

# THINKING ABOUT SELLING YOUR PRACTICE



Are you thinking about cashing out your equity and heading off into the sunset? Selling your practice is a big decision, and the more prepared you are, the better off you will be when you do sell. Read through these steps to ensure you are well-prepared to achieve the outcome you want.

## IDENTIFY THE “WHY”

For most people, selling their practice is about more than the sale price. What’s motivating you to sell? What is the next phase of your life going to look like beyond working in your practice? What are the rippling effects of selling your practice on your personal and family life?

## MOST IMPORTANT TRAITS IN A BUYER

Begin writing down the values, principles and philosophies you want in a buyer. Identifying the key traits and characteristics that are important to you will help you attract the right people while preparing you to share the vision of what you want to happen with your practice.

## ESTABLISH PRICE, TERMS AND CONDITIONS

In order to maximize the value of your practice, it’s important you understand the recent trends in determining the value of a practice and the financing options. There are many ways to establish the value, get paid and transition out of your practice. Knowing what is possible will give perspective on what you can expect in these key areas and what buyers want in a transaction.

## MAXIMIZE YOUR PROFIT FROM THE SALE

Once you establish the valuation, terms and conditions you desire, consider what you could implement in the short run to drive up the value of your practice. You may find making several small changes over a short period of time could go a long way in increasing the value of your practice.

## PRIVATE SALE VS. PUBLIC SALE

Do you already have potential buyers in mind? Do you want access to qualified buyers without broadcasting your practice across the nation? If so, you may want to consider taking a Private Sale approach where you navigate through a select group of buyers. If your list of potential buyers is limited, you may want to consider pursuing a Public Sale where your practice will be exposed to multiple regions across the United States.

## RATE YOUR CLIENTS

Segment your clients so the buyer will know which clients to focus on first and will be able to assign the servicing advisors within their own team. Be prepared to share the criteria you used to help the buyer understand how you arrived at your segmentation.

## GET YOUR REPORTS TOGETHER

Potential buyers will want to see a host of data about your practice that you can provide through various reports from your broker-dealer. Buyers will want to see your sources of GDC, the amount of assets you have in the products you use, the age of your clients, recurring GDC, number of ongoing financial planning relationships and much more.

## LIST FUTURE OPPORTUNITIES

Identify the outside opportunities for each of your clients that you currently don’t manage (i.e. 401ks,

investments held at a competitor, retirement in the next three years, cash, unfulfilled insurance needs) that will make your practice more attractive. This will be very helpful to the new owner.

## PROFIT AND LOSS SUMMARY

Create a summary of all of your expenses, revenue, net profit and the overall economic benefit to you. This list should also identify the expenses that will transfer to the new owner (i.e. office lease, contracted services, equipment leases, etc).

## ORGANIZATIONAL CHART

Prepare an overview of your team members and the recommendations you have for retaining the team. The details should include job titles, job descriptions, roles and responsibilities, compensation and benefits, benefit manual and your overall performance rating for each individual.

## HIRE A TEAM OF EXPERTS

This checklist represents a high-level overview of the many considerations and strategies that typically go into selling a practice. Partnering with a team of experts as you sell your practice can prove to be invaluable. These specialists can help chart your course, keep you on track, troubleshoot along the way and assist you in getting the desired results in the most efficient and effective manner.

Acquisitions Advisory has the experience to guide you through the selling process to achieve the best possible outcome for you. For more information or a free consultation, call us today at 270-663-7264 or visit us online at [www.a2advisor.com](http://www.a2advisor.com).

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