly as possible. Walking away and never looking back is my main concern.*
- I'm ready to move on from my career, but I do worry about the future of my clients and/or my employees. I'm willing to take the time to be sure they're in the right hands after I leave.*
- I'm reluctant to leave the business, but I'm burnt out on all of the operational decisions and tasks. I wish I could go back to just working with clients. (See An Alternate Path Section, pg. 6)*
- I'm reluctant to leave my business, but I need to due to life circumstances – i.e. health issues, family demands, divorce.*
- My wife/husband/children say it's time.*

Recognizing your reasons for selling will help you avoid making decisions or concessions during the process that defeat the purpose of the sale.



## TIMELINE

Take some time now to look inward and think about your own personal time and goals. Think about your transition timeline, and your desired involvement in the business after your transition.

- How long do you expect to keep working at your current capacity and time commitment?

less than 3 years    3-5 years    5-10 years    10 to 15 years    15+ years

- Are you open to working for a certain number of years while gradually reducing your time and responsibilities? (See An Alternate Path Section, pg. 6)

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- When you do sell your business, how long do you expect / want your transition to take?

- As long as a smooth transition takes?
- As little time as possible?
- By a specific date? What is it? What does it represent?

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- How involved do you want to be post transition?
  - *Not at all.*
  - *Somewhat, professionally speaking – I'm willing to, and might enjoy being available for questions from the new owner about the clients, etc.*
  - *Somewhat, on a social level – I'd like to pop by, attend holiday parties, etc.*

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- On a scale of 1-10, how important is it to have this desired involvement level? If the buyer had a different preference would you rethink their offer?

*unimportant* **1**   **2**   **3**   **4**   **5**   **6**   **7**   **8**   **9**   **10**   *extremely important*

These answers will help you determine not only deal and transition details, but how long you have to plan before you need to start the selling process.

# AN ALTERNATE PATH

If you feel reluctant to leave your business and your career, but know you are unable to operate at the current level, have you considered alternate/supplemental options to selling?

*Skip this section if you know you're ready to leave and move on.*

- What do you like most about being an advisor and/or an owner?
  - Do you love working with clients?
  - Do you find satisfaction balancing portfolios?
  - Do you look forward to meeting and prospecting new clients?

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- What do you like the least?
  - Do you dread client meetings?
  - Are you burnt out on dealing with the day to day office management?

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- If you could put yourself in a position to carry on with what you enjoy doing while giving up the duties that you dislike—which might be influencing your decision to sell—would you stay?

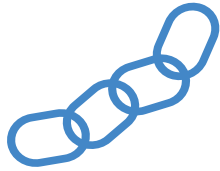
No     Yes     *Possibly, but only if...*

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- Have you considered selling your business, liquidating your equity, and continuing to work as an employee of the firm as a non-owner?

No     Yes     *I wasn't aware that was an option*





# ATTACHMENT

These next questions tap into how you feel about your business and your employees. You've built this business, you made the decisions to keep it—and the team—running and thriving all this time. It's not just another job...Or maybe it is.

- What is your emotional attachment to your business?
  - Do you consider it your "baby"?
  - Does it feel like another challenge or accomplishment that has been achieved?
  - Is it, in fact, just another job?

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- On a scale of 1-10, how important is it that your firm retain its identity / branding / name?

*unimportant* **1**   **2**   **3**   **4**   **5**   **6**   **7**   **8**   **9**   **10**   *extremely important*

- Do you have any staff that wish to stay with the business after you leave?
  - How important is it that a new owner retain existing team members?

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- What values are the foundation of your business?
  - Do you have a unique company culture?
  - Is your business committed to charitable giving and/or community service?
  - How important is it for your business to continue to uphold those values and continue these practices?

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- What is your personal role in the community?
  - *Is this role contingent on your business ownership?*
  - *Would it disappoint you to lose that status / title in your community?*

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- How important is it that your business continue to reflect well upon you to your clients, friends, and community after you've transitioned out of the business?

*unimportant*

**1      2      3      4      5      6      7      8      9      10**

*extremely important*

- What knowledge and/or experiences are important for you to pass on to your employees and/or the new owner?

