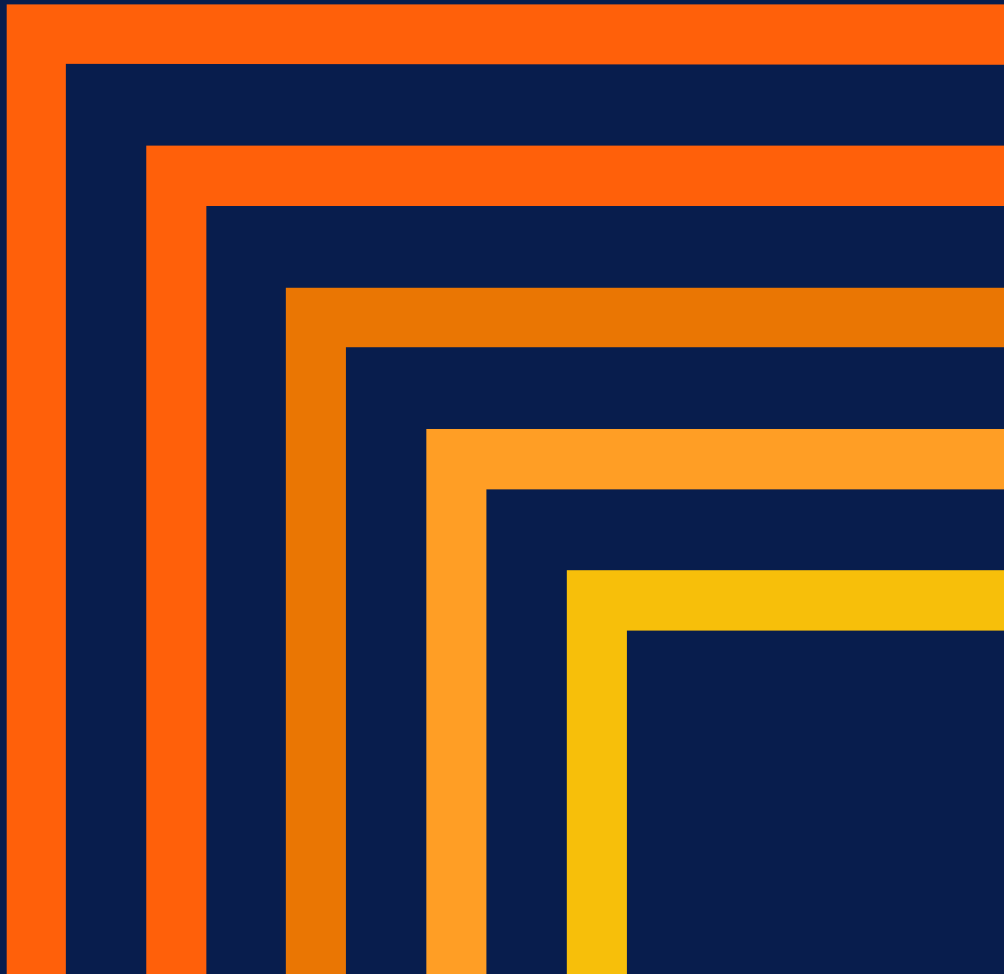


VALUE DRIVERS FOR YOUR BUSINESS

M&A SOLUTIONS

Premium Buyer Program





Value Drivers For Your Business

M&A Solutions

8 Steps to Maximize The Value of Your Life's Work

Making a few simple changes to your book could mean the difference between realizing its full potential value and selling it for substantially less than it could be worth. Whether you're looking to sell or simply to increase the value of your practice, here are eight key considerations that could significantly increase the value of your life's work.

1. Recurring Revenue

The higher the percentage of your revenue that comes from predictable, recurring fees and commissions (advisory fees, planning fees, mutual fund trails, etc.), the greater the value buyers will place on your practice.

2. Client Tenure

The longer your clients have been with you, the less likely they are to leave when a new advisor comes in to service them because of an acquisition. Additionally, the ability to generate new business with a younger generation of your existing client base will increase AUM and create a longer term client.

3. Asset Concentration

The lower the concentration of AUM among a small number of clients, the more valuable your book of business is. This is due to lower overall client attrition risk to the buyer who has acquired your business and your client relationships.

4. Client Demographics

Books of business with a substantial number clients in the distribution phase of the wealth lifecycle are worth less because those clients are frequently withdrawing their assets. Additionally there is less of an opportunity to cross-sell this client age demographic.

5. Client Wallet Share

As a financial advisor, having responsibility for most of your clients' financial assets means having stickier clients and better client relationships. Therefore, there is a better chance your clients will transition over to the buyer of your practice.

6. Expense Structure

Financial advising practices that are running high expenses on their P&L are less valuable because there is less net cash flow from the business year after year. Strategically, decreasing your expenses will increase the value of your business to a buyer.

7. Multi-generational Clients

Capturing assets from multiple generations of a family creates more value in your practice because these clients are more likely to stay, as well as to have more wallet share with you. This is a valuable feature to a buyer.

8. Technology

As practices begin to move toward an advisory-focused business model, access to technology that facilitates the transition from brokerage to advisory platforms and provides consistent reporting to clients can streamline operations and add value.