

# EMS™ GROW - EXCLUSIVE MEMBER RESOURCE

## Ownership Eligibility Parameters

Did you know that next generation owners often start the ownership conversation? Founders and owners can prepare and even initiate these conversations with a little preparation. First, clarify the most important values, skills, and interests that will determine ownership readiness for your firm. We've documented some of the most common focal points. Some firms like to have these written down and some would prefer not to. If you are to introduce these eligibility parameters to key employees, we recommend giving some thought to the ideal messaging and flexibility in order to provide room for exceptions and managing expectations.

### Quantitative

- Number of years in the industry
- Number of years with the company
- Must be at "Senior" advisor level (role and requirements)
- Meets or exceeds goals (production, client satisfaction, households served)
- Licenses, certifications, designations, etc.
- Has the financial ability to afford ownership

### Qualitative

- Expresses interest in being an owner
- Demonstrates high character
- Interacts well with clients, other employees, partners
- Shares the company vision/mission and fits the culture
- Demonstrates a long-term commitment to the company
- Can tolerate uncertainty
- Resolves problems effectively
- Not afraid to fail and demonstrates ability to evolve
- Improves systems and shares valuable new ideas
- Operates with high efficiency
- Manages difficult situations and large workloads appropriately
- Understands the books, records and agreements of the company

Once defined, integrating these requirements into your firm's career development and staffing processes can provide clear pathways for talent by informing when, if, how, and for whom equity conversations are earned.