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- Finally, where do you see your business 5, 10, 20 years after your exit?
  - *Do you care?*
  - *Is it important to you to know that it will grow & thrive?*
  - *Would it disappoint you if it was not successful under new ownership?*

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# YOUR LEGACY

Now you know what your priorities are for your exit and your future, as well as your hopes for the continuation of the business as it carries on without you, you can think about your ideal buyer.

Many of the questions you've already answered have started to form your picture of the ideal buyer. The questions in this section focus on interpersonal connections and will fill out your vision, ensuring your search is targeted to the perfect fit from the beginning.

- Think about how you interact with your staff.
  - Are things friendly?
  - Or, as the boss, do you tend to remain removed socially?

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- How important is it to you that the new owner maintain that same level of relationship with any remaining staff?

*unimportant* **1**   **2**   **3**   **4**   **5**   **6**   **7**   **8**   **9**   **10**   *extremely important*

- How do you connect with your clients for service meetings? How often? In person or over the phone?
  - How important is it that this frequency and method continue?
  - Would you be open to a new owner taking a new approach?

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- How do you connect with your clients socially?

*-Is it purely a business relationship with no interaction outside of scheduled meetings?*

*-Are they family friends who you socialize with often?*

*-Do you receive birth/wedding/retirement announcements from your clients and their families? Do you attend these celebrations?*

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- How important to you is it that the new owner maintain these connections with the retained clients?

*unimportant*

*extremely important*

**1      2      3      4      5      6      7      8      9      10**

- Is your client base largely local?

No     Yes     *The mix of local to non-local clients is pretty even.*

- Is it important—even crucial—that the buyer maintain a local presence?

*Yes, it is essential.*

*Yes, I would prefer that, but it's not a deal breaker.*

*No, a local presence is not one of my main priorities.*

- Is there an office space that would need to be maintained?
  - Is it leased space? How much time remains on the lease?
  - Is the office part of the physical assets being sold with the practice?

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- Describe your clientelle? How are they unique? Do you service a particular niche?
  - How important is it that the new owner have experience working with this particular group of investors?

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Even as you step into the next chapter of your life the future of the business you're leaving behind is likely important to you. In choosing the right buyer, you can have a say in the shape the business takes without you.



# POST-TRANSITION

Now you have a better idea of the whole selling journey ahead. You've been honest about what kind of buyer you would like to take over your business, how you feel about letting go of your business, and your priorities for taking care of your clients and staff after you're gone. It's time to think about what YOU'RE going to do with your life after financial advising.

These plans might seem ancillary and unimportant until you've made the transition. But, not knowing what comes next and not having something to look forward to could lead to unnecessary feet dragging and indecision simply because you're panicking (whether consciously or not) about your own future.

- What do you currently enjoy doing in your free time?

- *Sailing?*
- *Gardening?*
- *Reading?*

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- How would you expand these activities if you had more time on your hands?

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- What have you always thought about doing or getting involved with but haven't had the time?

- *Travel?*
- *Home renovations?*
- *Cooking classes?*
- *Volunteering?*

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- Are there other business ventures you'd like to tackle? What are they?
  - *Wine making?*
  - *Opening an ice cream shop?*
  - *Fishing tours?*
  - *Writing a book?*

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- How will selling free up time to spend with your friends and family?

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- What do you want to spend your first day post transition doing?

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Of course, there are more personal considerations and decisions to be made, but hopefully this workbook has put you in the mind space to explore this facet of your decision to sell.

The next adventure should be exciting, not scary, and you shouldn't have to deal with more stress than is necessary.

FP Transitions' experienced consultants will work with you to help determine the value of your business, market to the industry's largest database of qualified buyers, arrange finance terms, and prepare the contracts. FP Transitions' Open-Market System provides advisors with more than 50 qualified buyers to choose from, ensuring that you receive the best successor, business value, and end result for your life's work.

For more information about our services, feel free to contact us at **800.934.3303**  
You can also find more resources and information at [fptransitions.com](http://fptransitions.com)



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