dynamicDIRECTIONS®
Building a Better Life and Practice for Financial Advisors

Case Studies for

SUCCESSION PLANNING

Robert A Bonfiglio

BEDFORD, NH

CFP®, MBA, ChFC®, Financial Advisor

Bob has integrated eight new practice purchases and more than doubled the staff in his office — while reducing the number of hours he works. He's established many center of influence (COI) relationships that provide referrals regularly and doubled organic client acquisition. These strategic moves have landed him on the Barron's Top 1,200 list from 2014 to 2017, and he is ranked as a top advisor in New Hampshire. He also serves as a coach with Dynamic Directions.

ADVISOR A

Sole Practitioner

- $225K GDC
- $24 M AUM
- 122 Clients

Price/Terms

- $350K
- 20% Down, 3 year payout
- Attrition Clause

Tax Treatment

- 25% Consulting
- 75% Cap Gains

Preparation

- Reviewed client base with seller for opportunities
- Identified 25 for Bob to serve
- Remainder to Junior Advisors

ADVISOR B

Sole Practitioner

- 1 licensed staff
- 1 non-licensed staff
- $500K GDC
- 185 Clients
- $55 M AUM

Price/Terms

- $918K
- Quarterly payout over 6 years
- Attrition Clause

Tax Treatment

- 25% Consulting
- 75% Cap Gains

Preparation

- Identified 75 clients to go to another practice
- Identified 25 for Bob to serve
- Remainder served by Junior Advisor who stayed with practice

ADVISOR A PAINS/CHALLENGES

Health concern

One year prior to retirement:

- Sent letter to clients announcing that Bob was his succession plan
- Buy Sell in Place

Taxation of practice

- Spread consulting portion of payment over 2 years

ADVISOR B PAINS/CHALLENGES

Concerned about future of staff

- One licensed staff member came over to Bob's practice. Promoted to advisor and lead servicing advisor on 40 clients.
- One who Bob did not need: He found another practice for her to work in (win/win)

TRANSITION PLAN FOR BOTH PRACTICES

• Calls and meetings with top clients	3-6 MONTHS PRE-CLOSE
• Letter to clients from Seller - Announce Retirement - Thank clients - Introduce new Advisor (Include why he was picked) - Bio of the new Advisor - Invite to Retirement party for selling Advisor	2 MONTHS PRE-CLOSE
• Joint meetings with top clients • Retirement party Seller - Thank Clients - Introduce buyer Buyer - Meet clients - Introduce key staff	2 MONTHS PRE-CLOSE TO 3 MONTHS POST CLOSE
• Intro letter from buying Advisor	WEEK OF CLOSE
• Calls by buyer to schedule meetings	FIRST WEEKS AFTER CLOSE

For more information and/or to schedule a complimentary 30 minute consultation, email Bob at robert.a.bonfiglio@ampf.com or call (603) 606-4255.