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Successful Succession Planning



1. Preparation and Initial Contact

- Understanding the Seller's Motivation:

Acknowledge that a transition may be initiated due to retirement, health events, or life changes. Understanding the personal reasons behind the sale can help in tailoring a respectful and appealing offer.

- Assessing the Value:

Highlight the importance of evaluating the seller's book of business, which includes client relationships, account types, and the overall financial health of the business.



2. Choosing the Right Successor

- Geographic and Cultural Fit:

Finding a successor within the same region can be beneficial but isn't required for a transition to be successful. However, someone who shares a similar business philosophy to maintain continuity for clients is usually more important.

- Back-office Support and Integration:

Discuss how leveraging existing relationships with organizations for back-office support can facilitate a smoother transition.



3. Structuring the Deal

- Flexible Compensation Models:

Explain different compensation structures such as lump-sum payments, earn-outs, and other structured agreements. Discuss the benefits and drawbacks of each to help the audience understand which might suit different scenarios.

- Setting Transition Dates and Terms:

Outline how to agree on a practical timeline for the transition that allows adequate time for client notifications and adjustments.



4. Client Communication and Onboarding

- Role of the Selling Advisor:

Stress the importance of the outgoing advisor's role in communicating the change to clients, helping them understand and trust the new arrangement.

- Introduction and Onboarding by Purchasing Advisor:

Share strategies for introducing oneself to new clients and effectively integrating them into your firm without overwhelming them with immediate changes.



5. Post-Transition Client Engagement

- Building Trust with Key Clients:

Offer tips on establishing trust and rapport with key clients, including personalized communications and understanding their unique needs and history.

- Handling Client Data and Historical Information:

Discuss the importance of having comprehensive client data transferred, including notes in the CRM, financial plans, and account objectives to ensure continuity in service and advice.



6. Long-Term Success Factors

- Continual Communication:

Emphasize the need for ongoing communication with clients about the changes, reiterating the benefits and stability of the new arrangement.

- Adaptability and Client Feedback:

Encourage the audience to be open to feedback from client's post-transition and to adapt strategies as necessary to meet client expectations and build long-term relationships.