

WHAT IS YOUR SUCCESSION PLAN?

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

For financial professional/institutional use only.

BOSTON HARBOR

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

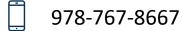
- 1. Start your planning early
- 2. Create a shift in responsibilities over time
- 3. Allow for a change in successors
- 4. Allow for the potential of stages vs. all or nothing
- 5. Set pricing appropriately
- 6. Reduce risk of client attrition





Thank You.

Matt Davis, CEO Boston Harbor
Wealth Advisors | FA Raymond James



matt.davis@bostonharborwealth.com

<u>www.joinbhwa.com</u>

1400 Computer Dr. Westborough, MA

For financial professional/institutional use only.

Please add: Boston Harbor Wealth Advisors, LLC is not a registered broker/dealer and is independent of Raymond James Financial Services, Inc., member FINRA / SIPC. Investment Advisory Services offered through Raymond James Financial Services Advisors, Inc.