



WHAT IS YOUR SUCCESSION PLAN?

6 KEYS TO BUILDING A
STRONG & FLEXIBLE PLAN
ON YOUR TERMS.

For financial professional/institutional use only.

About us:

- Succession experience since 2005 in:
 - Advising
 - Construction
 - Implementation
- 4 Partners started BHWA in 2015
- Company that focuses - helping both clients and financial advisors retire on their terms
- Group started with 100 Million and have grown to 3.6 Billion as of November 2021

What we will cover today:

- Equip you with the information needed to develop the best plan
- Learn the 6 keys to a strong & flexible plan
- Developing the right mindset
- Walk away with clear next steps



#1 – Start your planning early

- Years in advance, not months
- The mental & physical strength needed
- 2 Stages
 - Time for negotiations that allow for customization (6-12mo)
 - Determine priorities
 - Evaluate a few different options
 - Time to work with the group before fully stepping back (2+ years)
- Helps to create the best financial structure
- Clients will have a greater benefit



2 – Allow for shifting of responsibilities

- Reduce undesirable activities
 - Reduce responsibilities
 - Improve work life
 - Free up time and capacity
 - Test drive your relationship with successors
 - Start simple, increase integration over time

3 – Allow for a change in successors

- Maintain the ability to change the who
- Amendable Letter of Intent (LOI)
- Force the successor to earn it
- Create that trial period of coexisting
- Leverage the successor's support to stress test
- Seek succession experience with a service mentality for your successor

4 – Potential for stages vs. all or nothing

- Allow for the sale of the practice in pieces
- Downshift number of clients you are responsible for
- Free up time and capacity
- Increase longevity until full retirement
- Create multiple liquidity events

5 – Set pricing appropriately

- Future FMV vs. set multiples
- Set multiples gross vs. net
- Terms & conditions
 - Upfront
 - Length of backends
 - Tax treatment
 - Claw back provisions
 - Upside opportunity



6 – Reduce risk of client attrition

- Client concerns aren't often vocalized
- Communicating a future plan puts their mind at ease
- Increases client retention pre and post transition
- More likely to refer new

6 Keys to a strong & flexible plan

1. Start your planning early
2. Create a shift in responsibilities over time
3. Allow for a change in successors
4. Allow for the potential of stages vs. all or nothing
5. Set pricing appropriately
6. Reduce risk of client attrition



Thank You.



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